

The Town Clerk Read the following resolution:

Resolution NO. 14-03

A RESOLUTION AUTHORIZING THE TOWN OF LIBERTY GROVE
TO BORROW THE SUM OF \$2,725,000 BY ISSUING
GENERAL OBLIGATION PROMISSORY NOTES PURSUANT TO
SECTION 67.12(12) OF THE WISCONSIN STATUTES
AND AUTHORIZING THE SALE OF THE NOTES

WHEREAS the Town of Liberty Grove, Door County, Wisconsin (sometimes hereinafter called the "Town") is presently in need of the sum of Two Million Seven Hundred Twenty-Five Thousand Dollars (\$2,275,000) for public purposes, including paying the cost of construction and equipping a fire station, acquiring fire fighting apparatus, highway maintenance equipment, highway construction, and maintenance, and upgrades to town infrastructure including parks, water access and sewer and water systems, and constructing and equipping highway maintenance storage facility; and

WHEREAS the Town Board deems it necessary and in the best interest of the Town that the monies needed for such purposes be borrowed by issuing general obligation promissory notes pursuant to the provisions of Section 67.12(12), Wis. Stats., upon the terms and conditions hereinafter provided;

NOW, THEREFORE, BE IT RESOLVED by the Town Board of the Town of Liberty Grove, Door County, Wisconsin, that:

Section 1. Sale of Notes. The Town shall sell and deliver its \$2,725,000 General Obligation Promissory Notes (the "Notes"), issued for the purposes above stated, to Robert W. Baird & Co. Incorporated (the "Purchaser") for the purchase price set forth in the Note Purchase Agreement attached hereto as Exhibit A and incorporated herein by this reference (The "Proposal"). The Proposal is hereby approved, and the appropriate Town officials are hereby authorized and directed to execute the same.

Section 2. The Notes. The Chairperson and Town Clerk shall make, execute and deliver the Notes to the Purchaser, for and on behalf of the Town. The Notes shall be negotiable, general obligation promissory notes of the Town, registered as to both principal and interest, in the denomination of Five Thousand Dollars (\$5,000) each or whole multiples thereof, numbered from R-1 upward and dated November 1, 2003. The Notes shall bear interest at the rate per annum set forth in the Proposal and shall mature on September 1, 2005, as set forth in the Proposal and the debt service schedule attached hereto as Exhibit B and incorporated herein in by this reference (the "Schedule").

Interest on the Notes shall be payable on March 1 and September 1 of each year, commencing March 1, 2004.

The Notes shall be subject to call and prior payment at the option of the Town in whole or from time to time in party by lot on March 1, 2004 or any date thereafter at the price of par plus accrued interest to the date of redemption.

Section 3. Form of Notes. The Notes shall be in Substantially the form attached hereto as Exhibit C and Incorporated herein by this reference.

Section 4. Tax Provisions.

(A) Direct, Annual Irrepealable Tax. For the purpose of paying the principal of and interest on the Notes as the same become due, the full faith, credit and resources of the Town are hereby irrevocably pledged and there will be and there hereby is levied on all the taxable property in the Town as a direct, annual, irrepealable tax in the years 2003 and 2004 for payment of principal of and interest on the Notes in the years 2004 and 2005 in the amounts set forth in the Schedule.

(B) Tax Collection. The Town shall be and continue without power to repeal such levy or obstruct the collection of said tax until all such payments have been made or provided for. After the issuance of the Notes, said tax shall be, from year to year, carried into the tax rolls of the Town and collected as other taxes are collected, provide that the amount of tax carried into said tax rolls may be reduced in a any year by the amount of any surplus money in the Debt Service Account created in Section 5(A) hereof.

(C) Additional Funds. If at any time there shall be on hand insufficient funds from the aforesaid tax levy to meet principal and/or interest payments on said Notes when due, the requisite amounts shall be paid from other funds of the Town then available, which sums shall be replaced upon the collection of the taxes herein levied.

Section 5. Debt Service Fund and Account.

(A) Creation and Deposits. There be and there hereby is established in the treasury of the Town, if one has not already been created, a debt service fund, separate and distinct from every other fund, which shall be maintained in accordance with generally accepted accounting principles. Sinking funds established for obligations previously issued by the Town may be considered as separate and distinct accounts within the debt service fund.

Within the debt service fund, there be and there hereby is established a separate and distinct account designated as the "Debt Service Account for \$2,725,000 'General Obligation Promissory Notes,' dated November 1, 2003" (the "Debt Service Account") and such account shall be maintained until the indebtedness evidenced by the Notes is fully paid or otherwise extinguished. The Town Treasurer shall deposit in such Debt Service Account (i) all accrued interest received by the Town at the time of delivery of and payment for the Notes; (ii) the taxes herein levied for the specific purpose of meeting principal of and interest on the Notes when due; (iii) such other sums as may be necessary at any time to pay principal of and interest on the Notes when due; (iv) any premium which may be received by the Town above the par value of the Notes and accrued interest thereon; (v) surplus monies in the Borrowed money Fund as specified in Section 6 hereof; and (vi) such further deposits as may be required by Sec. 67.11, Wis. Stats.

(B) Use and Investment. No money shall be withdrawn from the Debt Service Account and appropriated for any purpose other than the payment of principal of and interest on the Notes until all such principal and interest has been paid in full and canceled; provided (i) the funds to provide for each payment of principal of and interest on the Notes prior to the scheduled receipt of taxes from the next succeeding tax collection may be invested in direct obligations of the United States of America maturing in time to make such payments when they are due or in other investments permitted by law; and (ii) any funds over and above the amount of such principal and interest payments on the Notes may be used to reduce the next succeeding tax levy or may, at the option of the Town, be invested by purchasing the Notes as permitted by and subject to Section 67.11(2)(a), Wis. Stats., in interest-bearing obligations of the United States of America, in other obligations of the Town or in other investments permitted by law, which investments shall continue to be a part of the Debt Service Account.

(C) Remaining Monies. When all of the Notes have been paid in full and canceled, and all permitted investments disposed of, any money remaining in the Debt Service Account shall be deposited in the general fund of the Town, unless the Town Board directs otherwise.

Section 6. Proceeds of the Notes. All monies received by the Town upon the delivery of the Notes to the purchaser thereof, except for accrued interest and premium, if any, shall be deposited by the Town Treasurer into a special fund (the "Borrowed Money Fund") which shall be maintained separate and distinct from all other funds of the Town and shall be used for

no purpose other than the purposes for which the Notes are issued. Monies in the Borrowed Money Fund may be temporarily invested as provided in Section 66.0603(1m), Wis. Stats. Any monies, including any income from permitted investments, remaining in the Borrowed Money Fund after the purposes for which the Notes have been issued have been accomplished, and, at any time, any monies as are not needed and which obviously thereafter cannot be needed for such purposes shall be deposited in the Debt Service Account.

Section 7. No Arbitrage. All investments permitted by this resolution shall be legal investments, but no such investment shall be made in such a manner as would cause the notes to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), or the Regulations of the Commissioner of Internal Revenue thereunder (the "Regulations"); and an officer of the Town, charged with the responsibility for issuing the Notes, shall certify as to facts, estimates, circumstances and reasonable expectations in existence on the date of closing which will permit the conclusion that the Notes are not "arbitrage bonds," within the meaning of the Code or Regulations.

Section 8. Persons treated as Owners; Transfer of Notes. The Town Clerk 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 Town 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 Chairperson and Town 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 Town Clerk shall record the name of each transferee in the registration book. No registration shall be made to bearer. The Town Clerk shall cancel any Note surrendered for transfer.

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

The fifteenth day of each calendar month next preceding each interest payment date shall be the record dates 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 Town at the close of business on the corresponding record date.

Section 9. Compliance with Federal Tax Laws. (a) The Town represents and covenants that the projects financed by the Notes and their ownership, management and use will not cause the Notes to be "private activity bonds" within the meaning of Section 141 of the Code. The Town further covenants that it shall comply with the provisions of the Code to the extent necessary to maintain the tax-exempt status of the interest on the Notes including, if applicable, the rebate requirements of Section 148(f) of the Code. The town 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 Town Clerk or other officer of the Town charged with the responsibility of issuing the Notes shall provide an appropriate certificate of the Town certifying that the Town can and covenanting that it will comply with the provisions of the Code and Regulations.

(b) The Town also covenants to use its best efforts to meet the requirements and restrictions of any different or additional federal legislation which may be made applicable to the Notes provided that in meeting such requirements the Town will do so only to the extent consistent with the proceedings authorizing the Notes and the laws of Wisconsin and to the extent that there is a reasonable period of time in which to comply.

Section 10. Designation as Qualified Tax-Exempt Obligations. The Notes are hereby designated as "qualified tax-exempt obligations" for purposes of Section 265 of the Internal Revenue Code of 1986, as amended, relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

Section 11. Utilization of the Depository Trust Company Book-Entry-Only System. In order to make the Notes, and future issues of obligations issued by the Town, eligible for the services provided by The Depository Trust Company, New York, New York ("DTC"), the Town agrees to the applicable provisions set forth in the Blanket Issuer letter of Representations attached hereto as Exhibit D and incorporated herein by this reference. The appropriate officers of the Town are authorized and directed to execute such Blanket Issuer Letter of Representations, in substantially the form attached hereto as Exhibit D, and deliver it to DTC on behalf of the Town.

Section 12. Undertaking to Provide Continuing Disclosure. The Town covenants and agrees, for the benefit of the holders of the Notes, to enter into a written undertaking (the "Undertaking") required by SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934 (the "Rule") to provide continuing disclosure of certain financial information and operating data upon request and timely notices of the occurrence of certain events in accordance with the Rule. The Undertaking shall be enforceable by the holders of the Notes or by the original purchaser(s) of the Notes on behalf of such holders (provided that the rights of the holders and the purchaser(s) to enforce the Undertaking shall be limited to a right to obtain specific performance of the obligations thereunder and any failure by the Town to comply with the provisions of the undertaking shall not be an event of default with respect to the Notes).

The Town Clerk, or other officer of the Town charged with the responsibility for issuing the Notes, shall provide a Continuing Disclosure Certificate for inclusion in the transcript of proceedings, setting forth the details and terms of the Town's Undertaking.

Section 13. Records. The Town Clerk shall provide and keep a separate record book and shall record a full and correct statement of every step or proceeding had or taken in the course of authorizing and issuing these notes.

Section 14. Closing. The Chairperson and Town Clerk of the Town are hereby authorized and directed to execute and deliver the Notes to the purchaser thereof upon receipt of the borrowed funds, accrued interest to date of delivery and premium, if any. The Chairperson and Town Clerk may execute the Notes by manual or facsimile signature, but at least one of the said officers shall sign the Notes manually.

The officers of the Town are hereby directed and authorized to take all steps necessary or convenient to close this issue as soon as practicable hereafter, in accordance with the terms of sale thereof; and said officers are hereby authorized and directed to execute and deliver such documents, certificates and acknowledgments as may be necessary or convenient in accordance therewith.

Adopted, approved and recorded October 28, 2003.

Chairperson

(SEAL)

Attest:

Town Clerk

Supervisor Casey moved that Resolution No. ___ be adopted. Motion second by Supervisor Mahoney and carried by the following vote:

Ayes: Most Mahoney Shumway Casey Bremer-excused

Nos:

The Chairperson declared the resolution adopted and approved and the Chairperson and Town Clerk signed same in the appropriate manner in open meeting.

(Here occurred business not pertinent to the note issue.)

There being no further business to come before the meeting, the meeting adjourned.

Town Clerk