

RESOLUTION NO. **R-53-2016**

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF
\$2,520,000 WATERWORKS SYSTEM MORTGAGE REVENUE BONDS, SERIES 2016C
OF THE CITY OF STOUGHTON, DANE COUNTY, WISCONSIN,
AND PROVIDING FOR THE PAYMENT OF THE BONDS AND
OTHER DETAILS WITH RESPECT TO THE BONDS

WHEREAS, the City of Stoughton, Dane County, Wisconsin (the "City") owns and operates its Waterworks System (the "System") which is operated for a public purpose as a public utility; and

WHEREAS, under the provisions of Section 66.0621, Wisconsin Statutes, any municipality in the State of Wisconsin may, by action of its governing body, provide funds for extending, adding to and improving a public utility or refunding obligations issued to finance such extensions, additions and improvements from the proceeds of bonds, which bonds are payable only from the income and revenues derived from any source by such utility and are secured by a pledge of the revenues of the utility and may be secured by a mortgage lien on such utility; and

WHEREAS, pursuant to Resolution No. R-27-06 adopted by the Common Council on November 14, 2006, the City has heretofore issued its Waterworks System Mortgage Revenue Bonds, dated November 15, 2006 (the "2006 Bonds"), which 2006 Bonds are payable from the income and revenues of the System; and

WHEREAS, pursuant to Resolution No. R-1-2010 adopted by the Common Council on January 12, 2010 (the "2010 Resolution"), the City has heretofore issued its Waterworks System Revenue Bonds, Series 2010, dated January 27, 2010 (the "Prior Bonds"); and

WHEREAS, the 2010 Resolution permits the issuance of additional bonds payable from revenues of the System on a parity with the Prior Bonds upon compliance with certain conditions; and

WHEREAS, to the best of the Common Council's knowledge, information and belief, the City complies with such conditions; and

WHEREAS, the City has determined that it is necessary and desirable to refund the 2006 Bonds maturing in the years 2018 through 2023 (the "Refunded Obligations") for the purpose of achieving debt service cost savings; and

WHEREAS, the City has also determined that certain additions, improvements and extensions to the System including water main replacements to Clyde Street and Van Buren Street (the "Project") are necessary to adequately supply the needs of the City and the residents thereof; and

WHEREAS, it is necessary, desirable and in the best interests of the City to authorize and sell revenue bonds designated "Waterworks System Mortgage Revenue Bonds, Series 2016C" (the "Bonds") for such purposes payable solely from the revenues to be derived from the

operation of the System, which bonds are to be authorized and issued pursuant to the provisions of Section 66.0621, Wisconsin Statutes on a parity with the Prior Bonds; and

WHEREAS, other than the Prior Bonds and the Refunded Obligations, the City has no bonds or obligations outstanding which are payable from the income and revenues of the System; and

WHEREAS, pursuant to a resolution adopted on March 29, 2016, the Common Council has directed Springsted Incorporated ("Springsted") to take the steps necessary to sell the Bonds to pay the cost of the Project and the Refunding; and

WHEREAS, Springsted, in consultation with the officials of the City, prepared Official Terms of Offering (a copy of which is attached hereto as Exhibit A and incorporated herein by this reference) setting forth the details of and the bid requirements for the Bonds and indicating that the Bonds would be offered for public sale on April 26, 2016; and

WHEREAS, the City Clerk (in consultation with Springsted) caused notice of the sale of the Bonds to be published and/or announced and caused the Official Terms of Offering to be distributed to potential bidders offering the Bonds for public sale; and

WHEREAS, the City has duly received bids for the Bonds as described on the Bid Tabulation attached hereto as Exhibit B and incorporated herein by this reference (the "Bid Tabulation"); and

WHEREAS, it has been determined that the bid proposal (the "Proposal") submitted by the financial institution listed first on the Bid Tabulation fully complies with the bid requirements set forth in the Official Terms of Offering and is deemed to be the most advantageous to the City. Springsted has recommended that the City accept the Proposal. A copy of said Proposal submitted by such institution (the "Purchaser") is attached hereto as Exhibit C and incorporated herein by this reference.

NOW, THEREFORE, the Common Council of the City of Stoughton, Dane County, Wisconsin, do resolve that:

Section 1A. Ratification of the Official Terms of Offering and Offering Materials. The Common Council of the City hereby ratifies and approves the details of the Bonds set forth in Exhibit A attached hereto as and for the details of the Bonds. The Official Terms of Offering and any other offering materials prepared and circulated by Springsted are hereby ratified and approved in all respects. All actions taken by officers of the City and Springsted in connection with the preparation and distribution of the Official Terms of Offering and any other offering materials are hereby ratified and approved in all respects.

Section 1B. Authorization of Bonds. For the purposes of paying the cost of the Project and refunding the Refunded Obligations, the City shall borrow on the credit of the income and revenue of the System the sum of \$2,520,000. Negotiable, fully-registered bonds of the City, in the denomination of \$5,000, or any whole multiple thereof, shall be issued in evidence thereof. The Bonds shall be designated "Waterworks System Mortgage Revenue Bonds, Series 2016C", shall be numbered from R-1 upward and shall be dated May 26, 2016. The Bonds shall bear

interest at the rates per annum set forth in the Proposal and shall mature on May 1 of each year, in the years and principal amounts as set forth on the Pricing Summary attached hereto as Exhibit D-1 and incorporated herein by this reference.

Interest on the Bonds shall be payable on May 1 and November 1 of each year, commencing November 1, 2016. Interest shall be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board.

The schedule of principal and interest payments due on the Bonds is set forth on the Debt Service Schedule attached hereto as Exhibit D-2 and incorporated herein by this reference (the "Schedule").

The Bonds maturing on May 1, 2025 and thereafter shall be subject to redemption prior to maturity, at the option of the City, on May 1, 2024 or on any date thereafter. Said Bonds shall be redeemable as a whole or in part, and if in part, from maturities selected by the City and within each maturity, by lot, at the principal amount thereof, plus accrued interest to the date of redemption. If the Proposal specifies that any of the Bonds are subject to mandatory redemption, the terms of such mandatory redemption are set forth on an attachment hereto as Exhibit MRP and incorporated herein by this reference. Upon the optional redemption of any of the Bonds subject to mandatory redemption, the principal amount of such Bonds so redeemed shall be credited against the mandatory redemption payments established in Exhibit MRP for such Bonds in such manner as the City shall direct.

The schedule of maturities is found to be such that the amount of annual debt service payments is reasonable in accordance with prudent municipal utility practices.

The Common Council hereby determines that the refunding of the Refunded Obligations is advantageous and necessary to the City.

Section 1C. Security for the Bonds. The Bonds, together with interest thereon, shall not constitute an indebtedness of the City nor a charge against its general credit or taxing power. The Bonds, together with interest thereon, shall be payable only out of the Special Redemption Fund provided for in Section 4 herein, and shall be a valid claim of the registered owner or owners thereof only against the Special Redemption Fund and the Revenues of the System pledged to such fund, on a parity with the pledge granted to the owners of the Prior Bonds. Sufficient Revenues are hereby pledged to said Special Redemption Fund, and shall be used for no other purpose than to pay the principal of, premium, if any, and interest on the Prior Bonds and the Bonds as the same becomes due.

Section 2. Form of the Bonds. The Bonds shall be issued in registered form and shall be executed and delivered in substantially the form attached hereto as Exhibit E and incorporated herein by this reference.

Section 3. Definitions. In addition to the words defined elsewhere in this Resolution, the following words shall have the following meanings unless the context or use indicates another or different meaning or intent:

"Annual Debt Service Requirement" means the total amount of principal and interest due in any Fiscal Year on the Prior Bonds, the Bonds and Parity Bonds.

"Bond Year" means the one-year period ending on a principal payment date or mandatory redemption date for the Bonds.

"Code" means the Internal Revenue Code of 1986, as amended.

"DTC" means The Depository Trust Company, New York, New York, or any successor securities depository for the City with respect to the Bonds.

"Fiscal Year" means the fiscal year adopted by the City for the System, which is currently the calendar year.

"Net Revenues" means the Revenues minus all Operation and Maintenance Expenses of the System.

"Operation and Maintenance Expenses" means the reasonable and necessary costs of operating, maintaining, administering and repairing the System, including salaries, wages, costs of materials and supplies, insurance and audits, but excluding depreciation, debt service, tax equivalents and capital expenditures.

"Parity Bonds" means additional bonds or obligations issued on a parity as to pledge and lien with the Bonds in accordance with the provisions of Section 7 of this Resolution.

"Reserve Requirement" means an amount, determined as of the date of issuance of the Bonds, equal to the least of (a) 10% of the stated principal amount of the Bonds (to the extent permitted pursuant to Section 148(d)(1) of the Code and Regulations); (b) the maximum annual debt service on the Bonds; and (c) 125% of average annual debt service on the Bonds. The Prior Bonds are not secured by the Reserve Account. If Parity Bonds which are to be secured by the Reserve Account are issued, the Reserve Requirement shall mean an amount, determined as of the date of issuance of the Parity Bonds, equal to the least of (a) the amount required to be on deposit in the Reserve Account prior to the issuance of such Parity Bonds, plus the amount permitted to be deposited therein from proceeds of the Parity Bonds pursuant to Section 148(d)(1) of the Code and Regulations; (b) the maximum annual debt service on outstanding obligations secured by the Reserve Account and the Parity Bonds to be issued; and (c) 125% of average annual debt service on the outstanding obligations secured by the Reserve Account and the Parity Bonds to be issued.

"Regulations" means the Regulations of the Commissioner of Internal Revenue under the Code.

"Revenues" means all income and revenue derived from operation of the System, including the revenues received from the City for services rendered to it and all moneys received from any other source, including income derived from investments.

"System" means the entire Waterworks System of the City specifically including that portion of the Project owned by the City and including all property of every nature now or

hereafter owned by the City for the extraction, collection, storage, treatment, transmission, distribution, metering and discharge of industrial and potable public water, including all improvements and extensions thereto made by the City while any of the Bonds and Parity Bonds remain outstanding, including all real and personal property of every nature comprising part of or used or useful in connection with such Waterworks System and including all appurtenances, contracts, leases, franchises and other intangibles.

Section 4. Income and Revenue Funds. When the Bonds shall have been delivered in whole or in part, the Revenues shall be set aside into the Waterworks System Revenue Fund and then transferred to the following separate and special funds in the order of priority listed below, which were created and established by an ordinance adopted May 14, 1963 (the "1963 Ordinance"), continued by the 2010 Resolution and hereby further continued and shall be used and applied as described below:

- Revenues in amounts sufficient to provide for the reasonable and proper operation and maintenance of the System through the payment of Operation and Maintenance Expenses shall be set aside into the Waterworks System Operation and Maintenance Fund (the "Operation and Maintenance Fund").

- Revenues in amounts sufficient to pay the principal of and interest on the Prior Bonds, the Bonds and Parity Bonds and to meet the Reserve Requirement shall be set aside into the Waterworks System Revenue Bond and Interest Special Redemption Fund (the "Special Redemption Fund"), to be applied to the payment of the principal of and interest on the Prior Bonds, the Bonds and Parity Bonds and to meet the Reserve Requirement. The monies standing in the Special Redemption Fund are irrevocably pledged to the payment of principal of and interest on the Prior Bonds, the Bonds and Parity Bonds.

- Revenues in amounts sufficient to provide a proper and adequate depreciation account for the System shall be set aside into the Waterworks System Depreciation Fund (the "Depreciation Fund").

The Operation and Maintenance Fund and Depreciation Fund shall be deposited as received in public depositories to be selected by the Common Council in the manner required by Chapter 34, Wisconsin Statutes and may be invested in legal investments subject to the provisions of Section 66.0603(1m), Wisconsin Statutes.

Money in the Operation and Maintenance Fund shall be used to pay Operation and Maintenance Expenses as the same come due; money not immediately required for Operation and Maintenance Expenses shall be used to accumulate a reserve in the Operation and Maintenance Fund equal to estimated Operation and Maintenance Expenses for one month. Any money then available and remaining in the Operation and Maintenance Fund may be transferred to the Surplus Fund, which fund is hereby continued.

Revenues shall be deposited in the Depreciation Fund each month until such amount as the Common Council may from time to time determine to constitute an adequate and reasonable depreciation account for the System (the "Depreciation Requirement") is accumulated therein. Money in the Depreciation Fund shall be available and shall be used, whenever necessary, to

restore any deficiency in the Special Redemption Fund and for the maintenance of the Reserve Account therein. When the Special Redemption Fund is sufficient for its purpose, funds in the Depreciation Fund may be expended for repairs, replacements, new construction, extensions or additions to the System. Any money on deposit in the Depreciation Fund in excess of the Depreciation Requirement which is not required during the current Fiscal Year for the purposes of the Depreciation Fund, may be transferred to the Surplus Fund.

It is the express intent and determination of the Common Council that the amount of Revenues to be set aside and paid into the Special Redemption Fund (including the Reserve Account) shall in any event be sufficient to pay principal of and interest on the Prior Bonds, the Bonds and Parity Bonds and to meet the Reserve Requirement, and the City Treasurer shall each Fiscal Year deposit at least sufficient Revenues in the Special Redemption Fund to pay promptly all principal and interest falling due on the Prior Bonds, the Bonds and Parity Bonds and to meet the Reserve Requirement.

The Revenues so set aside for payment of the principal of and interest on the Prior Bonds, the Bonds and Parity Bonds shall be set apart and shall be paid into the Special Redemption Fund not later than the 10th day of each month. The amount deposited each month shall be not less than one-sixth of the interest next coming due, plus one-twelfth of the principal next maturing.

The minimum amounts to be so deposited for debt service on the Bonds, in addition to all amounts to be deposited to pay debt service on the Prior Bonds, are set forth on the Schedule.

The Special Redemption Fund shall be used for no purpose other than the payment of interest upon and principal of the Prior Bonds, the Bonds and Parity Bonds promptly as the same become due and payable or to pay redemption premiums. All money in the Special Redemption Fund shall be deposited in a special account and invested in legal investments subject to Section 66.0603(1m), Wisconsin Statutes, and the monthly payments required to be made to the Special Redemption Fund shall be made directly to such account.

The Reserve Account established by Section 7 of the 1963 Ordinance shall be continued to additionally secure the payment of principal of and interest on the Bonds. The City covenants and agrees that upon the issuance of the Bonds an amount sufficient to make the amount on deposit in the Reserve Account equal to the Reserve Requirement shall be deposited into the Reserve Account and shall be maintained therein. The Reserve Account is not pledged to the payment of principal of or interest on the Prior Bonds, and moneys in the Reserve Account shall under no circumstances be used to pay principal of or interest on the Prior Bonds.

The City covenants and agrees that at any time that the Reserve Account is drawn on and the amount in the Reserve Account shall be less than the Reserve Requirement, an amount equal to one-twelfth of the Reserve Requirement will be paid monthly into the Reserve Account from those funds in the Special Redemption Fund, the Operation and Maintenance Fund, the Depreciation Fund and the Surplus Fund which are in excess of the minimum amounts required by the preceding paragraphs to be paid therein until the Reserve Requirement will again have accumulated in the Reserve Account. No such payments need be made into the Reserve Account at such times as the monies in the Reserve Account are equal to the highest remaining annual

debt service requirement on the Bonds and Parity Bonds secured by the Reserve Account in any Bond Year. If at any time the amount on deposit in the Reserve Account exceeds the Reserve Requirement, the excess shall be transferred to the Special Redemption Fund and used to pay principal and interest on the Bonds. If for any reason there shall be insufficient funds on hand in the Special Redemption Fund to meet principal or interest becoming due on the Bonds or Parity Bonds secured by the Reserve Account, then all sums then held in the Reserve Account shall be used to pay the portion of interest or principal on such Bonds or Parity Bonds becoming due as to which there would otherwise be default, and thereupon the payments required by this paragraph shall again be made into the Reserve Account until an amount equal to the Reserve Requirement is on deposit in the Reserve Account.

Funds in the Special Redemption Fund in excess of the minimum amounts required to be paid therein plus reserve requirements may be transferred to the Surplus Fund.

Money in the Surplus Fund shall first be used when necessary to meet requirements of the Operation and Maintenance Fund including the one month reserve, the Special Redemption Fund including the Reserve Account, and the Depreciation Fund. Any money then remaining in the Surplus Fund at the end of any Fiscal Year may be used only as permitted and in the order specified in Section 66.0811(2), Wisconsin Statutes. Money thereafter remaining in the Surplus Fund may be transferred to any of the funds or accounts created by this section.

Section 4A. Mortgage Lien. For the further protection of the owners of the Bonds, a mortgage lien upon the System is hereby granted to and in favor of the owner or owners of the Bonds, which lien is hereby recognized as valid and binding upon the City and as a valid and binding lien upon the System and any additions and improvements to be made thereto.

The City Clerk is hereby directed to perfect said mortgage lien by recording this Resolution in the records of the City.

Section 5. Service to the City. The reasonable cost and value of any service rendered to the City by the System by furnishing waterworks services for public purposes, including reasonable health protection charges, shall be charged against the City and shall be paid by it in monthly installments as the service accrues, out of the current revenues of the City collected or in the process of collection, exclusive of the Revenues, and out of the tax levy of the City made by it to raise money to meet its necessary current expenses. It is hereby found and determined that the reasonable cost and value of such service to the City in each year shall be in an amount which, together with Revenues of the System, will produce Net Revenues equivalent to not less than 1.30 times the Annual Debt Service Requirement. Such compensation for such service rendered to the City shall, in the manner provided hereinabove, be paid into the separate and special funds described in Section 4 of this Resolution. However, such payment is subject to (a) annual appropriations by the Common Council therefor, (b) approval of the Wisconsin Public Service Commission, or successors to its function, if necessary, and (c) applicable levy limits, if any; and neither this Resolution nor such payment shall be construed as constituting an obligation of the City to make any such appropriation over and above the reasonable cost and value of services rendered to the City and its inhabitants or to make any subsequent payment over and above such reasonable cost and value.

Section 6. Operation of System; City Covenants. It is covenanted and agreed by the City with the owner or owners of the Bonds, and each of them, that:

(a) The City will faithfully and punctually perform all duties with reference to the System required by the Constitution and Statutes of the State of Wisconsin, including the making and collecting of reasonable and sufficient rates lawfully established for services rendered by the System, and will collect and segregate the Revenues of the System and apply them to the respective funds and accounts described hereinabove;

(b) The City will not sell, lease, or in any manner dispose of the System, including any part thereof or any additions, extensions, or improvements that may be made part thereto, except that the City shall have the right to sell, lease or otherwise dispose of any property of the System found by the Common Council to be neither necessary nor useful in the operation of the System, provided the proceeds received from such sale, lease or disposal shall be paid into the Special Redemption Fund or applied to the acquisition or construction of capital facilities for use in the normal operation of the System, and such payment shall not reduce the amounts otherwise required to be paid into the Special Redemption Fund;

(c) The City will cause the improvements to the System financed by the Bonds to be made as expeditiously as reasonably possible;

(d) The City will pay or cause to be paid all lawful taxes, assessments, governmental charges, and claims for labor, materials or supplies which if unpaid could become a lien upon the System or its Revenues or could impair the security of the Bonds;

(e) The City will maintain in reasonably good condition and operate the System, and will establish, charge and collect such lawfully established rates and charges for the service rendered by the System, so that in each Fiscal Year Net Revenues shall not be less than 130% of the Annual Debt Service Requirement, and so that the Revenues of the System herein agreed to be set aside to provide for the payment of the Prior Bonds, the Bonds and Parity Bonds and the interest thereon as the same becomes due and payable, and to meet the Reserve Requirement, will be sufficient for those purposes;

(f) The City will prepare a budget not less than sixty days prior to the end of each Fiscal Year and, in the event such budget indicates that the Net Revenues for each Fiscal Year will not exceed the Annual Debt Service Requirement for each corresponding Fiscal Year by the proportion stated hereunder, will take any and all steps permitted by law to increase rates so that the aforementioned proportion of Net Revenues to the Annual Debt Service Requirement shall be accomplished as promptly as possible;

(g) The City will keep proper books and accounts relative to the System separate from all other records of the City and will cause such books and accounts to be audited annually by a recognized independent firm of certified public accountants including a balance sheet and a profit and loss statement of the System as certified by such accountants. Each such audit, in addition to whatever matters may be thought proper by the accountants to be included therein shall include the following: (1) a statement in detail of the income and expenditures of the System for the Fiscal Year; (2) a statement of the Net Revenues of the System for such Fiscal

Year; (3) a balance sheet as of the end of such Fiscal Year; (4) the accountants' comment regarding the manner in which the City has carried out the requirements of this Resolution and the accountants' recommendations for any changes or improvements in the operation of the System; (5) the number of connections to the System at the end of the Fiscal Year, for each user classification (i.e., residential, commercial, public and industrial); (6) a list of the insurance policies in force at the end of the Fiscal Year setting out as to each policy the amount of the policy, the risks covered, the name of the insurer, and the expiration date of the policy; and (7) the volume of water used as the basis for computing the service charge; and

(h) So long as any of the Bonds are outstanding the City will carry for the benefit of the owners of the Bonds insurance of the kinds and in the amounts normally carried by private companies or other public bodies engaged in the operation of similar systems. All money received for loss of use and occupancy shall be considered Revenue of the System payable into the separate funds and accounts named in Section 4 of this Resolution. All money received for losses under any casualty policies shall be used in repairing the damage or in replacing the property destroyed provided that if the Common Council shall find it is inadvisable to repair such damage or replace such property and that the operation of the System has not been impaired thereby, such money shall be deposited in the Special Redemption Fund, but in that event such payments shall not reduce the amounts otherwise required to be paid into the Special Redemption Fund.

Section 7. Additional Bonds. The Bonds are issued on a parity with the Prior Bonds. No bonds or obligations payable out of the Revenues of the System may be issued in such manner as to enjoy priority over the Bonds. Additional obligations may be issued if their lien and pledge is junior and subordinate to that of the Bonds. Additional obligations may be issued on a parity with the Bonds as to the pledge of Revenues of the System ("Parity Bonds") only if all of the following conditions are met:

a. The Net Revenues of the System for the Fiscal Year immediately preceding the issuance of such additional obligations must have been equal to at least 1.30 times the highest annual principal and interest requirements on all Prior Bonds, Bonds and Parity Bonds outstanding payable from Revenues of the System (other than Prior Bonds, Bonds and Parity Bonds being refunded) and on the Parity Bonds then to be issued in any Fiscal Year. Should an increase in permanent rates and charges, including those made to the City, be properly ordered and made effective during the Fiscal Year immediately prior to the issuance of such additional obligations or during that part of the Fiscal Year of issuance prior to such issuance, then Revenues for purposes of such computation shall include such additional Revenues as an independent certified public accountant, consulting professional engineer or the Wisconsin Public Service Commission may certify would have accrued during the prior Fiscal Year had the new rates been in effect during that entire immediately prior Fiscal Year.

b. The payments required to be made into the funds and accounts enumerated in Section 4 of this Resolution (including the Reserve Account, but not the Surplus Fund) must have been made in full.

c. The Parity Bonds must have principal maturing on May 1 of each year in which principal falls due and interest falling due on May 1 and November 1 of each year.

d. If the Parity Bonds are to be secured by the Reserve Account, the amount on deposit in the Reserve Account must be increased to an amount equal to the Reserve Requirement applicable upon the issuance of Parity Bonds as defined in Section 3 of this Resolution.

e. The proceeds of the Parity Bonds must be used only for the purpose of providing additions, extensions or improvements to the System, or to refund obligations issued for such purpose.

Section 8. Sale of Bonds. The bid of the Purchaser for the purchase price set forth in the Proposal be and it hereby is accepted and the Mayor and City Clerk are authorized and directed to execute an acceptance of the offer of said successful bidder on behalf of the City. The good faith deposit of the Purchaser shall be retained by the City Treasurer and applied in accordance with the Official Terms of Offering, and any good faith deposits submitted by unsuccessful bidders shall be promptly returned. The officers of the City are authorized and directed to do any and all acts necessary to conclude delivery of the Bonds to the Purchaser, upon receipt of the purchase price, as soon after adoption of this Resolution as is convenient.

Section 9. Application of Bond Proceeds. All accrued interest received from the sale of the Bonds shall be deposited into the Special Redemption Fund. An amount of proceeds of the Bonds (if any) necessary to make the amount currently on deposit in the Reserve Account equal to the Reserve Requirement shall be deposited in the Reserve Account. An amount of proceeds of the Bonds sufficient to provide for the payment of the Refunded Obligations shall be deposited in a special account designated the "Refunding Fund" for that purpose. The balance of the proceeds, less the expenses incurred in authorizing, issuing and delivering the Bonds, shall be deposited in a special fund designated as "Waterworks System Improvement Fund." Said special fund shall be adequately secured and used solely for the purpose of meeting costs of extending, adding to and improving the System, as described in the preamble hereof. The balance remaining in said Improvement Fund after paying said costs shall be transferred to the Special Redemption Fund for use in payment of principal of and interest on the Bonds.

Section 10. Amendment to Resolution. After the issuance of any of the Bonds, no change or alteration of any kind in the provisions of this Resolution may be made until all of the Bonds have been paid in full as to both principal and interest, or discharged as herein provided, except:

a. The City may, from time to time, amend this Resolution without the consent of any of the owners of the Bonds, but only to cure any ambiguity, administrative conflict, formal defect, or omission or procedural inconsistency of this Resolution; and

b. This Resolution may be amended, in any respect, with the written consent of the owners of not less than two-thirds of the principal amount of the Bonds then outstanding, exclusive of Bonds held by the City; provided, however, that no amendment shall permit any change in the pledge of Revenues derived from the System, or in the maturity of any Bond issued

hereunder, or a reduction in the rate of interest on any Bond, or in the amount of the principal obligation thereof, or in the amount of the redemption premium payable in the case of redemption thereof, or change the terms upon which the Bonds may be redeemed or make any other modification in the terms of the payment of such principal or interest without the written consent of the owner of each such Bond to which the change is applicable.

Section 11. Defeasance. When all Bonds have been discharged, all pledges, liens, covenants and other rights granted to the owners thereof by this Resolution shall cease. The City may discharge all Bonds due on any date by depositing into a special account on or before that date a sum sufficient to pay the same in full; or if any Bonds should not be paid when due, it may nevertheless be discharged by depositing into a special account a sum sufficient to pay it in full with interest accrued from the due date to the date of such deposit. The City, at its option, may also discharge all Bonds called for redemption on any date when they are prepayable according to their terms, by depositing into a special account on or before that date a sum sufficient to pay them in full, with the required redemption premium, if any, provided that notice of redemption has been duly given as required by this Resolution. The City, at its option, may also discharge all Bonds of said issue at any time by irrevocably depositing in escrow with a suitable bank or trust company a sum of cash and/or bonds or securities issued or guaranteed as to principal and interest of the U.S. Government, or of a commission, board or other instrumentality of the U.S. Government, maturing on the dates and bearing interest at the rates required to provide funds sufficient to pay when due the interest to accrue on each of said Bonds to its maturity or, at the City's option, if said Bond is prepayable to any prior date upon which it may be called for redemption, and to pay and redeem the principal amount of each such Bond at maturity, or at the City's option, if said Bond is prepayable, at its earliest redemption date, with the premium required for such redemption, if any, provided that notice of the redemption of all prepayable Bonds on such date has been duly given or provided for. Upon such payment or deposit, in the amount and manner provided by this Section, all liability of the City with respect to the Bonds shall cease, terminate and be completely discharged, and the owners thereof shall be entitled only to payment out of the money so deposited.

Section 12. Investments and Arbitrage. Monies accumulated in any of the funds and accounts referred to in Sections 4 and 9 hereof which are not immediately needed for the respective purposes thereof, may be invested in legal investments subject to the provisions of Sec. 66.0603(1m), Wisconsin Statutes, until needed. All income derived from such investments shall be credited to the fund or account from which the investment was made; provided, however, that at any time that the Reserve Requirement is on deposit in the Reserve Account, any income derived from investment of the Reserve Account shall be deposited into the Special Redemption Fund and used to pay principal and interest on the Bonds. A separate banking account is not required for each of the funds and accounts established under this Resolution; however, the monies in each fund or account shall be accounted for separately by the City and used only for the respective purposes thereof. The proceeds of the Bonds shall be used solely for the purposes for which they are issued but may be temporarily invested until needed in legal investments. No such investment shall be made in such a manner as would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code or the Regulations.

An officer of the City, charged with the responsibility for issuing the Bonds, shall, on the basis of the facts, estimates and circumstances in existence on the date of closing, make such

certifications as are necessary to permit the conclusion that the Bonds are not "arbitrage bonds" under Section 148 of the Code or the Regulations.

Section 13. Resolution a Contract. The provisions of this Resolution shall constitute a contract between the City and the owner or owners of the Bonds, and after issuance of any of the Bonds no change or alteration of any kind in the provisions of this Resolution may be made, except as provided in Section 10, until all of the Bonds have been paid in full as to both principal and interest. The owner or owners of any of the Bonds shall have the right in addition to all other rights, by mandamus or other suit or action in any court of competent jurisdiction, to enforce such owner's or owners' rights against the City, the governing body thereof, and any and all officers and agents thereof including, but without limitation, the right to require the City, its governing body and any other authorized body, to fix and collect rates and charges fully adequate to carry out all of the provisions and agreements contained in this Resolution.

Section 14. Utilization of The Depository Trust Company Book-Entry-Only System. In order to make the Bonds eligible for the services provided by The Depository Trust Company, New York, New York ("DTC"), the City agrees to the applicable provisions set forth in the Blanket Issuer Letter of Representations previously executed on behalf of the City and on file in the City Clerk's office.

Section 15. Payment of the Bonds; Fiscal Agent. The principal of and interest on the Bonds shall be paid by Associated Trust Company, National Association, Green Bay, Wisconsin, which is hereby appointed as the City's registrar and fiscal agent pursuant to the provisions of Section 67.10(2), Wisconsin Statutes (the "Fiscal Agent"). The Fiscal Agency Agreement between the City and the Fiscal Agent shall be substantially in the form attached hereto as Exhibit F and incorporated herein by this reference.

Section 16. Persons Treated as Owners; Transfer of Bonds. The City shall cause books for the registration and for the transfer of the Bonds to be kept by the Fiscal Agent. The person in whose name any Bond 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 Bond 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 Bond to the extent of the sum or sums so paid.

Any Bond may be transferred by the registered owner thereof by surrender of the Bond at the office of the Fiscal Agent, 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 Mayor and City Clerk shall execute and deliver in the name of the transferee or transferees a new Bond or Bonds of a like aggregate principal amount, series and maturity and the Fiscal Agent shall record the name of each transferee in the registration book. No registration shall be made to bearer. The Fiscal Agent shall cancel any Bond surrendered for transfer.

The City shall cooperate in any such transfer, and the Mayor and City Clerk are authorized to execute any new Bond or Bonds necessary to effect any such transfer.

Section 17. Record Date. The fifteenth day of each calendar month next preceding each interest payment date shall be the record date for the Bonds (the "Record Date"). Payment of interest on the Bonds on any interest payment date shall be made to the registered owners of the Bonds as they appear on the registration book of the City at the close of business on the Record Date.

Section 18. Compliance with Federal Tax Laws. (a) The City represents and covenants that the projects financed by the Bonds and by the Refunded Obligations and the ownership, management and use of the projects will not cause the Bonds or the Refunded Obligations to be "private activity bonds" within the meaning of Section 141 of the Code. The City 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 Bonds including, if applicable, the rebate requirements of Section 148(f) of the Code. The City 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 Bonds) if taking, permitting or omitting to take such action would cause any of the Bonds to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause interest on the Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. The City Clerk or other officer of the City charged with the responsibility of issuing the Bonds shall provide an appropriate certificate of the City certifying that the City can and covenanting that it will comply with the provisions of the Code and Regulations.

(b) The City 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 Bonds provided that in meeting such requirements the City will do so only to the extent consistent with the proceedings authorizing the Bonds and the laws of the State of Wisconsin and to the extent that there is a reasonable period of time in which to comply.

The foregoing covenants shall remain in full force and effect, notwithstanding the defeasance of the Bonds, until the date on which all of the Bonds have been paid in full.

Section 19. Designation as Qualified Tax-Exempt Obligations. The Bonds are deemed designated as "qualified tax-exempt obligations" to the extent permitted pursuant to the provisions of Section 265(b)(3)(D)(ii) of the Code. The balance of the Bonds are designated "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code. In support of such designation, the City Clerk or other officer of the City charged with the responsibility for issuing the Bonds, shall provide an appropriate certificate of the City, all as of the Closing.

Section 20. Redemption of Refunded Obligations. The Refunded Obligations are hereby called for prior payment and redemption on July 1, 2016 at a price of par plus accrued interest to the date of redemption.

The City hereby directs the City Clerk to work with Springsted to cause timely notice of redemption, in substantially the form attached hereto as Exhibit G and incorporated herein by this reference (the "Notice"), to be provided at the times, to the parties and in the manner set forth on the Notice.

Section 21. Official Statement. The Common Council hereby approves the Preliminary Official Statement with respect to the Bonds and deems the Preliminary Official Statement as "final" as of its date for purposes of SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934 (the "Rule"). All actions taken by officers of the City in connection with the preparation of such Preliminary Official Statement and any addenda to it or Final Official Statement are hereby ratified and approved. In connection with the closing of the Bonds, the appropriate City official shall certify the Preliminary Official Statement and any addenda or Final Official Statement. The City Clerk shall cause copies of the Preliminary Official Statement and any addenda or Final Official Statement to be distributed to the Purchaser.

Section 22. 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") if required by 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 the Undertaking shall not be an event of default with respect to the Bonds).

To the extent required under the Rule, the Mayor and 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 23. Record Book. The City Clerk shall provide and keep the transcript of proceedings as a separate record book (the "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 the Bonds in the Record Book.

Section 24. Bond Insurance. If the Purchaser determines to obtain municipal bond insurance with respect to the Bonds, the officers of the City are authorized to take all actions necessary to obtain such municipal bond insurance. The Mayor and City Clerk are authorized to agree to such additional provisions as the bond insurer may reasonably request and which are acceptable to the Mayor and City Clerk including provisions regarding restrictions on investment of Bond proceeds, the payment procedure under the municipal bond insurance policy, the rights of the bond insurer in the event of default and payment of the Bonds by the bond insurer and notices to be given to the bond insurer. In addition, any reference required by the bond insurer to the municipal bond insurance policy shall be made in the form of Bond provided herein.

Section 25. Execution of the Bonds; Closing; Professional Services. The Bonds shall be issued in printed form, executed on behalf of the City by the manual or facsimile signatures of the Mayor and City Clerk, authenticated, if required, by the Fiscal Agent, sealed with its official or corporate seal, if any, or a facsimile thereof, and delivered to the Purchaser upon payment to the City of the purchase price thereof, plus accrued interest to the date of delivery (the "Closing"). The facsimile signature of either of the officers executing the Bonds may be

imprinted on the Bonds in lieu of the manual signature of the officer but, unless the City has contracted with a fiscal agent to authenticate the Bonds, at least one of the signatures appearing on each Bond shall be a manual signature. In the event that either of the officers whose signatures appear on the Bonds shall cease to be such officers before the Closing, such signatures shall, nevertheless, be valid and sufficient for all purposes to the same extent as if they had remained in office until the Closing. The aforesaid officers are hereby authorized and directed to do all acts and execute and deliver the Bonds and all such documents, certificates and acknowledgements as may be necessary and convenient to effectuate the Closing. The City hereby authorizes the officers and agents of the City to enter into, on its behalf, agreements and contracts in conjunction with the Bonds, including but not limited to agreements and contracts for legal, trust, fiscal agency, disclosure and continuing disclosure, and rebate calculation services. Any such contract heretofore entered into in conjunction with the issuance of the Bonds is hereby ratified and approved in all respects.

Section 26. Conflicting Ordinances or Resolutions. All prior ordinances, resolutions (other than the 2010 Resolution), rules, or orders, or parts thereof heretofore enacted, adopted or entered, in conflict with the provisions of this Resolution, are hereby repealed and this Resolution shall be in effect from and after its passage. In case of any conflict between this Resolution and the 2010 Resolution, the 2010 Resolution shall control so long as any bonds of the Prior Bonds authorized by such resolution are outstanding.

Adopted, approved and recorded April 26, 2016.

Donna L. Olson
Mayor

ATTEST:

Lana Kropf
City Clerk

(SEAL)

EXHIBIT A

Official Terms of Offering

To be provided by Springsted Incorporated and incorporated into the Resolution.

(See Attached)

OFFICIAL TERMS OF OFFERING

\$2,650,000*

CITY OF STOUGHTON, WISCONSIN

WATERWORKS SYSTEM MORTGAGE REVENUE BONDS, SERIES 2016C

(BOOK ENTRY ONLY)

Bids for the Series 2016C Bonds will be received on Tuesday, April 26, 2016, until 10:00 A.M., Central Time, at the offices of Springsted Incorporated, 380 Jackson Street, Suite 300, Saint Paul, Minnesota, after which time bids will be opened and tabulated. Consideration for award of the Series 2016C Bonds will be by the Common Council at 7:00 P.M., Central Time, of the same day.

SUBMISSION OF BIDS

Springsted will assume no liability for the inability of the bidder to reach Springsted prior to the time of sale specified above. All bidders are advised that each bid shall be deemed to constitute a contract between the bidder and the City to purchase the Series 2016C Bonds regardless of the manner by which the bid is submitted.

(a) **Sealed bidding.** Bids may be submitted in a sealed envelope or by fax (651) 223-3046 to Springsted. Signed bids, without final price or coupons, may be submitted to Springsted prior to the time of sale. The bidder shall be responsible for submitting to Springsted the final bid price and coupons, by telephone (651) 223-3000 or fax (651) 223-3046 for inclusion in the submitted bid.

OR

(b) **Electronic bidding.** Notice is hereby given that electronic bids will be received via PARITY®. For purposes of the electronic bidding process, the time as maintained by PARITY® shall constitute the official time with respect to all bids submitted to PARITY®. *Each bidder shall be solely responsible for making necessary arrangements to access PARITY® for purposes of submitting its electronic bid in a timely manner and in compliance with the requirements of the Official Terms of Offering.* Neither the City, its agents nor PARITY® shall have any duty or obligation to undertake registration to bid for any prospective bidder or to provide or ensure electronic access to any qualified prospective bidder, and neither the City, its agents nor PARITY® shall be responsible for a bidder's failure to register to bid or for any failure in the proper operation of, or have any liability for any delays or interruptions of or any damages caused by the services of PARITY®. The City is using the services of PARITY® solely as a communication mechanism to conduct the electronic bidding for the Series 2016C Bonds, and PARITY® is not an agent of the City.

If any provisions of this Official Terms of Offering conflict with information provided by PARITY®, this Official Terms of Offering shall control. Further information about PARITY®, including any fee charged, may be obtained from:

PARITY®, 1359 Broadway, 2nd Floor, New York, New York 10018
Customer Support: (212) 849-5000

* Preliminary; subject to change.

DETAILS OF THE SERIES 2016C BONDS

The Series 2016C Bonds will be dated as of the date of delivery, and will bear interest payable on May 1 and November 1 of each year, commencing November 1, 2016. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

The Series 2016C Bonds will mature May 1 in the years and amounts* as follows:

2017	\$310,000	2019	\$295,000	2021	\$315,000	2023	\$340,000	2025	\$150,000
2018	\$300,000	2020	\$325,000	2022	\$310,000	2024	\$150,000	2026	\$155,000

* *The City reserves the right, after bids are opened and prior to award, to increase or reduce the principal amount of the Series 2016C Bonds or the amount of any maturity in multiples of \$5,000. In the event the amount of any maturity is modified, the aggregate purchase price will be adjusted to result in the same gross spread per \$1,000 of Series 2016C Bonds as that of the original bid. Gross spread is the differential between the price paid to the City for the new issue and the prices at which the securities are initially offered to the investing public.*

Bids for the Series 2016C Bonds may contain a maturity schedule providing for a combination of serial bonds and term bonds. All term bonds shall be subject to mandatory sinking fund redemption at a price of par plus accrued interest to the date of redemption scheduled to conform to the maturity schedule set forth above. In order to designate term bonds, the bid must specify "Years of Term Maturities" in the spaces provided on the bid form.

BOOK ENTRY SYSTEM

The Series 2016C Bonds will be issued by means of a book entry system with no physical distribution of Series 2016C Bonds made to the public. The Series 2016C Bonds will be issued in fully registered form and one Series 2016C Bond, representing the aggregate principal amount of the Series 2016C Bonds maturing in each year, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository of the Series 2016C Bonds. Individual purchases of the Series 2016C Bonds may be made in the principal amount of \$5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the registrar to DTC or its nominee as registered owner of the Series 2016C Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The purchaser, as a condition of delivery of the Series 2016C Bonds, will be required to deposit the Series 2016C Bonds with DTC.

FISCAL AGENT/REGISTRAR

Associated Trust Company, National Association, Green Bay, Wisconsin will serve as fiscal agent/registrar for the Series 2016C Bonds. The City will pay for the services of the fiscal agent/registrar.

OPTIONAL REDEMPTION

The City may elect on May 1, 2024, and on any day thereafter, to redeem Series 2016C Bonds due on or after May 1, 2025. Redemption may be in whole or in part and if in part at the option of the City and in such manner as the City shall determine. If less than all Series 2016C Bonds of a maturity are called for redemption, the City will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. All redemptions shall be at a price of par plus accrued interest.

SECURITY AND PURPOSE

The Series 2016C Bonds will be special obligations of the City payable solely from net revenues of the City's Waterworks System and shall not constitute a debt for which the full faith and credit or unlimited taxing powers of the City will be pledged. The proceeds will be used to (i) finance various improvements to the Waterworks System of the City, (ii) refund the principal amounts due on May 1, 2017 through May 1, 2023 of the City's Waterworks System Mortgage Revenue Bonds, dated November 15, 2006, and (iii) fund a deposit to the Reserve Account.

BIDDING PARAMETERS

Bids shall be for not less than Ninety-Nine and 25/100 Percent (99.25%) of the principal amount of the Series 2016C Bonds (\$2,630,125) nor more than One Hundred Two Percent (102%) of the principal amount of the Series 2016C Bonds (\$2,703,000), plus accrued interest, if any, on the total principal amount of the Series 2016C Bonds; provided that if municipal bond insurance is obtained for the Series 2016C Bonds, the maximum bid shall not exceed \$2,703,000 minus the amount of the bond insurance premium. No bid can be withdrawn or amended after the time set for receiving bids unless the meeting of the City scheduled for award of the Series 2016C Bonds is adjourned, recessed, or continued to another date without award of the Series 2016C Bonds having been made. Rates shall be in integral multiples of 1/100 or 1/8 of 1%. The initial price to the public for each maturity must be 98.0% or greater. Series 2016C Bonds of the same maturity shall bear a single rate from the date of the Series 2016C Bonds to the date of maturity. No conditional bids will be accepted.

GOOD FAITH DEPOSIT

To have its bid considered for award, the lowest bidder is required to submit a good faith deposit to the City in the amount of \$26,500 (the "Deposit") no later than 1:00 P.M., Central Time on the day of sale. The Deposit may be delivered as described herein in the form of either (i) a certified or cashier's check payable to the City; or (ii) a wire transfer. The lowest bidder shall be solely responsible for the timely delivery of their Deposit whether by check or wire transfer. Neither the City nor Springsted Incorporated have any liability for delays in the receipt of the Deposit. If the Deposit is not received by the specified time, the City may, at its sole discretion, reject the bid of the lowest bidder, direct the second lowest bidder to submit a Deposit, and thereafter award the sale to such bidder.

Certified or Cashier's Check. A Deposit made by certified or cashier's check will be considered timely delivered to the City if it is made payable to the City and delivered to Springsted Incorporated, 380 Jackson Street, Suite 300, St. Paul, Minnesota 55101 by the specified time.

Wire Transfer. A Deposit made by wire will be considered timely delivered to the City upon submission of a federal wire reference number by the specified time. Wire transfer instructions will be available from Springsted Incorporated following the receipt and tabulation of bids. The successful bidder must send an e-mail including the following information: (i) the federal reference number and time released; (ii) the amount of the wire transfer; and (iii) the issue to which it applies.

Once an award has been made, the Deposit received from the lowest bidder (the "purchaser") will be retained by the City and no interest will accrue to the purchaser. The amount of the Deposit will be deducted at settlement from the purchase price. In the event the purchaser fails to comply with the accepted bid, said amount will be retained by the City.

AWARD

The Series 2016C Bonds will be awarded to the bidder offering the lowest interest rate to be determined on a true interest cost (TIC) basis calculated on the bid prior to any adjustment made by the City. The City's computation of the interest rate of each bid, in accordance with customary practice, will be controlling.

The City will reserve the right to: (i) waive non-substantive informalities of any bid or of matters relating to the receipt of bids and award of the Series 2016C Bonds, (ii) reject all bids without cause, and (iii) reject any bid that the City determines to have failed to comply with the terms herein.

BOND INSURANCE AT PURCHASER'S OPTION

The City has **not** applied for or pre-approved a commitment for any policy of municipal bond insurance with respect to the Series 2016C Bonds. If the Series 2016C Bonds qualify for municipal bond insurance and a bidder desires to purchase a policy, such indication, the maturities to be insured, and the name of the desired insurer must be set forth on the bidder's official bid form. The City specifically reserves the right to reject any bid specifying municipal bond insurance, even though such bid may result in the lowest TIC to the City. All costs associated with the issuance and administration of such policy and associated ratings and expenses (other than any independent rating requested by the City) shall be paid by the successful bidder. Failure of the municipal bond insurer to issue the policy after the award of the Series 2016C Bonds shall not constitute cause for failure or refusal by the successful bidder to accept delivery of the Series 2016C Bonds.

CUSIP NUMBERS

If the Series 2016C Bonds qualify for assignment of CUSIP numbers such numbers will be printed on the Series 2016C Bonds, but neither the failure to print such numbers on any Series 2016C Bond nor any error with respect thereto will constitute cause for failure or refusal by the purchaser to accept delivery of the Series 2016C Bonds. The CUSIP Service Bureau charge for the assignment of CUSIP identification numbers shall be paid by the purchaser.

SETTLEMENT

On or about May 26, 2016, the Series 2016C Bonds will be delivered without cost to the purchaser through DTC in New York, New York. Delivery will be subject to receipt by the purchaser of an approving legal opinion of Quarles & Brady LLP of Milwaukee, Wisconsin, and of customary closing papers, including a no-litigation certificate. On the date of settlement, payment for the Series 2016C Bonds shall be made in federal, or equivalent, funds that shall be received at the offices of the City or its designee not later than 12:00 Noon, Central Time. Unless compliance with the terms of payment for the Series 2016C Bonds has been made impossible by action of the City, or its agents, the purchaser shall be liable to the City for any loss suffered by the City by reason of the purchaser's non-compliance with said terms for payment.

CONTINUING DISCLOSURE

In order to assist bidders in complying with SEC Rule 15c2-12, as amended, the City will undertake, pursuant to the Award Resolution, to provide annual reports and timely notice of certain events for the benefit of holders of the Series 2016C Bonds. A description of these details and terms of the undertaking is set forth in the Official Statement.

OFFICIAL STATEMENT

The City has authorized the preparation of a Preliminary Official Statement containing pertinent information relative to the Series 2016C Bonds, and said Preliminary Official Statement will serve as a nearly-final Official Statement within the meaning of Rule 15c2-12 of the Securities and Exchange Commission. For copies of the Preliminary Official Statement and the official bid form or for any additional information prior to sale, any prospective purchaser is referred to the Municipal Advisor to the City, Springsted Incorporated, 380 Jackson Street, Suite 300, Saint Paul, Minnesota 55101, telephone (651) 223-3000.

A Final Official Statement (as that term is defined in Rule 15c2-12) will be prepared, specifying the maturity dates, principal amounts and interest rates of the Series 2016C Bonds, together with any other information required by law. By awarding the Series 2016C Bonds to an underwriter or underwriting syndicate, the City agrees that, no more than seven business days after the date of such award, it shall

provide without cost to the sole underwriter or to the senior managing underwriter of the syndicate (the "Underwriter" for purposes of this paragraph) to which the Series 2016C Bonds are awarded up to 25 copies of the Final Official Statement. The City designates the Underwriter of the syndicate to which the Series 2016C Bonds are awarded as its agent for purposes of distributing copies of the Final Official Statement to each Participating Underwriter. Such Underwriter agrees that if its bid is accepted by the City, (i) it shall accept designation and (ii) it shall enter into a contractual relationship with all Participating Underwriters of the Series 2016C Bonds for purposes of assuring the receipt by each such Participating Underwriter of the Final Official Statement.

Dated March 29, 2016

BY ORDER OF THE COMMON COUNCIL

/s/ Lana Kropf
City Clerk

EXHIBIT B

Bid Tabulation

To be provided by Springsted Incorporated and incorporated into the Resolution.

(See Attached)



Springsted Incorporated
380 Jackson Street, Suite 300
Saint Paul, MN 55101-2887
Tel: 651-223-3000
Fax: 651-223-3002
Email: advisors@springsted.com
www.springsted.com

\$2,650,000^(a)

**CITY OF STOUGHTON, WISCONSIN
WATERWORKS SYSTEM MORTGAGE REVENUE BONDS, SERIES 2016C**

(BOOK ENTRY ONLY)

AWARD:

**BANKERS' BANK
MCFARLAND STATE BANK**

SALE:

April 26, 2016

Moody's Rating: A1

Bidder	Interest Rates		Price	Net Interest Cost	True Interest Rate
BANKERS' BANK	1.00%	2017-2018	\$2,683,024.60 ^(b)	\$194,522.10 ^(b)	1.4944% ^(b)
MCFARLAND STATE BANK	1.25%	2019-2020			
	1.50%	2021-2022			
	1.75%	2023-2024			
	2.75%	2025-2026			
ROBERT W. BAIRD & COMPANY, INCORPORATED	2.00%	2017-2026	\$2,688,506.40	\$218,013.04	1.6825%
C.L. KING & ASSOCIATES WMBE					
VINING-SPARKS IBG, LIMITED PARTNERSHIP					
CRONIN & CO., INC.					
EDWARD JONES					
LOOP CAPITAL MARKETS					
COASTAL SECURITIES, INC.					
SAMCO CAPITAL MARKETS					
WNJ CAPITAL					
CREWS & ASSOCIATES, INC.					
DAVENPORT & CO. L.L.C.					
NORTHLAND SECURITIES, INC.					
ROSS, SINCLAIRE & ASSOCIATES, LLC					
DOUGHERTY & COMPANY, LLC					
COUNTRY CLUB BANK					
DUNCAN-WILLIAMS, INC.					
SUMRIDGE PARTNERS					
R. SEELAUS & COMPANY., INC.					
SIERRA PACIFIC SECURITIES					
ALAMO CAPITAL					
IFS SECURITIES					
BERNARDI SECURITIES, INC.					
OPPENHEIMER & CO.					
RAFFERTY CAPITAL MARKETS					
UMB BANK, N.A.					
FIRST EMPIRE SECURITIES					
W.H. MELL ASSOCIATES					
WAYNE HUMMER & CO.					
WEDBUSH SECURITIES INC					

^(a) Subsequent to bid opening, the issue size decreased from \$2,650,000 to \$2,520,000.

^(b) Subsequent to bid opening, the price, net interest cost, and true interest rate have changed to \$2,551,030.20, \$183,312.34, and 1.4905%, respectively.

Public Sector Advisors

Bidder	Interest Rates		Price	Net Interest Cost	True Interest Rate
CITY SECURITIES CORP.	2.00%	2017-2026	\$2,682,564.40	\$223,955.04	1.7311%
BOSC, INC., A SUBSIDIARY OF, BOK FINANCIAL CORP.	2.00%	2017-2023	\$2,690,066.60	\$226,623.85	1.7464%
STIFEL, NICOLAUS & COMPANY, INCORPORATED	2.25%	2024-2026			
SUNTRUST ROBINSON HUMPHREY, INC.					
HUTCHINSON, SHOCKEY, ERLEY & CO.	2.00%	2017-2020	\$2,650,052.15	\$283,412.09	2.2096%
	3.00%	2021			
	2.00%	2022			
	2.25%	2023			
	2.00%	2024			
	2.125%	2025			
	2.25%	2026			

REOFFERING SCHEDULE OF THE PURCHASER

<u>Rate</u>	<u>Year</u>	<u>Yield</u>
1.00%	2017	0.80%
1.00%	2018	0.90%
1.25%	2019	1.00%
1.25%	2020	1.10%
1.50%	2021	1.25%
1.50%	2022	1.35%
1.75%	2023	1.50%
1.75%	2024	1.65%
2.75%	2025	1.70%
2.75%	2026	1.775%

BBI: 3.28%
Average Maturity: 4.840 Years

EXHIBIT C

Winning Bid

To be provided by Springsted Incorporated and incorporated into the Resolution.

(See Attached)

OFFICIAL BID FORM

SALE DATE: April 26, 2016

\$2,520,000

City of Stoughton, Wisconsin

~~\$2,650,000~~* Waterworks System Mortgage Revenue Bonds, Series 2016C

\$2,551,030.20

For the Series 2016C Bonds of this Issue which shall mature and bear interest at the respective annual rates, as follow, we offer a price of ~~\$2,683,024.60~~ (which may be not less than Ninety-Nine and 25/100 Percent (99.25%) of the principal amount of the Series 2016C Bonds (\$2,630,125) nor more than One Hundred Two Percent (102%) of the principal amount of the Series 2016C Bonds (\$2,703,000)), plus accrued interest, if any, on the total principal amount of the Series 2016C Bonds; provided that if municipal bond insurance is obtained for the Series 2016C Bonds, the maximum bid shall not exceed \$2,703,000 minus the amount of the bond insurance premium).
 \$2,570,400
 \$2,501,100

Year	Interest Rate (%)	Yield (%)	Dollar Price	Year	Interest Rate (%)	Yield (%)	Dollar Price
2017	1.00 %	0.80 %	100.184 %	2022	1.50 %	1.35 %	100.851 %
2018	1.00 %	0.90 %	100.190 %	2023	1.75 %	1.50 %	101.639 %
2019	1.25 %	1.00 %	100.720 %	2024	1.75 %	1.65 %	100.74 %
2020	1.25 %	1.10 %	100.575 %	2025	2.75 %	1.70 %	107.758 %
2021	1.50 %	1.25 %	101.191 %	2026	2.75 %	1.775 %	107.182 %

Designation of Term Maturities

Years of Term Maturities

In making this offer on the sale date of April 26, 2016 we accept all of the terms and conditions of the Official Terms of Offering published in the Preliminary Official Statement dated April 8, 2016 including the City's right to modify the principal amount of the Series 2016C Bonds. (See "Official Terms of Offering" herein.) In the event of failure to deliver these Series 2016C Bonds in accordance with said Official Terms of Offering, we reserve the right to withdraw our offer, whereupon the deposit accompanying it will be immediately returned. All blank spaces of this offer are intentional and are not to be construed as an omission.

Not as a part of our offer, the above quoted prices being controlling, but only as an aid for the verification of the offer, we have made the following computations:

NET INTEREST COST: \$ 194,522.10 \$183,312.34TRUE INTEREST RATE: 1.49448 % 1.49052%The Bidder ☒ will not ☐ will purchase municipal bond insurance from _____

Account Members

BID W/ McFARLAND STATE BANK

BANKERS' BAWL

Account Manager

By: CASIM POOLEPhone: 608-829-5775

The foregoing bid has been accepted by the City.

Attest: _____

Date: _____

* Preliminary; subject to change.

Phone: 651-223-3000

Fax: 651-223-3046

Email: bond_services@springsted.comWebsite: www.springsted.com

Public Sector Advisors

Springsted

EXHIBIT D-1

Pricing Summary

To be provided by Springsted Incorporated and incorporated into the Resolution.

(See Attached)

\$2,520,000

City of Stoughton, Wisconsin
Waterworks System Mortgage Revenue Bonds, Series 2016C
Issue Summary

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	YTM	Call Date	Call Price	Dollar Price
05/01/2017	Serial Coupon	1.000%	0.800%	295,000.00	100.184%	-	-	-	295,542.80
05/01/2018	Serial Coupon	1.000%	0.900%	290,000.00	100.190%	-	-	-	290,551.00
05/01/2019	Serial Coupon	1.250%	1.000%	285,000.00	100.720%	-	-	-	287,052.00
05/01/2020	Serial Coupon	1.250%	1.100%	310,000.00	100.575%	-	-	-	311,782.50
05/01/2021	Serial Coupon	1.500%	1.250%	305,000.00	101.191%	-	-	-	308,632.55
05/01/2022	Serial Coupon	1.500%	1.350%	295,000.00	100.851%	-	-	-	297,510.45
05/01/2023	Serial Coupon	1.750%	1.500%	320,000.00	101.639%	-	-	-	325,244.80
05/01/2024	Serial Coupon	1.750%	1.650%	135,000.00	100.740%	-	-	-	135,999.00
05/01/2025	Serial Coupon	2.750%	1.700%	140,000.00	107.758%	c 1.805%	05/01/2024	100.000%	150,861.20
05/01/2026	Serial Coupon	2.750%	1.775%	145,000.00	107.182%	c 1.951%	05/01/2024	100.000%	155,413.90
Total	-	-	-	\$2,520,000.00	-	-	-	-	\$2,558,590.20

Bid Information

Par Amount of Bonds.....	\$2,520,000.00
Reoffering Premium or (Discount).....	38,590.20
Gross Production.....	\$2,558,590.20
Total Underwriter's Discount (0.300%).....	\$(7,560.00)
Bid (101.231%).....	2,551,030.20
Total Purchase Price.....	\$2,551,030.20
Bond Year Dollars.....	\$12,120.00
Average Life.....	4.810 Years
Average Coupon.....	1.7685028%
Net Interest Cost (NIC).....	1.5124781%
True Interest Cost (TIC).....	1.4905234%

EXHIBIT D-2

Debt Service Schedule

To be provided by Springsted Incorporated and incorporated into the Resolution.

(See Attached)

\$2,520,000

City of Stoughton, Wisconsin
Waterworks System Mortgage Revenue Bonds, Series 2016C
Issue Summary

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
11/01/2016	-	-	16,398.79	16,398.79
05/01/2017	295,000.00	1.000%	19,043.75	314,043.75
11/01/2017	-	-	17,568.75	17,568.75
05/01/2018	290,000.00	1.000%	17,568.75	307,568.75
11/01/2018	-	-	16,118.75	16,118.75
05/01/2019	285,000.00	1.250%	16,118.75	301,118.75
11/01/2019	-	-	14,337.50	14,337.50
05/01/2020	310,000.00	1.250%	14,337.50	324,337.50
11/01/2020	-	-	12,400.00	12,400.00
05/01/2021	305,000.00	1.500%	12,400.00	317,400.00
11/01/2021	-	-	10,112.50	10,112.50
05/01/2022	295,000.00	1.500%	10,112.50	305,112.50
11/01/2022	-	-	7,900.00	7,900.00
05/01/2023	320,000.00	1.750%	7,900.00	327,900.00
11/01/2023	-	-	5,100.00	5,100.00
05/01/2024	135,000.00	1.750%	5,100.00	140,100.00
11/01/2024	-	-	3,918.75	3,918.75
05/01/2025	140,000.00	2.750%	3,918.75	143,918.75
11/01/2025	-	-	1,993.75	1,993.75
05/01/2026	145,000.00	2.750%	1,993.75	146,993.75
Total	\$2,520,000.00	-	\$214,342.54	\$2,734,342.54

SIGNIFICANT DATES

Dated Date.....	5/26/2016
Delivery Date.....	5/26/2016
First Coupon Date.....	11/01/2016

Yield Statistics

Bond Year Dollars.....	\$12,120.00
Average Life.....	4.810 Years
Average Coupon.....	1.7685028%
Net Interest Cost (NIC).....	1.5124781%
True Interest Cost (TIC).....	1.4905234%
Bond Yield for Arbitrage Purposes.....	1.3819221%
All Inclusive Cost (AIC).....	1.9015076%
IRS Form 8038	
Net Interest Cost.....	1.4159791%
Weighted Average Maturity.....	4.851 Years

\$2,520,000

City of Stoughton, Wisconsin
Waterworks System Mortgage Revenue Bonds, Series 2016C
Issue Summary

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
05/01/2017	295,000.00	1.000%	35,442.54	330,442.54
05/01/2018	290,000.00	1.000%	35,137.50	325,137.50
05/01/2019	285,000.00	1.250%	32,237.50	317,237.50
05/01/2020	310,000.00	1.250%	28,675.00	338,675.00
05/01/2021	305,000.00	1.500%	24,800.00	329,800.00
05/01/2022	295,000.00	1.500%	20,225.00	315,225.00
05/01/2023	320,000.00	1.750%	15,800.00	335,800.00
05/01/2024	135,000.00	1.750%	10,200.00	145,200.00
05/01/2025	140,000.00	2.750%	7,837.50	147,837.50
05/01/2026	145,000.00	2.750%	3,987.50	148,987.50
Total	\$2,520,000.00	-	\$214,342.54	\$2,734,342.54

Yield Statistics

Bond Year Dollars	\$12,120.00
Average Life	4.810 Years
Average Coupon	1.7685028%
Net Interest Cost (NIC)	1.5124781%
True Interest Cost (TIC)	1.4905234%
Bond Yield for Arbitrage Purposes	1.3819221%
All Inclusive Cost (AIC)	1.9015076%
IRS Form 8038	
Net Interest Cost	1.4159791%
Weighted Average Maturity	4.851 Years

EXHIBIT E

(Form of Bond)

REGISTERED UNITED STATES OF AMERICA
STATE OF WISCONSIN DOLLARS
DANE COUNTY
NO. R- CITY OF STOUGHTON \$
WATERWORKS SYSTEM MORTGAGE REVENUE BOND, SERIES 2016C

MATURITY DATE: ORIGINAL DATE OF ISSUE: INTEREST RATE: CUSIP:
May 1, May 26, 2016 %

DEPOSITORY OR ITS NOMINEE NAME: CEDE & CO.

PRINCIPAL AMOUNT: THOUSAND DOLLARS
(\$)

FOR VALUE RECEIVED, the City of Stoughton, Dane County, Wisconsin (the "City"), hereby acknowledges itself to owe and promises to pay to the Depository or its Nominee Name (the "Depository") identified above (or to registered assigns), solely from the fund hereinafter specified, on the maturity date identified above, the principal amount identified above, and to pay interest thereon at the rate of interest per annum identified above, all subject to the provisions set forth herein regarding redemption prior to maturity. Interest shall be payable semi-annually on May 1 and November 1 of each year commencing on November 1, 2016 until the aforesaid principal amount is paid in full. Both the principal of and interest on this Bond are payable to the registered owner in lawful money of the United States. Interest payable on any interest payment date shall be paid by wire transfer to the Depository in whose name this Bond is registered on the Bond Register maintained by Associated Trust Company, National Association, Green Bay, Wisconsin (the "Fiscal Agent") or any successor thereto at the close of business on the 15th day of the calendar month next preceding the semi-annual interest payment date (the "Record Date"). This Bond is payable as to principal upon presentation and surrender hereof at the office of the Fiscal Agent.

The Bonds maturing on May 1, 2025 and thereafter are subject to redemption prior to maturity, at the option of the City, on May 1, 2024 or on any date thereafter. Said Bonds are redeemable as a whole or in part, and if in part, from maturities selected by the City and within each maturity, by lot (as selected by the Depository), at the principal amount thereof, plus accrued interest to the date of redemption.

In the event the Bonds are redeemed prior to maturity, as long as the Bonds are in book-entry-only form, official notice of the redemption will be given by mailing a notice by registered or certified mail, overnight express delivery, facsimile transmission, electronic transmission or in any other manner required by the Depository, to the Depository not less than thirty (30) days nor more than sixty (60) days prior to the redemption date. If less than all of the Bonds of a maturity are to be called for redemption, the Bonds of such maturity to be redeemed will be selected by lot. Such notice will include but not be limited to the following: the designation, date and maturities of the Bonds called for redemption, CUSIP numbers, and the date of redemption. Any notice provided as described herein shall be conclusively presumed to have been duly given, whether or not the registered owner receives the notice. The Bonds shall cease to bear interest on the specified redemption date provided that federal or other immediately available funds sufficient for such redemption are on deposit at the office of the Depository at that time. Upon such deposit of funds for redemption the Bonds shall no longer be deemed to be outstanding.

This Bond is one of an issue aggregating \$2,520,000, issued for the purpose of paying the cost of additions, improvements and extensions to the Waterworks System of the City and to refund obligations of the City issued to finance additions, improvements and extensions to the City's Waterworks System, pursuant to Article XI, Section 3, of the Wisconsin Constitution, Section 66.0621, Wisconsin Statutes, acts supplementary thereto and a Resolution adopted April 26, 2016, and entitled: "Resolution Authorizing the Issuance and Sale of \$2,520,000 Waterworks System Mortgage Revenue Bonds, Series 2016C of the City of Stoughton, Dane County, Wisconsin, and Providing for the Payment of the Bonds and Other Details With Respect to the Bonds" (the "Resolution") and is payable only from the income and revenues derived from the operation of said Waterworks System. Such revenues have been set aside and pledged as a special fund for that purpose and identified as "Special Redemption Fund", created by an ordinance adopted by the City on May 14, 1963 and continued by the Resolution. The Bonds are issued on a parity with the City's Waterworks System Revenue Bonds, Series 2010, dated January 27, 2010. This Bond does not constitute an indebtedness of the City within the meaning of any constitutional or statutory debt limitation or provision.

A mortgage lien, which is hereby recognized as valid and binding on said Waterworks System, together with all extensions and improvements thereto, has been granted by the City to and in favor of the registered owner or owners of bonds of this issue of Bonds. The Waterworks System shall remain subject to such mortgage lien until the payment in full of the principal of and interest on this Bond and the issue of which it forms a part.

This Bond is a "qualified tax-exempt obligation" pursuant to the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

This Bond is transferable only upon the books of the City kept for that purpose at the office of the Fiscal Agent, only in the event that the Depository does not continue to act as depository for the Bonds, and the City appoints another depository, upon surrender of the Bond

to the Fiscal Agent, by the registered owner in person or his duly authorized attorney, together with a written instrument of transfer (which may be endorsed hereon) satisfactory to the Fiscal Agent duly executed by the registered owner or his duly authorized attorney. Thereupon a new fully registered Bond in the same aggregate principal amount shall be issued to the new depository in exchange therefor and upon the payment of a charge sufficient to reimburse the City for any tax, fee or other governmental charge required to be paid with respect to such registration. The Fiscal Agent shall not be obliged to make any transfer of the Bonds (i) after the Record Date, (ii) during the fifteen (15) calendar days preceding the date of any publication of notice of any proposed redemption of the Bonds, or (iii) with respect to any particular Bond, after such Bond has been called for redemption. The Fiscal Agent and City may treat and consider the Depository in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes whatsoever. The Bonds are issuable solely as negotiable, fully-registered Bonds without coupons in the denomination of \$5,000 or any integral multiple thereof.

It is hereby certified, recited and declared that all conditions, things and acts required by law to exist, happen, and be performed precedent to and in the issuance of this Bond have existed, have happened and have been performed in due time, form and manner as required by law; and that sufficient of the income and revenue to be received by said City from the operation of its Waterworks System has been pledged to and will be set aside into a special fund for the payment of the principal of and interest on this Bond.

This Bond shall not be valid or obligatory for any purpose until the Certificate of Authentication hereon shall have been signed by the Fiscal Agent.

IN WITNESS WHEREOF, the City of Stoughton, Dane County, Wisconsin, by its governing body, has caused this Bond to be executed for it and in its name by the manual or facsimile signatures of its duly qualified Mayor and City Clerk; and to be sealed with its official or corporate seal, if any, all as of the original date of issue specified above.

CITY OF STOUGHTON,
DANE COUNTY, WISCONSIN

(SEAL)

By: _____
Donna L. Olson
Mayor

By: _____
Lana Kropf
City Clerk

COPY

Date of Authentication: _____, _____

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds of the issue authorized by the within-mentioned Resolution of the City of Stoughton, Wisconsin.

ASSOCIATED TRUST COMPANY,
NATIONAL ASSOCIATION,
GREEN BAY, WISCONSIN

COPY

By _____
Authorized Signatory

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(Name and Address of Assignee)

(Social Security or other Identifying Number of Assignee)

the within Bond and all rights thereunder and hereby irrevocably constitutes and appoints _____, Legal Representative, to transfer said Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

COPY

(e.g. Bank, Trust Company
or Securities Firm)

(Depository or Nominee Name)

NOTICE: This signature must correspond with the name of the Depository or Nominee Name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

(Authorized Officer)

EXHIBIT F

Fiscal Agency Agreement

(See Attached)

FISCAL AGENCY AGREEMENT

THIS AGREEMENT, made as of the 26th day of May, 2016 between the City of Stoughton, Wisconsin (the "Municipality"), and Associated Trust Company, National Association, Green Bay, Wisconsin (the "Fiscal Agent").

WITNESSETH:

WHEREAS, the Municipality has duly authorized the issuance of its \$2,520,000 Waterworks System Mortgage Revenue Bonds, Series 2016C, dated May 26, 2016 (the "Obligations") pursuant to the applicable provisions of the Wisconsin Statutes and the resolutions adopted by the Municipality on March 29, 2016 and April 26, 2016 (collectively, the "Resolution"); and

WHEREAS, the Municipality is issuing the Obligations in registered form pursuant to Section 149 of the Internal Revenue Code of 1986, as amended, and applicable Treasury Regulations promulgated thereunder; and

WHEREAS, pursuant to the Resolution and Section 67.10(2), Wisconsin Statutes the Municipality has authorized the appointment of the Fiscal Agent as agent for the Municipality for any or all of the following responsibilities: payment of principal and interest on, registering, transferring and authenticating the Obligations as well as other applicable responsibilities permitted by Section 67.10(2), Wisconsin Statutes.

NOW, THEREFORE, the Municipality and the Fiscal Agent hereby agree as follows:

I. APPOINTMENT

The Fiscal Agent is hereby appointed agent for the Municipality with respect to the Obligations for the purpose of performing such of the responsibilities stated in Section 67.10(2), Wisconsin Statutes, as are delegated herein or as may be otherwise specifically delegated in writing to the Fiscal Agent by the Municipality.

II. INVESTMENT RESPONSIBILITY

The Fiscal Agent shall not be under any obligation to invest funds held for the payment of interest or principal on the Obligations.

III. PAYMENTS

At least one business day before each interest payment date (commencing with the interest payment date of November 1, 2016 and continuing thereafter until the principal of and interest on the Obligations should have been fully paid or prepaid in accordance with their terms) the Municipality shall pay to the Fiscal Agent, in good funds immediately available to the Fiscal Agent on the interest payment date, a sum equal to the amount payable as principal of, premium, if any, and interest on the Obligations on such interest payment date. Said interest and/or principal payment dates and amounts are outlined on Schedule A which is attached hereto and incorporated herein by this reference.

IV. CANCELLATION

In every case of the surrender of any Obligation for the purpose of payment, the Fiscal Agent shall cancel and destroy the same and deliver to the Municipality a certificate regarding such cancellation. The Fiscal Agent shall be permitted to microfilm or otherwise photocopy and record said Obligations.

V. REGISTRATION BOOK

The Fiscal Agent shall maintain in the name of the Municipality a Registration Book containing the names and addresses of all owners of the Obligations and the following information as to each Obligation: its number, date, purpose, amount, rate of interest and when payable. The Fiscal Agent shall keep confidential said information in accordance with applicable banking and governmental regulations.

VI. INTEREST PAYMENT

Payment of each installment of interest on each Obligation shall be made to the registered owner of such Obligation whose name shall appear on the Registration Book at the close of business on the 15th day of the calendar month next preceding the interest payment date and shall be paid by check or draft of the Fiscal Agent mailed to such registered owner at his address as it appears in such Registration Book or at such other address as may be furnished in writing by such registered owner to the Fiscal Agent.

VII. PAYMENT OF PRINCIPAL AND NOTICE OF REDEMPTION

(a) Principal Payments. Principal shall be paid to the registered owner of an Obligation upon surrender of the Obligation on or after its maturity or redemption date.

(b) Official Notice of Redemption. In the event the Municipality exercises its option to redeem any of the Obligations, the Municipality shall, at least 35 days prior to the redemption date, direct the Fiscal Agent to give official notice of such redemption by sending an official notice thereof by registered or certified mail, facsimile transmission, overnight express delivery, electronic transmission or in any other manner required by The Depository Trust Company at least 30 days but not more than 60 days prior to the date fixed for redemption to the registered owner of each Obligation to be redeemed in whole or in part at the address shown in the Registration Book. Such official notice of redemption shall be dated and shall state (i) the redemption date and price; (ii) an identification of the Obligations to be redeemed, including the date of original issue of the Obligations; (iii) that on the redemption date the redemption price will become due and payable upon each such Obligation or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date; and (iv) the place where such Obligations are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Fiscal Agent.

(c) Additional Notice of Redemption. In addition to the official notice of redemption provided in (b) above, further notice of any redemption shall be given by the Fiscal Agent on behalf of the Municipality to the Municipal Securities Rulemaking Board and The Depository Trust Company of New York, New York but neither a defect in this additional notice nor any

failure to give all or any portion of such additional notice shall in any manner defeat the effectiveness of a call for redemption.

Each further notice of redemption given hereunder shall be sent at least 30 days before the redemption date by registered or certified mail, overnight delivery service, facsimile transmission or email transmission and shall contain the information required above for an official notice of redemption.

(d) Redemption of Obligations. The Obligations to be redeemed shall be selected by the Municipality and, within any maturity, shall be selected by lot by the Depository described in Section VIII hereof. The Obligations or portions of Obligations to be redeemed shall, on the redemption dates, become due and payable at the redemption price therein specified, and from and after such date such Obligations or portions of Obligations shall cease to bear interest. Upon surrender of such Obligations for redemption in accordance with the official notice of redemption, such Obligations shall be paid by the Fiscal Agent at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Obligation, there shall be prepared for the registered owner a new Obligation or Obligations of the same maturity in the amount of the unpaid principal. Each check or other transfer of funds issued in payment of the redemption price of Obligations being redeemed shall bear the CUSIP number identifying, by issue and maturity, the Obligations being redeemed with the proceeds of such check or other transfer.

VIII. UTILIZATION OF THE DEPOSITORY TRUST COMPANY

The Depository Trust Company's Book-Entry-Only System is to be utilized for the Obligations. The Fiscal Agent, as agent for the Municipality, agrees to comply with the provisions of The Depository Trust Company's Operational Arrangements, as they may be amended from time to time referenced in the Blanket Issuer Letter of Representations executed by the Municipality. The provisions of the Operational Arrangements and this Section VIII supersede and control any and all representations in this Agreement.

IX. OBLIGATION TRANSFER AND EXCHANGE

The Fiscal Agent shall transfer Obligations upon presentation of a written assignment duly executed by the registered owner or by such owner's duly authorized representative. Upon such a transfer, new registered Obligation(s) of the same maturity, in authorized denomination or denominations in the same aggregate principal amount for each maturity shall be issued to the transferee in exchange therefor, and the name of such transferee shall be entered as the new registered owner in the Registration Book. No Obligation may be registered to bearer. The Fiscal Agent may exchange Obligations of the issue for a like aggregate principal amount of Obligations of the same maturity in authorized whole multiples of \$5,000.

The Obligations shall be numbered R-1 and upward. Upon any transfer or exchange, the Obligation or Obligations issued shall bear the next highest consecutive unused number or numbers.

The Municipality shall cooperate in any such transfer, and the appropriate officers of the Municipality are authorized to execute any new Obligation or Obligations necessary to effect any such transfer.

X. AUTHENTICATION, IF REQUIRED

The Fiscal Agent shall sign and date the Certificate of Authentication, if any, on each Obligation on the date of delivery, transfer or exchange of such Obligation. The Fiscal Agent shall distribute and/or retain for safekeeping the Obligations in accordance with the direction of the registered owners thereof.

XI. STATEMENTS

The Fiscal Agent shall furnish the Municipality with an accounting of interest and funds upon reasonable request.

XII. FEES

The Municipality agrees to pay the Fiscal Agent fees for its services hereunder in the amounts set forth on Schedule B hereto.

XIII. MISCELLANEOUS

(a) Nonpresentment of Checks. In the event the check or draft mailed by the Fiscal Agent to the registered owner is not presented for payment within five years of its date, then the monies representing such nonpayment shall be returned to the Municipality or to such board, officer or body as may then be entitled by law to receive the same together with the name of the registered owner of the Obligation and the last mailing address of record and the Fiscal Agent shall no longer be responsible for the same.

(b) Resignation and Removal; Successor Fiscal Agent. (i) Fiscal Agent may at any time resign by giving not less than 60 days written notice to Municipality. Upon receiving such notice of resignation, Municipality shall promptly appoint a successor fiscal agent by an instrument in writing executed by order of its governing body. If no successor fiscal agent shall have been so appointed and have accepted appointment within 60 days after such notice of resignation, the resigning fiscal agent may petition any court of competent jurisdiction for the appointment of a successor fiscal agent. Such court may thereupon, after such notice, if any, as it may deem proper and prescribes, appoint a successor fiscal agent. The resignation of the fiscal agent shall take effect only upon appointment of a successor fiscal agent and such successor fiscal agent's acceptance of such appointment.

(ii) The Fiscal Agent may also be removed by the Municipality at any time upon not less than 60 days' written notice. Such removal shall take effect upon the appointment of a successor fiscal agent and such successor fiscal agent's acceptance of such appointment.

(iii) Any successor fiscal agent shall execute, acknowledge and deliver to Municipality and to its predecessor fiscal agent an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor fiscal agent shall become effective and such successor fiscal agent, without any further act, deed or conveyance, shall

become vested with all the rights, powers, trusts, duties and obligations of its predecessor, with like effect as if originally named as fiscal agent herein; but nevertheless, on written request of Municipality, or on the request of the successor, the fiscal agent ceasing to act shall execute and deliver an instrument transferring to such successor fiscal agent, all the rights, powers, and trusts of the fiscal agent so ceasing to act. Upon the request of any such successor fiscal agent, Municipality shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor fiscal agent all such rights, powers and duties. Any predecessor fiscal agent shall pay over to its successor fiscal agent any funds of the Municipality.

(iv) Any corporation, association or agency into which the Fiscal Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, ipso facto, shall be and become successor fiscal agent under this Agreement and vested with all the trusts, powers, discretions, immunities and privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

(v) Any successor fiscal agent shall be qualified pursuant to Sec. 67.10(2), Wisconsin Statutes, as amended.

(c) Termination. This Agreement shall terminate on the earlier of (i) the payment in full of all of the principal and interest on the Obligations to the registered owners of the Obligations or (ii) five years after (aa) the last principal payment on the Obligations is due (whether by maturity or earlier redemption) or (bb) the Municipality's responsibilities for payment of the Obligations are fully discharged, whichever is later. The parties realize that any funds hereunder as shall remain upon termination shall, except as may otherwise by law, be turned over to the Municipality after deduction of any unpaid fees and disbursements of Fiscal Agent or, if required by law, to such officer, board or body as may then be entitled by law to receive the same. Termination of this Agreement shall not, of itself, have any effect on Municipality's obligation to pay the outstanding Obligations in full in accordance with the terms thereof.

(d) Execution in Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement, being duly authorized so to do, each in the manner most appropriate to it, on the date first above written.

CITY OF STOUGHTON, DANE
COUNTY, WISCONSIN

By _____
Donna L. Olson
Mayor

(SEAL)

Lana Kropf
City Clerk

ASSOCIATED TRUST COMPANY,
NATIONAL ASSOCIATION, GREEN
BAY, WISCONSIN
Fiscal Agent

(SEAL)

By _____
Title _____

Attest _____
Title _____

SCHEDULE A

Debt Service Schedule
\$2,520,000 Waterworks System Mortgage Revenue Bonds, Series 2016C
of the City of Stoughton, Wisconsin
dated May 26, 2016

(SEE ATTACHED)

COPY

\$2,520,000

City of Stoughton, Wisconsin
Waterworks System Mortgage Revenue Bonds, Series 2016C
Issue Summary

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
11/01/2016	-	-	16,398.79	16,398.79
05/01/2017	295,000.00	1.000%	19,043.75	314,043.75
11/01/2017	-	-	17,568.75	17,568.75
05/01/2018	290,000.00	1.000%	17,568.75	307,568.75
11/01/2018	-	-	16,118.75	16,118.75
05/01/2019	285,000.00	1.250%	16,118.75	301,118.75
11/01/2019	-	-	14,337.50	14,337.50
05/01/2020	310,000.00	1.250%	14,337.50	324,337.50
11/01/2020	-	-	12,400.00	12,400.00
05/01/2021	305,000.00	1.500%	12,400.00	317,400.00
11/01/2021	-	-	10,112.50	10,112.50
05/01/2022	295,000.00	1.500%	10,112.50	305,112.50
11/01/2022	-	-	7,900.00	7,900.00
05/01/2023	320,000.00	1.750%	7,900.00	327,900.00
11/01/2023	-	-	5,100.00	5,100.00
05/01/2024	135,000.00	1.750%	5,100.00	140,100.00
11/01/2024	-	-	3,918.75	3,918.75
05/01/2025	140,000.00	2.750%	3,918.75	143,918.75
11/01/2025	-	-	1,993.75	1,993.75
05/01/2026	145,000.00	2.750%	1,993.75	146,993.75
Total	\$2,520,000.00	-	\$214,342.54	\$2,734,342.54

SIGNIFICANT DATES

Dated Date.....	5/26/2016
Delivery Date.....	5/26/2016
First Coupon Date.....	11/01/2016

Yield Statistics

Bond Year Dollars.....	\$12,120.00
Average Life.....	4.810 Years
Average Coupon.....	1.7685028%

Net Interest Cost (NIC).....	1.5124781%
True Interest Cost (TIC).....	1.4905234%
Bond Yield for Arbitrage Purposes.....	1.3819221%
All Inclusive Cost (AIC).....	1.9015076%

IRS Form 8038

Net Interest Cost.....	1.4159791%
Weighted Average Maturity.....	4.851 Years

SCHEDULE B

(SEE ATTACHED)

EXHIBIT G

NOTICE OF FULL CALL*

CITY OF STOUGHTON
DANE COUNTY, WISCONSIN
WATERWORKS SYSTEM MORTGAGE REVENUE BONDS
DATED NOVEMBER 15, 2006

NOTICE IS HEREBY GIVEN that the Bonds of the above-referenced issue which mature on the dates and in the amounts; bear interest at the rates; and have CUSIP Nos. as set forth below have been called for prior payment on July 1, 2016 at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of prepayment:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP No.</u>
05/01/2018	\$300,000	4.50%	862342DK5
05/01/2020	325,000	4.50	862342DM1
05/01/2023	550,000	4.50	862342DQ2

Upon presentation and surrender of said Bonds to Associated Trust Company, National Association, Green Bay, Wisconsin, the registrar and fiscal agent for said Bonds, the registered owners thereof will be paid the principal amount of the Bonds plus accrued interest to the date of prepayment.

Said Bonds will cease to bear interest on July 1, 2016.

By Order of the
Common Council
City of Stoughton
City Clerk

Dated _____

* To be provided to Associated Trust Company, National Association at least thirty-five (35) days prior to July 1, 2016. The registrar and fiscal agent shall be directed to give notice of such prepayment by registered or certified mail, overnight express delivery, facsimile transmission, or electronic transmission to The Depository Trust Company, Attn: Supervisor, Call Notification Department, 570 Washington Blvd., Jersey City, NJ 07310, not less than thirty (30) days nor more than sixty (60) days prior to July 1, 2016 and to the MSRB electronically through the Electronic Municipal Market Access (EMMA) System website at www.emma.msrb.org. Notice shall also be provided to Assured Guaranty Municipal Corp., or any successor, the successor bond insurer of the Bonds.