

MINUTES of a regular, open, public session of the Common Council of the City of La Crosse, La Crosse County, Wisconsin, held in the City Hall Council Chamber, 400 La Crosse Street, La Crosse, Wisconsin, in said City, at 6:00 o'clock P.M., on the 10th day of February, 2022.

* * *

The meeting was called to order by the Mayor, and upon the roll being called, Mitch Reynolds, the Mayor, and the following Council Members were physically present at said location: _____

The following Council Members were absent and did not participate in the meeting in any manner or to any extent whatsoever: _____

The City Clerk announced that one purpose of the meeting was the consideration of a proposal received from the State of Wisconsin Safe Drinking Water Loan Program for the purchase of up to \$_____ aggregate principal amount of Sewerage System Revenue Bonds, Series 2022, of the City, and that, for the purposes set forth therein, the Common Council would consider the adoption of a resolution providing details of said bonds, prescribing the form of bonds, awarding the bonds to the best bidder, levying taxes, and related matters.

Thereupon the following resolutions were introduced by Mayor Mitch Reynolds:

RESOLUTION NO. 22-0093

A RESOLUTION providing for the issuance and sale of up to \$68,755,000 aggregate principal amount of Sewerage System Revenue Bonds, Series 2022, of the City of La Crosse, La Crosse County, Wisconsin, providing details and covenants with respect thereto, prescribing the form of bond, and providing for the payment of said bonds.

WHEREAS, the City of La Crosse, La Crosse County, Wisconsin (the “*City*”) now owns and operates a municipal sewerage system which is operated for a public purpose as a public utility by the City (the entire municipal sewerage system, including all real and personal property of every nature now or hereafter owned by the City, comprising part of or used or useful in connection with such sewerage system and designated by the City as being for sewerage purposes, specifically including the hereinafter defined Project and including all property of every nature now or hereafter owned by the City for the collection, transmission, treatment and disposal of domestic and industrial sewage and waste, including all improvements thereto and extensions thereof, located within or outside of the City, including all appurtenances, contracts, leases, franchises and other intangibles being referred to herein as the “*System*”); and

WHEREAS, the Common Council of the City (the “*Council*”) has previously determined to construct, extend, add to and improve the System (the “*Project*”); and

WHEREAS, the City has outstanding its Sewerage System Revenue Bond Anticipation Notes, Series 2021, dated May 21, 2021 (the “*Prior Notes*”), which Prior Notes were issued to finance a portion of the costs of the Project; and

WHEREAS, the Council has determined that it is necessary and desirable to refund or pay all of the Prior Notes (the Prior Notes to be refunded being referred to from time to time herein as the “*Refunded Bonds*”) in order to restructure the debt burden of the City from the revenues of the System (the “*Refunding*”); and

WHEREAS, pursuant to the Constitution and the laws of the State of Wisconsin, and particularly Section 66.0621, *Wisconsin Statutes*, as supplemented and amended (the “*Act*”), Wisconsin cities conducting a revenue producing facility or enterprise are permitted to issue revenue bonds to finance the purchase, acquisition, construction, extension, addition, improvement, conduct, control, operation and management of such a revenue producing facility or enterprise having a maturity not in excess of forty (40) years (“*Revenue Bonds*”), the same being bonds payable only from the moneys received from any source by the System (the “*Revenues*”); and

WHEREAS, the Council has determined and does hereby determine that the Project is a lawful public purpose for the issuance of Revenue Bonds under the Act as described in the previous paragraph; and

WHEREAS, Wisconsin cities are further authorized to refund Revenue Bonds, such as the Prior Notes, with the proceeds of additional Revenue Bonds issued for such purpose, and the Council does hereby find and determine that the Refunding is a lawful public purpose for the issuance of Revenue Bonds; and

WHEREAS, the Council has determined and does hereby determine that it is necessary and in the best interests of the City to issue Revenue Bonds for the public purposes of financing the costs of the Project and the Refunding; and

WHEREAS, other than the Prior Notes, the City does not currently have outstanding any obligations payable from the Revenues; and

WHEREAS, all conditions required for the issuance of the Bonds have been complied with or will be complied with prior to the issuance of the Bonds; and

WHEREAS, the State of Wisconsin (the “*State*”) Department of Natural Resources (the “*Department*”) has assigned Safe Drinking Water Loan Program No. _____ to the Project, and as defined in Department approval letter for the plans and specifications, or portions thereof, issued under Section 281.41 of the *Wisconsin Statutes*, dated _____, and assigned number W-20__ - __; and

WHEREAS, the Council has received the proposal from the State Safe Drinking Water Loan Program (the “*Program*”) for the purchase of the Bonds as described in Section __ hereof; and

WHEREAS, the Council hereby finds and determines that it is in the best interests of the City to issue and sell the Bonds to the State pursuant to the Program pursuant to the terms and conditions of this Resolution as hereinafter set forth:

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of La Crosse, La Crosse County, Wisconsin, as follows:

Section 1. Authorization of the Bonds and the Financial Assistance Agreement. For the purpose of paying the costs of the Project and the Refunding as provided in the preambles hereto, and in anticipation of the issuance of the Bonds, there shall be borrowed on the credit of the income and revenue of the System up to the sum of \$68,755,000; and fully registered Revenue Bonds of the City are authorized to be issued in evidence thereof and sold to the Program in accordance with the terms and conditions of a Financial Assistance Agreement by and between the State, by the Department and the State Department of Administration, and the City, as supplemented and amended (the “*Financial Assistance Agreement*”), in substantially the form attached hereto as *Exhibit A*, which is incorporated herein by this reference. The Mayor and the City Clerk of the City are hereby authorized by and on behalf of the City to execute the Financial Assistance Agreement and any amendments to the Financial Assistance Agreement.

Section 2. Terms of the Bonds. The Bonds shall be designated “Sewerage System Revenue Bonds, Series 2022”; shall be dated February 24, 2022, shall be numbered one and

upward; shall bear interest at the rate of _____% per annum, calculated on the basis of a 360-day year made up of twelve 30-day months; shall be issued in denominations of \$0.01 or any integral multiple thereof; and shall mature on the dates and in the amounts as set forth in [Exhibit B of the Financial Assistance Agreement] and as attached to the Bond Form as set forth in Section 4 hereof. Interest on the Bonds shall be payable on the dates set forth in the Financial Assistance Agreement. The Bonds shall not be subject to redemption prior to maturity except as provided in the Financial Assistance Agreement.

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

Section 3. Form, Execution, Registration and Payment of the Bonds. The Bonds shall be issued as registered obligations in substantially the form set forth in Section 4 hereto.

The Bonds shall be executed in the name of the City by the manual signature of the Mayor of the City and with the manual signature of the City Clerk of the City, and sealed with the official seal of the City.

The principal of, premium, if any, and interest on the Bonds shall be paid by the Treasurer of the City, who is hereby appointed as the City's registrar (the "*Bond Registrar*").

Both the principal of and interest on the Bonds shall be payable in lawful money of the United States of America by the Bond Registrar. Payment of principal of the final maturity of the Bonds will be payable upon presentation and surrender of the Bonds to the Bond Registrar. Payment of principal of the Bonds (except the final maturity) and each installment of interest shall be made to the registered owner of each Bond who shall appear on the registration books of the City, maintained by the Bond Registrar, on the close of business on the fifteenth day of the calendar month next preceding any principal or interest payment date (the "*Record Date*") and shall be paid by electronic transfer or by check or draft of the City and mailed to such registered owner at his or its address as appears on such registration books or at such other address may be furnished in writing to such registered owner to the Bond Registrar.

Section 4. Form of Bonds. The Bonds, the certificate of authentication to be endorsed thereon and the form of assignment to be endorsed thereon are all to be in substantially the following forms with necessary and appropriate variations, omissions and insertions as permitted or required by this Resolution:

FORM OF BOND

REGISTERED
NO. R-1

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF WISCONSIN
COUNTY OF LA CROSSE
CITY OF LA CROSSE

SEWERAGE SYSTEM REVENUE BOND, SERIES 2022

Final
Maturity Date

Date of
Original Issue

_____, 20__

February 24, 2022

REGISTERED OWNER: STATE OF WISCONSIN SAFE DRINKING WATER LOAN PROGRAM

KNOW ALL MEN BY THESE PRESENTS that the City of La Crosse, La Crosse County, Wisconsin (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the registered owner shown above, or registered assigns, solely from the funds hereinafter specified, the principal sum of an amount not to exceed _____ Dollars (\$ _____) (but only so much as shall have been drawn hereunder, as provided below) on _____ 1 of each year commencing _____, until the final maturity date written above, together with interest thereon (but only on amounts as shall have been drawn hereunder, as provided below), solely from the funds hereinafter specified, from the dates the amounts are drawn hereunder or the most recent payment date to which interest has been paid, at the rate of _____% per annum, calculated on the basis of a 360-day year made up of twelve 30-day months, such interest being payable on the first days of _____ and _____ of each year, with the first interest being payable on _____, 20__.

The principal amount evidenced by this Bond may be drawn upon by the City in accordance with the Financial Assistance Agreement entered by and between the City and the State of Wisconsin by the Department of Natural Resources and the Department of Administration including capitalized interest transferred (if any). The principal amounts so drawn shall be repaid in installments on _____ 1 of each year commencing on _____, 20__, in an amount equal to an amount which when amortized over the remaining term of this Bond plus current payments of interest (but only on amounts drawn hereunder) at _____% per annum shall result in equal annual payments of the total of principal and the semiannual payments of interest. The State of Wisconsin Department of Administration shall record such draws and corresponding principal repayment schedule on a cumulative basis in the format shown on *Exhibit A* attached to and made a part of this Bond.

Both principal hereof and interest hereon are hereby made payable to the registered owner hereof in lawful money of the United States of America. On the final maturity date, principal of this Bond shall be payable only upon presentation and surrender of this Bond at the office of the Municipal Treasurer. Principal hereof (except the final maturity) and interest hereon shall be payable by electronic transfer or by check or draft dated on or before the applicable payment date and mailed from the office of the Municipal Treasurer to the person in whose name this Bond is registered at the close of business on the fifteenth day of the calendar month next preceding such interest payment date.

This Bond shall not be redeemable prior to its maturity, except with the consent of the registered owner.

This Bond is transferable only upon the books of the City kept for that purpose at the office of the Municipal Treasurer, by the registered owner in person or its duly authorized attorney, upon surrender of this Bond, together with a written instrument of transfer (which may be endorsed hereon) satisfactory to the Municipal Treasurer, duly executed by the registered owner or its duly authorized attorney. Thereupon a replacement Bond shall be issued to the transferee in exchange herefor. The City may deem and treat the person 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 interest hereof and for all other purposes. This Bond is issuable solely as a negotiable, fully-registered bond, without coupons, and in denominations of \$0.01 or any integral multiple thereof.

This Bond is issued for the purpose of financing a Project as described in the hereinafter defined Resolution, pursuant to Article XI, Section 3, of the Wisconsin Constitution, Section 66.0621 of the *Wisconsin Statutes*, and a resolution adopted February 10, 2022, and entitled: "A RESOLUTION providing for the issuance and sale of up to \$ _____ aggregate principal amount of Sewerage System Revenue Bonds, Series 2022, of the City of La Crosse, La Crosse County, Wisconsin, providing details and covenants with respect thereto, prescribing the form of bond, and providing for the payment of said bonds," (the "*Resolution*") and is payable only from the income and revenues derived from the operation of the Sewerage System of the City (the "*Utility*"). This Bond does not constitute an indebtedness of the City or a charge against its general credit or taxing powers within the meaning of any constitutional or statutory debt limitation or provision.

It is hereby certified, recited and declared that all acts, conditions and things required 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 Utility 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.

IN WITNESS WHEREOF, the City has caused this Bond to be signed by the signatures of its Mayor and City Clerk, and its official seal (or a true facsimile thereof) to be impressed (or imprinted) hereon, all as of the date of original issue specified above.

City Clerk

Mayor

[SEAL]

(FORM OF ASSIGNMENT)

For Value Received the undersigned hereby sells, assigns and transfers unto _____

(Please print or typewrite name and address, including zip code, of Assignee).

Please insert Social Security or other
identifying number of Assignee

the within Bond, and all rights thereunder, hereby irrevocably constituting and appointing

attorney, to transfer said Bond on the books kept for the registration thereof with full power of
substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment
must correspond with the name as it appears
upon the face of the within Bond in every
particular, without alteration or enlargement
or any change whatever.

Signature(s) guaranteed by:

EXHIBIT A TO BOND FORM

\$ _____
 CITY OF LA CROSSE, LA CROSSE COUNTY, WISCONSIN
 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2022

AMOUNT OF DISBURSEMENT	DATE OF DISBURSEMENT	SERIES OF BONDS	PRINCIPAL REPAID	PRINCIPAL BALANCE
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____

PRINCIPAL REPAYMENT SCHEDULE

DATE

PRINCIPAL AMOUNT

Section 5. Security. The Bonds and any Additional Bonds (as hereinafter defined), together with premium (if any) and interest thereon, shall be payable only out of the Special Redemption Fund as hereinafter provided, and shall be a valid claim of the owners thereof only against the Special Redemption Fund and from the Revenues on deposit in such fund, the same being the Revenues available after deduction of the reasonable and necessary costs of operating, maintaining, administering and repairing the System (the “*Net Revenues*”), including salaries, wages, costs of materials and supplies, insurance, and audits, but shall exclude depreciation, debt service, tax equivalents and capital expenditures (“*Operation and Maintenance Expenses*”); and sufficient Revenues are hereby pledged to the Special Redemption Fund, and shall be used for no purpose other than to pay the principal of, premium (if any) and interest on the Bonds, and any Additional Bonds as the same fall due.

The City is not obligated to pay any deficiency on the Bonds from its general tax levy or other available funds of the City.

Section 6. Funds and Accounts; Application of Revenues. Upon the issuance of the Bonds, the System shall be continued to be operated on a fiscal year basis, the “*Fiscal Year*” of the System meaning the twelve (12) month period beginning on January 1 of each year and ending on December 31 of the same year. All of the Revenues shall be set aside as collected and be deposited into a separate fund, which fund has heretofore been created and designated as the “*Sewerage System Revenue Fund*” (the “*Sewer Fund*”) of the City, and is expressly continued under this Resolution, and which fund shall constitute a trust fund for the sole purpose of carrying out the covenants, terms and conditions of the Bonds and any Additional Bonds (as hereinafter defined), and shall be used only in paying Operations and Maintenance Expenses, funding the debt service reserve account, paying the principal of and interest on all obligations of the City which by their terms are payable from the Revenues, providing for an adequate depreciation fund, and providing for the establishment and expenditure from the respective accounts as hereinafter described. “*Operation and Maintenance Expenses*” shall mean salaries, wages, cost of material and supplies, including routine repairs and renewals, management fees paid to third parties, insurance and such other reasonable current expenses as shall be determined in accordance with generally accepted accounting principles, but excluding the costs of capital expenditures, replacements, depreciation, debt service, debt service reserves (including repayments with respect thereto), special assessments or payments of or in lieu of property taxes.

For the purpose of carrying out the provisions of the Act, there are hereby created within the Sewer Fund separate funds and accounts to be known as the “*Operation and Maintenance Fund*”, the “*Debt Service Reserve Fund*”, the “*Sewerage System Special Redemption Fund*”, the “*Depreciation Fund*” and the “*Surplus Fund*” to which there shall be credited on or before the first day of each month by the Treasurer, without any further official action or direction, in the order in which said funds and accounts are hereinafter mentioned, all moneys held in the Sewer Fund, in accordance with the following provisions:

(i) *Operation and Maintenance Fund.* There shall be credited to or retained in the Operation and Maintenance Fund an amount sufficient, when added to the amount then on deposit in said Account, to establish or maintain a balance to an amount not less than the amount considered necessary to pay Operation and Maintenance Expenses for the then current month.

(ii) *Debt Service Reserve Fund.* There shall be deposited into the Debt Service Reserve Fund any amounts necessary to bring the amount in said fund up to the amount required by any future resolution of the Common Council providing for the issuance of Additional Bonds (the "*Debt Service Reserve Requirement*"). The Debt Service Reserve Requirement with respect to the Bonds is \$0.

(iii) *Special Redemption Fund.* There shall be deposited into the Special Redemption Fund the amount necessary to provide for the payment of a fractional amount of the interest on the Bonds and any Additional Bonds becoming due on the next succeeding ___ 1 and _____ 1 (each an "*Interest Payment Date*") and a fractional amount of any principal on the Bonds and any Additional Bonds becoming due on the next succeeding _____ 1 (the "*Principal Payment Date*") until there shall have been accumulated in such Fund on or before the month next preceding Interest Payment Date or Principal Payment Date an amount sufficient to pay such principal, if any, or interest or both of all outstanding Bonds and Additional Bonds coming due on such Interest Payment Date or Principal Payment Date.

In computing the fractional amount to be set aside each month in said fund, the fraction shall be so computed that sufficient funds will be set aside therein and will be available for the prompt payment of such principal of and interest on the Bonds and outstanding Additional Bonds as the same will become due and shall be not less than one-sixth of the interest becoming due on the next succeeding Interest Payment Date and not less than one-twelfth of the principal, if any, becoming due on the next succeeding Principal Payment Date on all outstanding Bonds and Additional Bonds until there is sufficient money in said Account to pay such principal or interest or both.

Credits to the Special Redemption Fund may be suspended in any Fiscal Year at such time as there shall be a sufficient sum, held in cash and investments, in said Fund to meet principal and interest requirements in said Fund for the balance of such Fiscal Year, but such credits shall be resumed at the beginning of the next Fiscal Year.

All moneys in the Special Redemption Fund shall be used only for the purpose of paying interest on and principal of the Bonds and outstanding Additional Bonds.

(iv) *Depreciation Fund.* There shall be credited to the Depreciation Fund and held, in cash and investments, such sum as the Council may deem necessary in order to provide an adequate depreciation fund for the System.

Amounts to the credit of the Depreciation Fund shall be used for (i) the payment of the cost of extraordinary maintenance, necessary repairs and replacements, or contingencies, the payment for which no other funds are available, in order that the System may at all times be able to render efficient service, (ii) for the purpose of acquiring or constructing improvements and extensions to the System, and (iii) the payment of principal of or interest on any outstanding Bonds or Additional Bonds at any time when there are no other funds available for that purpose in order to prevent a default.

(v) *Surplus Fund.* All moneys remaining in the Sewer Fund, after crediting the required amounts to the respective accounts hereinabove provided for, and after making up any deficiency in said accounts, shall be credited to the Surplus Fund. Funds in the Surplus Fund shall first be used to make up any subsequent deficiencies in any of said Funds and Accounts and then at the discretion of the Common Council, for the remainder of all surplus Revenues, for one or more of the following purposes without any priority among them:

1. For the purpose of constructing or acquiring repairs, replacements, improvements or extensions to the System; or
2. For making transfers to the Fund generally to be applied and treated as Revenues when transferred; or
3. For the purpose of calling and redeeming the Bonds and any Additional Bonds; or
4. For the purpose of purchasing outstanding Bonds or Additional Bonds; or
5. For the purpose of paying principal of and interest on any subordinate bonds or obligations issued for the purpose of acquiring or constructing repairs, replacements, improvements or extensions to the System; or
6. For any other lawful System purpose.

Section 7. Service to the City. The reasonable cost and value of services rendered to the City by the System by furnishing services for public purposes, shall be charged against the City and shall be paid by it in installments as the service accrues, out of the current revenues of the City collected or in the process of collection, exclusive of the Revenues derived from the System, and out of the tax levy of the City made by it to raise money to meet its necessary current expenses. However, such payment out of the tax levy shall be subject to (a) any necessary approval of the Public Service Commission, or successors to its function, (b) annual appropriations therefor and (c) any applicable levy limitations ; but 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 make any subsequent payment over and

above such reasonable cost and value. Such compensation for such service rendered to the City shall, in the manner hereinabove provided, be paid into the funds provided for in Section 6.

Section 8. Covenants and Representations of the City. The City hereby covenants and represents to the owners of the Bond that:

(i) It will issue the Bonds as soon as practicable in an amount sufficient to retire the Bond on or prior to the date of maturity thereof;

(ii) It shall segregate the proceeds derived from the sale of the Bonds into a special trust fund herein created and established and shall permit such special trust fund to be used for no purpose other than the payment of the principal of and interest on the Bonds until paid in full. After the payment of principal of and interest on the Bonds in full, said special trust fund may be used for such other purposes as the Common Council may direct in accordance with law;

(iii) It shall faithfully and punctually perform all duties with reference to the System required by the Constitution and Statutes of the State of Wisconsin, including lawfully establishing reasonable and sufficient rates for services rendered by the System and collecting, depositing, applying and segregating the Revenues of the System to the respective funds and accounts described in Section 6 hereof;

(iv) It will cause the Project to be constructed as expeditiously as reasonably possible;

(v) It will not sell, lease, or in any manner dispose of the System, including any part thereof or any additions or extensions 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 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;

(vi) It 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 the Revenues or could impair the security of the Bonds or the Bonds;

(vii) The City will maintain the System in reasonably good condition and working order, will operate the System and will establish, charge and collect such lawfully established rates and charges for the service rendered by the System so that the Revenues of the System will be sufficient to make the payments to the funds and accounts created by this Resolution and to provide for the payment of any obligations of the

System issued in the future and the Bond (exclusive of the principal of the Bond to be paid from the proceeds of the Bonds) and which shall be sufficient to produce annual Net Revenues in each Fiscal Year which, in the aggregate, will amount to 1.10 times the maximum amount of debt service due in any Fiscal Year on the outstanding obligations issued by the City in the future and the Bond (exclusive of the principal of the Bond to be paid from the proceeds of the Bonds) and interest thereon (“*Maximum Annual Debt Service*”);

(viii) The City will not incur any additional debt secured by the Net Revenues except in accordance with Section 9 hereof;

(ix) The City will prepare a budget not less than sixty (60) days prior to the end of each fiscal year and, in the event such budget (taking into account income, unencumbered surplus and expense) indicates that earnings for each year will not exceed debt service for each corresponding year by the proportion stated above, will take any and all steps permitted by law to increase rates so that the aforementioned proportion of earnings to debt service shall be accomplished as promptly as possible;

(x) The Bonds are issued for purposes for which the City is authorized to issue revenue bonds and for which the Bonds shall be issued;

(xi) The City will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the City, in which complete and correct entries shall be made of all transactions relating to the Project, the Revenues, the Sewerage System Fund and the funds and accounts thereof. Such books of record and accounts shall at all times during business hours be subject to the inspection of the registered owners of not less than ten per cent (10%) of the principal amount of the Bonds or their representatives authorized in writing; and

(xii) It will carry for the benefit of the owners of the Bonds and the Bonds insurance of the kinds and in the amounts normally carried by private companies engaged in the operation of similar systems. All money received for losses under any of such insurance policies, except public liability, shall be used in repairing the damage or in replacing the property destroyed, but in the event the City shall deem it not advisable to repair such damage or replace such property, and that the operation of the System shall not have been impaired thereby, such money may be deposited in the funds described in Section 6, but shall not reduce the amount otherwise required to be paid into said funds.

Section 9. Additional Bonds. (a) *General.* 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 without the consent of the State of Wisconsin. Additional obligations may be issued if the lien and pledge is junior and subordinate to that of the Bonds.

(b) *Additional Bonds.* Additional Bonds may be issued only under the following circumstances:

(1) Additional Bonds may be issued for the purpose of completing the Project and for the purpose of financing costs of the Project which are ineligible for payment under the Program. However, such Additional Bonds shall be in an aggregate amount not to exceed 20% of the face amount of the Bonds; or

(2) Additional Bonds may also be issued 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 bonds must have been in an amount at least equal to the maximum annual interest and principal requirements on all bonds outstanding payable from the revenues of the System, and on the bonds then to be issued, times the greater of (i) 1.10 or (ii) the highest debt service coverage ratio to be required with respect to the Additional Bonds then to be issued or on any debt obligations payable from the revenues of the System then outstanding. 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 Bonds or during that part of the Fiscal Year of issuance prior to such issuance, then Net 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 6 of this Resolution must have been made in full.

(C) The Additional Bonds must have principal maturing on _____ of each year and interest falling due on ____ 1 and _____ 1 of each year.

(D) The proceeds of the Additional Bonds must be used only for the purpose of providing extensions or improvements to the System, or to refund obligations issued for such purpose.

Section 10. 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 the City will perform all of the obligations as set forth in the Financial Assistance Agreement.

Section 11. Sale of Bonds. The sale of the Bonds to the State pursuant to the Program for the purchase price of up to \$_____, and at par, is ratified and confirmed; and the officers of the City are authorized and directed to do any and all acts, including executing the Financial Assistance Agreement and the Bonds as herein above provided, necessary to conclude

delivery of the Bonds to said purchaser, as soon after adoption of this Resolution as is convenient. The purchase price for the Bonds shall be paid upon requisition therefor as provided in the Financial Assistance Agreement.

Section 12. Disposition of Bond Proceeds; Tax Exemption; No Arbitrage; Bonds to Remain in Registered Form; Reimbursement. The proceeds from the sale of the Bonds and certain funds on hand and lawfully available for such purpose, including the unspent proceeds of the Prior Notes, in the aggregate amount of \$_____ (the “*Lawfully Available Funds*”), shall be disbursed as follows and not otherwise:

(a) Accrued interest on the Bonds, if any, shall be deposited in the Special Redemption Fund of the Sewerage System Fund.

(b) The Lawfully Available Funds and such portion of the proceeds of the Bonds as is necessary to redeem the Prior Notes on February 24, 2022, shall be paid to the holder of the Prior Notes on the date of the issuance of the Bonds.

(c) The balance of the proceeds of the Bonds shall be deposited into a special fund designated as “Sewerage System PROGRAM Project Fund.” The Sewerage System PROGRAM Project Fund shall be used solely for the purpose of financing a portion of the Project, as more fully described in the preamble hereof and in the Financial Assistance Agreement. Moneys in the Sewerage System PROGRAM Project Fund shall be disbursed within three (3) business days of their receipt from the State, and shall not be invested in any interest-bearing account..

The Designated Officials of the City, or any of them , are hereby authorized to execute on behalf of the City a Tax Exemption Certificate and Agreement (the “*Tax Exemption Certificate*”) to assure the purchasers and owners of the Bonds that the proceeds of the Bonds are not expected to be used in a manner which would or might result in the Bonds being “reimbursement bonds” issued in contravention of Section 1.103-18 of the United States Treasury Department Regulations (the “*Regulations*”) or “arbitrage bonds” under Section 148 of the Internal Revenue Code of 1986, as amended (the “*Code*”), or the Regulations currently in effect or proposed. Such Tax Exemption Certificate shall constitute a representation, certification and covenant of the City, and shall be incorporated herein by reference, and no investment of Bond proceeds or of moneys accumulated to pay the Bonds herein authorized shall be made in violation of the expectations prescribed by said Tax Exemption Certificate. Such Tax Exemption Certificate shall constitute an agreement of the City to follow certain covenants which may require the City to take certain actions (including the payment of certain amounts to the United States of America) or which may prohibit certain actions (including the establishment of certain funds) under certain conditions as specified in such Tax Exemption Certificate.

The City further recognizes that Section 149(a) of the Code requires the Bonds to be issued and to remain in fully registered form in order that the interest on the Bonds continue to be excludible from the gross income of the owners thereof for Federal income tax purposes under laws in force at the time the Bonds are delivered. In this connection, the City agrees that it will not take any action to permit the Bonds to be issued in, or converted into, bearer or coupon form.

Section 13. 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 a written consent of the owners of not less than two-thirds (2/3) 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 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 14. Defeasance. When all Bonds have been discharged, all pledges, 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 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 by the U.S. Government, or by 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.

Section 15. Rebate Fund. The City shall establish and maintain, so long as the the Bonds and any Additional Bonds are outstanding, a separate account to be known as the "Rebate Fund." The Rebate Fund is for the sole purpose of paying rebate to the United States of America, if any, on amounts of Bond proceeds held by the City. The City hereby covenants and agrees that it shall pay from the Rebate Fund the rebate amounts as determined herein to the United States of America.

The City may engage the services of accountants, attorneys or other consultants necessary to assist it in determining rebate amounts.

The rebate amounts are equal to the sum of the following, calculated solely with respect to amounts of the Bonds held by the City:

(i) The excess of

(a) the aggregate amounts earned from the date of issuance and delivery of the Bonds and any Additional Bonds have been invested (other than nonpurpose obligations attributable to an excess described herein) over

(b) the aggregate amounts which would have been earned if the yield on such nonpurpose obligations (other than nonpurpose obligations attributable to an excess described herein) had been equal to the yield on the Bonds and any Additional Bonds, plus

(ii) any income attributable to the excess described in clause (i) above.

The rebate amounts payable to the United States of America shall be determined on or prior to the end of the fifth (5th) Bond Year of the Bonds or any Additional Bonds and the fifth (5th) anniversary of such date by the City for each Bond Year during which the Bonds and any Additional Bonds remain outstanding and upon retirement of the Bonds and any Additional Bonds. Such rebate amounts shall be deposited in the Rebate Fund. The rebate amounts shall be paid to the United States of America in installments, as follows:

(I) subject to clause (III) below, the first such installment shall be paid no later than thirty (30) days after the end of the fifth (5th) Bond Year of the Bonds and any Additional Bonds;

(II) subject to clause (III) below, an additional installment shall be paid on or prior to the last day of each additional installment payment period during which the the Bonds and any Additional Bonds remain outstanding. For purposes of this clause (II), an installment payment period shall commence on the last day on which a preceding installment of the rebate amount was required to be paid, and shall end on the day preceding the fifth (5th) anniversary of such payment date;

(III) anything herein to the contrary notwithstanding, the last installment shall be paid no later than sixty (60) days after the Bonds and any Additional Bonds have been retired; and

(IV) each installment shall be in an amount which, when aggregated with the amount of any prior installments paid to the United States of America hereunder, will equal at least ninety percent (90%) of the total rebate amount payable to the United States of America hereunder as of the date such installment is paid; *provided, however*, that the last installment shall be in an amount equal to the entire remaining balance of the rebate amount payable to the United States of America hereunder.

Amounts held in the Rebate Fund and the investment income therefrom are not pledged as security for the Bonds and any Additional Bonds and may only be used to pay amounts to the United States of America.

The City shall maintain or cause to be maintained records of such determinations for each Bond Year until three (3) years after payment in full of the Bonds and any Additional Bonds and shall make such records available upon reasonable request therefor.

The City hereby agrees it will disburse all monies in the Rebate Fund to the United States of America at the times and in the manner set forth in the applicable income tax regulations.

Section 16. 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 14 hereof, 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, 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 17. Continuing Disclosure. The officers of the City are hereby authorized and directed, if requested by the State of Wisconsin, to provide to the Program and to such other persons or entities as directed by the Program such ongoing disclosure regarding the City's financial condition and other matters, at such times and in such manner as the Program may require, in order that securities issued by the City and the Program satisfy rules and regulations promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended or may be amended from time to time, imposed on brokers and dealers of municipal securities before the brokers and dealers may buy, sell, or recommend the purchase of such securities.

Section 18. Record-Keeping Policy and Post-Issuance Compliance Matters. On October 14, 2021, the Council adopted a record-keeping policy (the "Policy") in order to maintain sufficient records to demonstrate compliance with its covenants and expectations to ensure the appropriate federal tax status for the debt obligations of the City, the interest on which is excludable from "gross income" for federal income tax purposes or which enable the City or the holder to receive federal tax benefits, including, but not limited to, qualified tax credit bonds and other specified tax credit bonds. The Council and the City hereby reaffirm the Policy.

Section 19. Severability of Invalid Provisions. If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining sections, paragraphs and provisions of this Resolution.

Section 20. Conflicting Ordinances, Resolutions and Orders Superseded. All ordinances, resolutions or orders, or parts thereof, heretofore enacted, adopted or entered, in conflict with the provisions of this Resolution shall be, and the same are hereby, superseded to the extent of such conflict, and this Resolution shall be in effect from and after its passage.

Adopted: February 10, 2022

Approved: February 10, 2022

Recorded: February 10, 2022

/s/

Mayor

Attest:

/s/

City Clerk

Council Member _____ moved and Council Member _____ seconded the motion that said ordinance as presented and read by title be adopted.

After a full discussion thereof, the Mayor directed that the roll be called for a vote upon the motion to adopt said resolution.

Upon the roll being called, the following Council Members voted AYE: _____

and the following Council Members voted NAY: _____

Whereupon the Mayor declared the motion carried and said resolution adopted, approved and signed the same in open meeting and directed the City Clerk to record the same in full in the records of the City of La Crosse, La Crosse County, Wisconsin, which was done.

Other business not pertinent to the adoption of said ordinance was duly transacted at said meeting.

Upon motion duly made, seconded and carried, the meeting was adjourned.

City Clerk

STATE OF WISCONSIN)
) SS.
COUNTY OF LA CROSSE)

CERTIFICATION OF MINUTES AND RESOLUTION

I, the undersigned, do hereby certify that I am the duly qualified and acting City Clerk of the City of La Crosse, La Crosse County, Wisconsin (the “City”), and as such official I further certify that I am the keeper of the records and files of the Common Council of the City (the “Common Council”).

I do further certify that the foregoing constitutes a full, true and complete transcript of the minutes of the meeting of the Common Council held on the 10th day of February, 2022 (the “Meeting”), insofar as same relates to the adoption of a resolution entitled:

A RESOLUTION providing for the issuance and sale of up to \$68,755,000 aggregate principal amount of Sewerage System Revenue Bonds, Series 2022, of the City of La Crosse, La Crosse County, Wisconsin, providing details and covenants with respect thereto, prescribing the form of bond, and providing for the payment of said bonds.

a true, correct and complete copy of which said resolution as adopted at the Meeting appears in the foregoing transcript of the minutes of the Meeting.

I further certify that a true and correct statement of every step or proceeding had or taken to date in connection with the authorization of said bonds has been recorded by me in a separate record book, pursuant to the provisions of Section 67.05(12), *Wisconsin Statutes*, as supplemented and amended.

I do further certify that the resolution was adopted at the Meeting, which was an open, lawful public meeting of the Common Council, that the deliberations of the Common Council on the adoption of said resolution were conducted openly, that the vote on the adoption of said resolution was taken openly, and that the Meeting was called, noticed, held and conducted in the manner established by the Common Council and required by the *Wisconsin Statutes*, including, but not limited to, compliance with Sections 19.81 to 19.98, inclusive, of the *Wisconsin Statutes*, as supplemented and amended, notifying the public of the Meeting by distribution an agenda to the media not less than twenty-four (24) hours prior to the Meeting, which agenda is available to the public at the City Hall, located within the City, and that a true, correct and complete copy of the agenda as so provided with respect to the Meeting is attached hereto as *Exhibit A*.

WITNESS my official signature and the official seal of said City this 10th day of February, 2022.

City Clerk

[SEAL]