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February 16, 2010

VIA EMAIL AND UPS

Ms. Laurie Sullivan
Finance Director/Treasurer
City of Stoughton
381 East Main Street
Stoughton, WI 53589

Re: $3,120,000 City of Stoughton General Obligation Refunding Bonds and $4,025,000 General Obligation Promissory Notes

Dear Ms. Sullivan:

Enclosed please find the two **Set Sale Resolutions** to be adopted in connection with the above-referenced financings. We have prepared these Resolutions with the information provided to us. Please review them carefully.

It is our understanding that these Resolutions will be considered by the Common Council at its regular meeting on February 23, 2010.

If you have not already done so, please include the titles of these Resolutions on the agenda for the meeting. Please then post the agenda in at least three public places and provide it to the official newspaper of the City (or if the City has no official newspaper, to a news medium likely to give notice in the area) and to any other requesting media at least twenty-four hours prior to the meeting (see Section 19.84(1)(b), Wisconsin Statutes). The enclosed **Certificate of Compliance with Open Meeting Law** must be completed in connection with the meeting at which these Resolutions are adopted.

Unless the Common Council has adopted special rules regarding the adoption of borrowing resolutions, a vote of at least a majority of the members of the Common Council is necessary to adopt these Resolutions. We have enclosed an **Excerpts of Minutes** form for you to complete for each Resolution which records the vote on the Resolutions.

Following the adoption of these Resolutions, we request that you return two executed copies of the Resolutions, as well as two executed copies of the Certificate and each Excerpts, to us for our review. All of these originally signed documents will be included in the closing transcripts. A copy of the Resolutions should be incorporated into the minutes of the February 23, 2010 meeting.

We are also enclosing a **Private Activity and Other Tax Matters Questionnaire** for each of the financings. Please review, correct, if necessary, complete and return these questionnaires to us at your earliest convenience. They contain information which will help us draft the closing documents which will be required in connection with these financings.

If you have any questions regarding the enclosed documents or any other matter, please do not hesitate to call us at any time.

Very truly yours,

QUARLES & BRADY LLP

/AMB

Julie

Julianna Ebert

JE:ASELL:afirkus
Enclosures
cc: Ms. Luann J. Alme (w/enc. via email)
Mr. Todd Taves (w/enc. via email)
Ms. Terri Scott (w/enc. via email)

RESOLUTION NO. ____

RESOLUTION AUTHORIZING THE BORROWING
OF APPROXIMATELY $3,120,000; AND
PROVIDING FOR THE ISSUANCE AND SALE OF
GENERAL OBLIGATION REFUNDING BONDS THEREFOR

WHEREAS, the Common Council hereby finds and determines that it is necessary, desirable and in the best interest of the City of Stoughton, Dane County, Wisconsin (the "City") to raise funds for the public purpose of paying the cost of refinancing certain outstanding obligations of the City, to wit: General Obligation Promissory Notes (Tax Incremental District No. 4 - Streetscape Project), dated June 1, 2001; General Obligation Promissory Notes (2001 Capital Budget Projects), dated June 1, 2001; and General Obligation Promissory Notes, dated May 1, 2002 (collectively, the "Refunded Obligations") (hereinafter the refinancing of the City's Refunded Obligations shall be referred to as the "Refunding"), and there are insufficient funds on hand to pay said cost;

WHEREAS, the Common Council deems it to be necessary, desirable and in the best interest of the City to refund the Refunded Obligations for the purpose of restructuring its outstanding indebtedness;

WHEREAS, cities are authorized by the provisions of Section 67.04, Wisconsin Statutes, to borrow money and to issue general obligation refunding bonds to refinance their outstanding obligations; and

WHEREAS, the Common Council of the City hereby finds and determines that general obligation refunding bonds in the amount of $3,120,000 should be issued, and it is now necessary and desirable to authorize their issuance and sale.

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City that:

Section 1. Authorization of the Bonds. For the purpose of paying the cost of the Refunding, there shall be borrowed pursuant to Section 67.04, Wisconsin Statutes, the principal sum of approximately THREE MILLION ONE HUNDRED TWENTY THOUSAND DOLLARS ($3,120,000) from a purchaser to be determined by competitive sale (the "Purchaser").

Section 2. Sale of the Bonds. To evidence such indebtedness, the Mayor and City 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 City, general obligation refunding bonds aggregating the principal amount of approximately THREE MILLION ONE HUNDRED TWENTY THOUSAND DOLLARS ($3,120,000) (the "Bonds"). The City shall offer the Bonds for public sale on or about March 23, 2010.

Section 3. Notice of Sale. The City Clerk (in consultation with the City's financial advisor, Ehlers & Associates, Inc. ("Ehlers")) is hereby authorized and directed to cause notice of the sale of the Bonds to appear in such newspapers and at such times as the City Clerk (in consultation with Ehlers) may determine.

Section 4. Official Notice of Sale; Official Statement. The City Clerk (in consultation with Ehlers) shall also cause a Notice of Sale and an Official Statement to be prepared and distributed. The appropriate City officials shall determine when the Official Statement is final for purposes of Securities and Exchange Commission Rule 15c2-12 and shall certify said Statement, such certification to constitute full authorization of such Statement under this resolution.

Section 5. Award of the Bonds. Following receipt of bids for the Bonds, the Common Council shall consider taking further action to provide the details of the Bonds; to award the Bonds to the lowest responsible bidder therefor; and to levy a direct annual irrepealable tax sufficient to pay the principal of and interest on the Bonds as the same becomes due as required by law.

Section 6. Undertaking to Provide Continuing Disclosure. The City hereby covenants and agrees, for the benefit of the owners of the Bonds, 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 and timely notices of the occurrence of certain events in accordance with the Rule. The Undertaking shall be enforceable by the owners of the Bonds or by the Purchaser on behalf of such owners (provided that the rights of the owners and the Purchaser to enforce the Undertaking shall be limited to a right to obtain specific performance of the obligations thereunder and any failure by the City to comply with the provisions of this Undertaking shall not be an event of default with respect to the Bonds).

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

Section 7. Conflicting Resolutions; Severability; Effective Date. All prior resolutions, rules or other actions of the Common Council 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, approved and recorded February 23, 2010.

_____
James S. Griffin
Mayor

ATTEST:

_____
Luann J. Alme
City Clerk

(SEAL)