

RESOLUTION AUTHORIZING THE BORROWING
OF \$1,500,000;
PROVIDING FOR THE ISSUANCE AND SALE OF
GENERAL OBLIGATION PROMISSORY NOTES
THEREFOR; AND LEVYING A
TAX IN CONNECTION THEREWITH

WHEREAS, the Village Board hereby finds and determines that it is necessary, desirable and in the best interest of the Village of Dorchester, Clark and Marathon Counties, Wisconsin (the "Village") to raise funds for the purpose of paying for sewer and water improvements (the "Project") and refinancing certain outstanding obligations of the Village, to wit: the General Obligation Promissory Notes, Series 2003, dated October 15, 2003 (the "2003 note") ("Prior Issues"), and there are insufficient funds on hand to pay said costs;

WHEREAS, the Village Board hereby finds and determines that the Project is within the Village's power to undertake and serves a "public purpose" as that term is defined in Section 67.04(1) (b) of the Wisconsin Statutes;

WHEREAS, the Village Board deems it to be necessary, desirable and in the best interest of the Village to refund the Prior Issues due to maturity.

WHEREAS, villages are authorized by the provisions of Section 67.12(12) of the Wisconsin Statutes to borrow money and to issue general obligation promissory notes for such public purpose and to refinance their outstanding obligations; and

WHEREAS, the Village Board now deems it to be necessary, desirable and in the best interest of the Village to authorize the issuance of and to award the sale of its general obligation promissory notes to Advantage Community Bank, Wausau, Wisconsin.

NOW, THEREFORE, BE IT RESOLVED by the Village Board of the Village that:

Section 1. Authorization of the Notes. For the purpose of paying the cost of the Project and the Refunding, there shall be borrowed pursuant to Section 67.12(12) of the Wisconsin Statutes, the principal sum of ONE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$1,500,000) from Advantage Community Bank, Wausau, Wisconsin (the "Purchaser")

Section 2. Sale of the Notes. To evidence such indebtedness, the President and Village Clerk are hereby authorized, empowered and directed to make, execute, issue and sell to the Purchaser for, on behalf of and in the name of the Village, General Obligation Promissory Notes aggregating the principal amount of ONE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$1,500,000) (the "Notes") for the sum of \$1,500,000, plus accrued interest to the date of delivery.

Section 3. Terms of the Notes. The Notes shall be designated "General Obligation Promissory Notes"; shall be dated October 19, 2006; shall be in the denomination of \$100,000 or more; shall be numbered 1 and upward; shall bear interest at the rate of 4.29% per annum and shall be payable in monthly installments of principal and interest on the dates and in the amounts set forth on the schedule prepared by the Purchaser and attached hereto as Exhibit A (the "Schedule")

Section 4. Redemption Provisions. At the option of the Village, the Notes shall be subject to redemption prior to maturity at any time. Said Notes shall be redeemable as a whole or in part, at 100% of the principal amount thereof, plus accrued interest to the date of redemption.

Section 5. Form of the Notes. The Notes shall be issued in registered form and shall be executed and delivered in substantially the form attached hereto as Exhibit B and incorporated herein by this reference.

Section 6. Direct Annual Irrepealable Tax Levy. For the purpose of paying the principal of and interest on the Notes as the same becomes due, the full faith, credit and resources of the Village are hereby irrevocably pledged, and there is hereby levied upon all of the taxable property of the Village a direct annual irrepealable tax in the years 2006 through 2011 for the payments due in the years 2007 through 2011 in the amounts set forth on the Schedule.

The direct annual irrepealable tax hereby levied shall be carried onto the tax roll and collected in addition to all other taxes and in the same manner and at the same time as other taxes of the Village for said years are collected. So long as any part of the principal of or interest on the Notes remains unpaid, the tax hereinabove levied shall be and continues irrepealable except that the amount of tax carried onto the tax roll may be reduced in any year by the amount of any surplus in the Debt Service Fund Account created below.

There be and there hereby is appropriated from funds of the Village on hand a sum sufficient to be deposited in the Debt Service Fund Account to meet payments with respect to debt service due on November 15, 2006 and December 15, 2006.

Section 7. Segregated Debt Service Fund Account. There is hereby established in the Village treasury a fund account separate and distinct from all other funds or accounts of the Village designated "Debt Service Fund Account for \$1,500,000 Village of Dorchester General Obligation Promissory Notes, dated October 19, 2006, which fund account shall be used solely for the purpose of paying the principal of and interest on the Notes. There shall be deposited in said fund account all accrued interest paid on the Notes at the time the Notes are delivered to the Purchaser, any premium, all money raised by taxation pursuant to Section 6 hereof and all other sums as may be necessary to pay principal of and interest on the Notes as the same becomes due. Said fund account shall be used for the sole purpose of paying the principal of and interest on the Notes and shall be maintained for such purpose until such indebtedness is fully paid or otherwise extinguished, and shall at all times be invested in a manner that conforms with the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and any applicable income tax regulations (the "Regulations")

Section 8. Borrowed Money Fund. The proceeds of the Notes (the "Note Proceeds") (other than any premium and accrued interest which must be paid at the time of the delivery of the Notes into the Debt Service Fund Account created above) shall be deposited into an account separate and distinct from all other funds and disbursed solely for the purposes for which borrowed or for the payment of the principal of and the interest on the Notes.

Section 9. Arbitrage Covenant. The Village shall not take any action with respect to the Note Proceeds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken on the date of the delivery of and payment for the Notes

(the "Closing"), would cause the Notes to be "arbitrage bonds" within the meaning of Section 148 of the Code and the Regulations.

The Note Proceeds may be temporarily invested in legal investments until needed, provided however, that the Village hereby covenants and agrees that so long as the Notes remain outstanding, moneys on deposit in any fund or account created or maintained in connection with the Notes, whether such moneys were derived from the Note Proceeds or from any other source, will **not** be used or invested in a manner which would cause the Notes to be "arbitrage bonds" within the meaning of the Code or Regulations. The Village covenants that it will not invest in any obligation if such investment would violate the "prohibited payment" requirement of Section 148 of the Code.

The Village Clerk, or other officer of the Village charged with responsibility for issuing the Notes, shall provide an appropriate certificate of the Village, for inclusion in the transcript of proceedings, setting forth the reasonable expectations of the Village regarding the amount and use of the Note Proceeds and the facts and estimates on which such expectations are based, all as of the Closing.

Section 10. Additional Tax Covenants; Small Issuer Exemption from Rebate; Six Month Expenditure Exemption from Rebate; Qualified Tax-Exempt Obligation Status. The Village hereby further covenants and agrees that it will take all necessary steps and perform all obligations required by the Code and Regulations (whether prior to or subsequent to the issuance of the Notes) to assure that the Notes are obligations described in Section 103(a) of the Code, the interest on which is excludable from gross income for federal income tax purposes, throughout their term. The Village further covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Notes) if taking, permitting or omitting to take such action would cause any of the Notes to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause interest on the Notes to be included in the gross income of the recipients thereof for federal income tax purposes. The Village Clerk or other officer of the Village charged with the responsibility of issuing the Notes, shall provide an appropriate certificate of the Village as of the Closing, for inclusion in the transcript of proceedings, certifying that it can and covenanting that it will comply with the provisions of the Code and Regulations.

Further, it is the intent of the Village to take all reasonable and lawful actions to comply with any new tax laws enacted so that the Notes will continue to be obligations described in Section 103(a) of the Code, the interest on which is excludable from gross income for federal income tax purposes throughout their term.

The Village covenants that it is a governmental unit with general taxing powers and that the Notes are not "private activity bonds" as defined in Section 141 of the Code.

For purposes of complying with the Regulations, particularly the rebate requirements of the Regulations, the portion of the proceeds of the Notes that will be used for the Refunding and the portion of the proceeds of the Notes that will be used for the Project shall be considered proceeds of separate issues, respectively referred to herein as the "Refunding Portion" and the "New Money Portion."

In accordance with Section 148(f) (4) (D) of the Code, the Village covenants (that ninety-five percent 95%) or more of the net proceeds of the New Money Portion of the Notes are to be used for local governmental activities of the Village and that the aggregate face amount of all tax—exempt obligations (other than “private activity bonds”) issued by the Village, including all subordinate entities of the Village, during calendar year 2006 will not exceed \$5,000,000. If for any reason the Village did not qualify for the small issuer exemption from the rebate requirements of the Code, the Village covenants that it would take all necessary steps to comply with such requirements.

In accordance with Section 148(f) (4) (B) of the Code, the Village covenants that ninety—five percent (95%) or more of the net proceeds of the Refunding Portion of the Notes are to be used for local governmental activities of the Village and that 100% of the Refunding Portion of the Notes will be expended for the governmental purposes of the issue within six months of the Closing. If for any reason the Village did not qualify for the six month exemption from the rebate requirements of the Code, the Village covenants that it would take all necessary steps to comply with such requirements.

The Village Board hereby designates the Notes to be “qualified tax—exempt obligations” pursuant to the provisions of Section 265(b) (3) of the Code and in support of such designation, the Village clerk or other officer of the Village charged with the responsibility for issuing the Notes, shall provide an appropriate certificate of the Village, all as of the Closing.

Section 11. Execution of the Notes. The Notes shall be issued in typewritten or printed form, executed on behalf of the Village by the manual or facsimile signatures of the President and Village Clerk, authenticated, if required, by its fiscal agent, if any, sealed with its official or corporate seal, if any, or a facsimile thereof, and delivered to the Purchaser upon payment to the Village of the purchase price thereof, plus accrued interest to the date of delivery. In the event that either of the officers whose signatures appear on the Notes shall cease to be such officers before the delivery of the Notes, such signatures shall, nevertheless, be valid and sufficient for all purposes to the same extent as if they had remained in office until such delivery. The aforesaid officers are hereby authorized to do all acts and execute and deliver all documents as may be necessary and convenient to effectuate the Closing.

Section 12. Payment of the Notes. The principal of and interest on the Notes shall be paid in lawful money of the United States of America by the Village Clerk or Village Treasurer.

Section 12A. Persons Treated as Owners; Transfer of Notes. The Village shall keep books for the registration and for the transfer of the Notes. The person in whose name any Note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of either principal or interest on any Note shall be made only to the registered owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Note to the extent of the sum or sums so paid.

Any Note may be transferred by the registered owner thereof by surrender of the Note at the office of the Village Clerk, duly endorsed for the transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing. Upon such transfer, the President and Village Clerk shall execute and deliver in the name of the transferee or transferees a new Note or Notes of a like aggregate principal amount, series and maturity and

the Village Clerk shall record the name of each transferee in the registration book. No registration shall be made to bearer. The Village Clerk shall cancel any Note surrendered for transfer.

The Village shall cooperate in any such transfer, and the President and Village Clerk are authorized to execute any new Note or Notes necessary to effect any such transfer.


The last day of each calendar month next preceding each interest payment date shall be the record date for the Notes. Payment of interest on the Notes on any interest payment date shall be made to the registered owners of the Notes as they appear on the registration book of the Village at the close of business on the corresponding record date.

Section 13. Continuing Disclosure. The Notes are an exempt transaction in connection with the continuing disclosure requirements of SEC Rule 15c2—12, as amended, because the minimum authorized denominations for the Notes are \$100,000 or more and the sale of the Notes is limited to no more than 35 sophisticated persons (in the Purchaser's reasonable belief) none of whom is purchasing for more than one account or with a view to distributing the securities.

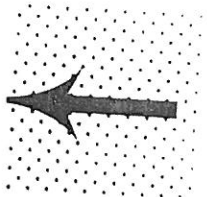
Section 14. Redemption of Prior Issues. The 2003 Note shall be paid on October 19, 2006 or as soon thereafter as is practicable at the outstanding principal amount thereof plus accrued interest to the payment date. The appropriate officers of the Village are authorized and directed to take such actions as are necessary to pay the 2003 Note.

Section 15. Conflicting Resolutions; Severability; Effective Date. All prior resolutions, rules or other actions of the Village Board or any parts thereof in conflict with the provisions hereof shall be, and the same are, hereby rescinded insofar as the same may so conflict. In the event that any one or more provisions hereof shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions hereof. The foregoing shall take effect immediately upon adoption and approval in the manner provided by law.


Adopted and recorded October 18, 2006.



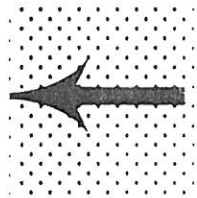
James Jantsch
President



ATTEST:



Judy Robida
Village Clerk



(SEAL)