

RESOLUTION NO. 2016 10

RESOLUTION AWARDED THE SALE OF
\$9,705,000 GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2016A

WHEREAS, on March 28, 2016, the Common Council of the City of Cedarburg, Ozaukee County, Wisconsin (the "City") adopted initial resolutions authorizing the issuance of general obligation bonds in the following amounts and for the following public purposes: \$8,810,000 for a building for the housing of machinery and equipment; and \$1,020,000 for sewerage projects, consisting of sanitary sewer improvements (collectively, the "Initial Resolutions");

WHEREAS, pursuant to the provisions of Section 67.05, Wisconsin Statutes, within 15 days following the adoption of the Initial Resolutions, the City Clerk caused a notice to electors to be published in the News Graphic, stating the purpose and maximum principal amount of the bond issues authorized by the Initial Resolutions and describing the opportunity and procedure for submitting a petition requesting a referendum on the bond issues authorized by the Initial Resolutions;

WHEREAS, to date, no petition for referendum has been filed with the City Clerk, and the time to file such a petition shall expire on April 27, 2016;

WHEREAS, on March 28, 2016, the Common Council of the City also adopted a resolution providing that the general obligation bond issues authorized by the Initial Resolutions be combined, issued and sold as a single issue of bonds designated as "General Obligation Corporate Purpose Bonds, Series 2016A" (the "Bonds") for the purpose of paying the cost of the projects described in the Initial Resolutions (collectively, the "Project");

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

WHEREAS, the City has directed Ehlers & Associates, Inc. ("Ehlers") to take the steps necessary to sell the Bonds;

WHEREAS, Ehlers, in consultation with the officials of the City, prepared a Notice of Sale (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 25, 2016;

WHEREAS, the City Clerk (in consultation with Ehlers) caused a form of notice of the sale to be published and/or announced and caused the Notice of Sale to be distributed to potential bidders offering the Bonds for public sale on April 25, 2016;

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");

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 Notice of Sale and is deemed to be the most advantageous to the City. Ehlers 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; and

WHEREAS, the Common Council now deems it to be necessary, desirable and in the best interest of the City that the Bonds be issued in the aggregate principal amount of \$9,705,000 for the following purposes and in the following principal amounts: \$8,700,000 for a building for the housing of machinery and equipment; and \$1,005,000 for sewerage projects, consisting of sanitary sewer improvements.

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

Section 1A. Ratification of the Notice of Sale 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 Notice of Sale and any other offering materials prepared and circulated by Ehlers are hereby ratified and approved in all respects. All actions taken by officers of the City and Ehlers in connection with the preparation and distribution of the Notice of Sale, and any other offering materials are hereby ratified and approved in all respects.

Section 1B. Award of the Bonds. The Proposal of the Purchaser offering to purchase the Bonds for the sum set forth on the Proposal, plus accrued interest to the date of delivery, resulting in a true interest cost as set forth on the Proposal is hereby accepted. The Mayor and City Clerk or other appropriate officers of the City are authorized and directed to execute an acceptance of the Proposal on behalf of the City. The good faith deposit of the Purchaser shall be retained by the City Treasurer until the closing of the bond issue, and any good faith deposits submitted by unsuccessful bidders shall be promptly returned. The Bonds shall bear interest at the rates set forth on the Proposal.

Section 2. Terms of the Bonds. The Bonds shall be designated "General Obligation Corporate Purpose Bonds, Series 2016A"; shall be issued in the aggregate principal amount of \$9,705,000; shall be dated May 18, 2016; shall be in the denomination of \$5,000 or any integral multiple thereof; shall be numbered R-1 and upward; and shall bear interest at the rates per annum and mature on March 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 shall be payable semi-annually on March 1 and September 1 of each year commencing on March 1, 2017. 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").

Section 3. Redemption Provisions. The Bonds maturing on March 1, 2026 and thereafter shall be subject to redemption prior to maturity, at the option of the City, on March 1, 2025 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.

Section 4. 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 5. Tax Provisions.

(A) Direct Annual Irrepealable Tax Levy. For the purpose of paying the principal of and interest on the Bonds as the same becomes due, the full faith, credit and resources of the City are hereby irrevocably pledged, and there is hereby levied upon all of the taxable property of the City a direct annual irrepealable tax in the years 2016 through 2035 for the payments due in the years 2017 through 2036 in the amounts set forth on the Schedule.

(B) Tax Collection. So long as any part of the principal of or interest on the Bonds remains unpaid, the City shall be and continue without power to repeal such levy or obstruct the collection of said tax until all such payments have been made or provided for. After the issuance of the Bonds, said tax shall be, from year to year, carried onto the tax roll of the City and collected in addition to all other taxes and in the same manner and at the same time as other taxes of the City for said years are collected, except that the amount of tax carried onto the tax roll may be reduced in any year by the amount of any surplus money in the Debt Service Fund Account created below.

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

Section 6. Segregated Debt Service Fund Account.

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

Within the debt service fund, there hereby is established a separate and distinct account designated as the "Debt Service Fund Account for \$9,705,000 General Obligation Corporate Purpose Bonds, Series 2016A, dated May 18, 2016" (the "Debt Service Fund Account") and such account shall be maintained until the indebtedness evidenced by the Bonds is fully paid or otherwise extinguished. The City Treasurer shall deposit in the Debt Service Fund Account (i) all accrued interest received by the City at the time of delivery of and payment for the Bonds; (ii) any premium which may be received by the City above the par value of the Bonds and accrued

interest thereon; (iii) all money raised by the taxes herein levied and any amounts appropriated for the specific purpose of meeting principal of and interest on the Bonds when due; (iv) such other sums as may be necessary at any time to pay principal of and interest on the Bonds when due; (v) surplus monies in the Borrowed Money Fund as specified below; and (vi) such further deposits as may be required by Section 67.11, Wisconsin Statutes.

(B) Use and Investment. No money shall be withdrawn from the Debt Service Fund Account and appropriated for any purpose other than the payment of principal of and interest on the Bonds until all such principal and interest has been paid in full and the Bonds canceled; provided (i) the funds to provide for each payment of principal of and interest on the Bonds prior to the scheduled receipt of taxes from the next succeeding tax collection may be invested in direct obligations of the United States of America maturing in time to make such payments when they are due or in other investments permitted by law; and (ii) any funds over and above the amount of such principal and interest payments on the Bonds may be used to reduce the next succeeding tax levy, or may, at the option of the City, be invested by purchasing the Bonds as permitted by and subject to Section 67.11(2)(a), Wisconsin Statutes, or in permitted municipal investments under the pertinent provisions of the Wisconsin Statutes ("Permitted Investments"), which investments shall continue to be a part of the Debt Service Fund Account. Any investment of the Debt Service Fund Account shall at all times conform with the provisions of the Internal Revenue Code of 1986, as amended (the "Code") and any applicable Treasury Regulations (the "Regulations").

(C) Remaining Monies. When all of the Bonds have been paid in full and canceled, and all Permitted Investments disposed of, any money remaining in the Debt Service Fund Account shall be transferred and deposited in the general fund of the City, unless the Common Council directs otherwise.

Section 7. Proceeds of the Bonds; Segregated Borrowed Money Fund. The proceeds of the Bonds (the "Bond Proceeds") (other than any premium and accrued interest which must be paid at the time of the delivery of the Bonds into the Debt Service Fund Account created above) shall be deposited into a special fund separate and distinct from all other funds of the City and disbursed solely for the purposes for which borrowed or for the payment of the principal of and the interest on the Bonds. Monies in the Borrowed Money Fund may be temporarily invested in Permitted Investments. Any monies, including any income from Permitted Investments, remaining in the Borrowed Money Fund after the purposes for which the Bonds have been issued have been accomplished, and, at any time, any monies as are not needed and which obviously thereafter cannot be needed for such purposes shall be deposited in the Debt Service Fund Account.

Section 8. No Arbitrage. All investments made pursuant to this Resolution shall be Permitted Investments, but 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 and an officer of the City, charged with the responsibility for issuing the Bonds, shall certify as to facts, estimates, circumstances and reasonable expectations in existence on the date of delivery of the Bonds to the Purchaser which will permit the conclusion that the Bonds are not "arbitrage bonds," within the meaning of the Code or Regulations.

Section 9. Compliance with Federal Tax Laws. (a) The City represents and covenants that the projects financed by the Bonds and the ownership, management and use of the projects will not cause the Bonds 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.

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

Section 11. 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 (defined below), 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 12. Payment of the Bonds; Fiscal Agent. The principal of and interest on the Bonds shall be paid by the City Clerk or City Treasurer (the "Fiscal Agent").

Section 13. 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 14. 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 15. 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 16. Payment of Issuance Expenses. The City authorizes the Purchaser to forward the amount of the proceeds of the Bonds allocable to the payment of issuance expenses to KleinBank, Chaska, Minnesota at Closing for further distribution as directed by Ehlers.

Section 17. 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 are hereby ratified and approved. In connection with the Closing, the appropriate City official shall certify the Preliminary Official Statement and any addenda. The City Clerk shall cause copies of the Preliminary Official Statement and any addenda to be distributed to the Purchaser.

Section 18. 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).

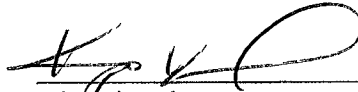
To the extent required under the Rule, the Mayor and City Clerk, or other officer of the City charged with the responsibility for issuing the Bonds, shall provide a Continuing Disclosure Certificate for inclusion in the transcript of proceedings, setting forth the details and terms of the City's Undertaking.

Section 19. 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 20. 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.

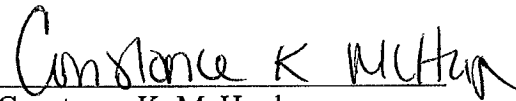
Section 21. Conflicting Resolutions; Severability; Effective Date. All prior resolutions, rules or other actions of the Common Council or any parts thereof in conflict with the provisions hereof shall be, and the same are, hereby rescinded insofar as the same may so conflict. In the event that any one or more provisions hereof shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions hereof. The foregoing shall take effect immediately upon adoption and approval in the manner provided by law.

Adopted, approved and recorded April 25, 2016.



Kip Kinzel
Mayor

ATTEST:



Constance K. McHugh
City Clerk

(SEAL)

EXHIBIT A

Notice of Sale

To be provided by Ehlers & Associates, Inc. and incorporated into the Resolution.

(See Attached)

NOTICE OF SALE

\$9,830,000*GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2016A CITY OF CEDARBURG, WISCONSIN

Bids for the purchase of \$9,830,000* General Obligation Corporate Purpose Bonds, Series 2016A (the "Bonds") of the City of Cedarburg, Wisconsin (the "City") will be received at the offices of Ehlers & Associates, Inc. ("Ehlers"), 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, Municipal Advisors to the City, until 10:00 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 10:00 A.M. Central Time, on April 25, 2016, at which time they will be opened, read and tabulated. The bids will be presented to the Common Council for consideration for award by resolution at a meeting to be held at 7:00 P.M., Central Time, on the same date. The bid offering to purchase the Bonds upon the terms specified herein and most favorable to the City will be accepted unless all bids are rejected.

PURPOSE

The Bonds are being issued pursuant to Chapter 67, Wisconsin Statutes, for the public purposes of financing a building for the housing of machinery and equipment and financing sanitary sewer improvements. The Bonds are valid and binding general obligations of the City, and all the taxable property in the City is subject to the levy of a tax to pay the principal of and interest on the Bonds as they become due which tax may, under current law, be levied without limitation as to rate or amount.

DATES AND MATURITIES

The Bonds will be dated May 18, 2016, will be issued as fully registered Bonds in the denomination of \$5,000 each, or any integral multiple thereof, and will mature on March 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2017	\$330,000	2024	\$450,000	2031	\$540,000
2018	405,000	2025	465,000	2032	565,000
2019	415,000	2026	475,000	2033	580,000
2020	420,000	2027	485,000	2034	600,000
2021	425,000	2028	495,000	2035	625,000
2022	430,000	2029	515,000	2036	645,000
2023	440,000	2030	525,000		

ADJUSTMENT OPTION

* The City reserves the right to increase or decrease the amount of any individual maturity of the Bonds in increments of \$5,000 on the day of sale. If individual maturities are increased or decreased, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

TERM BOND OPTION

Bids for the Bonds may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above. All dates are inclusive.

INTEREST PAYMENT DATES AND RATES

Interest will be payable on March 1 and September 1 of each year, commencing March 1, 2017, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board. **The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2017 maturity, then the lowest rate that may be proposed for any later maturity is 2.50%.)** All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

BOOK-ENTRY-ONLY FORMAT

Unless otherwise specified by the purchaser, the Bonds will be designated in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds, and will be responsible for maintaining a book-entry system for recording the interests of its participants and the transfers of interests between its participants. The participants will be responsible for maintaining records regarding the beneficial interests of the individual purchasers of the Bonds. So long as Cede & Co. is the registered owner of the Bonds, all payments of principal and interest will be made to the depository which, in turn, will be obligated to remit such payments to its participants for subsequent disbursement to the beneficial owners of the Bonds.

OPTIONAL REDEMPTION

At the option of the City, Bonds maturing on or after March 1, 2026 shall be subject to redemption prior to maturity on March 1, 2025 and on any date thereafter, at a price of par plus accrued interest.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the City. If only part of the Bonds having a common maturity date are called for redemption, then the City or Paying Agent, if any, 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 interest in such maturity to be redeemed.

Notice of such call shall be given by sending a notice by registered or certified mail, facsimile or electronic transmission, overnight delivery service or in any other manner required by DTC, not fewer than 30 days but not more than 60 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

DELIVERY

On or about May 18, 2016, the Bonds will be delivered without cost to the winning bidder at DTC. On the day of closing, the City will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Bonds is then pending or, to the best knowledge of officers of the City, threatened. Payment for the Bonds must be received by the City at its designated depository on the date of closing in immediately available funds.

LEGAL OPINION

An opinion as to the validity of the Bonds and the exemption from federal taxation of the interest thereon will be furnished by Quarles & Brady LLP, Bond Counsel to the City, and will be available at the time of delivery of the Bonds. The legal opinion will be issued on the basis of existing law and will state that the Bonds are valid and binding general obligations of the City; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding).

SUBMISSION OF BIDS

Bids must not be for less than \$9,707,125, nor more than \$10,026,600, plus accrued interest on the principal sum of \$9,830,000 from date of original issue of the Bonds to date of delivery. A signed bid form must be submitted to Ehlers prior to the time established above for the opening of bids as follows:

- 1) In a sealed envelope as described herein; or
- 2) A facsimile submission to Ehlers, Facsimile Number (651) 697-8555; or
- 3) Electronically via **PARITY** in accordance with this Notice of Sale until 10:00 A.M. Central Time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about **PARITY**, potential bidders may contact Ehlers or i-Deal LLC at 1359 Broadway, 2nd Floor, New York, New York 10018, Telephone (212) 849-5021.

Bids must be submitted to Ehlers via one of the methods described above and must be received prior to the time established above for the opening of bids. Each bid must be unconditional except as to legality. Neither the City nor Ehlers shall be responsible for any failure to receive a facsimile submission.

A cashier's check in the amount of \$196,600 may be submitted contemporaneously with the bid or, alternatively, a good faith deposit in the amount of \$196,600 shall be made by the winning bidder by wire transfer of funds to **KleinBank, 1550 Audubon Road, Chaska, Minnesota, ABA No. 091915654 for credit: Ehlers & Associates Good Faith Account No. 3208138**. Such good faith deposit ("Deposit") shall be received by Ehlers no later than two hours after the bid opening time. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith. The Deposit will be returned to the Purchaser at the closing for the Bonds.

The City and the winning bidder who chooses to so wire the Deposit hereby agree irrevocably that Ehlers shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: 1) All income earned thereon shall be retained by the escrow holder as payment for its expenses; 2) If the bid is not accepted, Ehlers shall, at its expense, promptly return the Deposit amount to the winning bidder; 3) If the bid is accepted, the Deposit shall be returned to the winning bidder at the closing; 4) Ehlers shall bear all costs of maintaining the escrow account and returning the funds to the winning bidder; 5) Ehlers shall not be an insurer of the Deposit amount and shall have no liability hereunder except if it willfully fails to perform or recklessly disregards, its duties specified herein; and 6) FDIC insurance on deposits within the escrow account shall be limited to \$250,000 per bidder.

No bid can be withdrawn after the time set for receiving bids unless the meeting of the City scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made.

AWARD

The Bonds will be awarded to the bidder offering the lowest interest rate to be determined on a True Interest Cost (TIC) basis. The City's computation of the interest rate of each bid, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Bonds will be awarded by lot. The City reserves the right to reject any and all bids and to waive any informality in any bid.

The award of the Bonds will be made subject to expiration of the petition period provided for under Section 67.05, Wisconsin Statutes, without the filing of a sufficient petition for a referendum with respect to the initial resolutions authorizing the Bonds.

BOND INSURANCE

If the Bonds are qualified for any bond insurance policy, the purchase of such policy shall be at the sole option and expense of the winning bidder. Any cost for such insurance policy is to be paid by the winning bidder, except that, if the City requested and received a rating on the Bonds from a rating agency, the City will pay that rating fee. Any rating agency fees not requested by the City are the responsibility of the winning bidder.

Failure of the municipal bond insurer to issue the policy after the Bonds are awarded to the winning bidder shall not constitute cause for failure or refusal by the winning bidder to accept delivery of the Bonds

CUSIP NUMBERS

The City will assume no obligation for the assignment or printing of CUSIP numbers on the Bonds or for the correctness of any numbers printed thereon, but will permit such numbers to be printed at the expense of the winning bidder, if the winning bidder waives any delay in delivery occasioned thereby.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will designate the Bonds as qualified tax-exempt obligations for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

CONTINUING DISCLOSURE

In order to assist the underwriter in complying with the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 the City will enter into an undertaking for the benefit of the holders of the Bonds. A description of the details and terms of the undertaking is set forth in Appendix D of the Preliminary Official Statement.

INFORMATION FROM WINNING BIDDER

The winning bidder will be required to provide, in a timely manner, certain information relating to the initial offering prices of the Bonds necessary to compute the yield on the Bonds pursuant to the provisions of the Internal Revenue Code of 1986, as amended.

PRELIMINARY OFFICIAL STATEMENT

Bidders may obtain a copy of the Preliminary Official Statement relating to the Bonds prior to the bid opening by request from Ehlers at www.ehlers-inc.com by connecting to the link to the Bond Sales. The Syndicate Manager will be provided with an electronic copy and up to 10 printed copies upon request of the Final Official Statement within seven business days of the bid acceptance. Additional copies of the Final Official Statement will be available at a cost of \$10.00 per copy.

Information for bidders and bid forms may be obtained from Ehlers at 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, Telephone (651) 697-8500.

By Order of the Common Council

Christy Mertes, City Administrator/Treasurer
City of Cedarburg, Wisconsin

EXHIBIT B

Bid Tabulation

To be provided by Ehlers & Associates, Inc. and incorporated into the Resolution.

(See Attached)



EHLERS
LEADERS IN PUBLIC FINANCE

BID TABULATION

\$9,830,000* General Obligation Corporate Purpose Bonds, Series 2016A

City of Cedarburg, Wisconsin

SALE: April 25, 2016

AWARD: CITIGROUP GLOBAL MARKETS INC.

Rating: Moody's Investor's Service "Aa2"

BBI: 3.28%
Bank Qualified

NAME OF BIDDER	MATURITY (March 1)	RATE	REOFFERING YIELD	PRICE	NET INTEREST COST	TRUE INTEREST RATE
CITIGROUP GLOBAL MARKETS INC.				\$10,024,029.75	\$2,474,944.07	2.1956%
Dallas, Texas	2017	2.000%	0.700%			
Cantor Fitzgerald & Co.	2018	2.000%	0.800%			
	2019	1.500%	0.900%			
	2020	1.500%	1.000%			
	2021	1.500%	1.100%			
	2022	2.000%	1.200%			
	2023	2.000%	1.300%			
	2024	2.000%	1.400%			
	2025	2.000%	1.500%			
	2026	2.000%	1.600%			
	2027	2.000%	1.700%			
	2028	2.000%	1.800%			
	2029	2.000%	1.900%			
	2030	2.000%	2.000%			
	2031	2.250%	2.100%			
	2032	2.500%	2.200%			
	2033	2.750%	2.300%			
	2034	3.000%	2.400%			
	2035	3.000%	2.500%			
	2036	3.000%	2.600%			

* Subsequent to bid opening the issue size was decreased to \$9,705,000.

Adjusted Price - \$9,892,694.38

Adjusted Net Interest Cost - \$2,344,696.42

Adjusted TIC - 2.1798%



NAME OF BIDDER	MATURITY (March 1)	RATE	REOFFERING YIELD	PRICE	NET INTEREST COST	TRUE INTEREST RATE
PIPER JAFFRAY & CO. Minneapolis, Minnesota	2017	2.000%		\$9,970,626.70	\$2,478,027.71	2.2130%
	2018	2.000%				
	2019	2.000%				
	2020	2.000%				
	2021	2.000%				
	2022	2.000%				
	2023	2.000%				
	2024	2.000%				
	2025	2.000%				
	2026	2.000%				
	2027	2.000%				
	2028	2.000%				
	2029	2.000%				
	2030	2.250%				
	2031	2.500%				
	2032	2.500%				
	2033	2.500%				
	2034	2.750%				
	2035	2.750%				
	2036	2.750%				
BAIRD Milwaukee, Wisconsin	2017	2.000%		\$10,025,925.05	\$2,559,346.65	2.2719%
	2018	2.000%				
	2019	2.000%				
	2020	2.000%				
	2021	2.000%				
	2022	2.000%				
	2023	2.000%				
	2024	2.000%				
	2025	2.000%				
	2026	2.000%				
	2027	2.000%				
	2028	2.000%				
	2029	2.000%				
	2030	2.250%				
	2031	2.500%				
	2032	2.500%				
	2033	3.000%				
	2034	3.000%				
	2035	3.000%				
	2036	3.000%				



NAME OF BIDDER	MATURITY (March 1)	RATE	REOFFERING YIELD	PRICE	NET INTEREST COST	TRUE INTEREST RATE
RAYMOND JAMES & ASSOCIATES, INC. Memphis, Tennessee	2017	2.000%		\$10,017,962.85	\$2,593,810.34	2.3029%
	2018	2.000%				
	2019	2.000%				
	2020	2.000%				
	2021	2.000%				
	2022	2.000%				
	2023	2.000%				
	2024	2.000%				
	2025	2.000%				
	2026	2.000%				
	2027	2.000%				
	2028	2.000%				
	2029	2.000%				
	2030	2.000%				
	2031	2.500%				
	2032	3.000%				
	2033	3.000%				
	2034	3.000%				
	2035	3.000%				
	2036	3.000%				
BOSC, INC. Dallas, Texas	2017	2.000%		\$10,020,192.35	\$2,616,547.34	2.3258%
	2018	2.000%				
	2019	2.000%				
	2020	2.000%				
	2021	2.000%				
	2022	2.000%				
	2023	2.000%				
	2024	2.000%				
	2025	2.000%				
	2026	2.000%				
	2027	2.000%				
	2028	2.500%				
	2029	2.500%				
	2030	2.500%				
	2031	2.500%				
	2032	2.750%				
	2033	2.750%				
	2034	2.750%				
	2035	3.000%				
	2036	3.000%				



NAME OF BIDDER	MATURITY (March 1)	RATE	REOFFERING YIELD	PRICE	NET INTEREST COST	TRUE INTEREST RATE
FTN FINANCIAL CAPITAL MARKETS				\$10,021,643.00	\$2,655,545.30	2.3547%
Memphis, Tennessee	2017	2.000%				
	2018	1.000%				
	2019	1.250%				
	2020	1.250%				
	2021	1.500%				
	2022	1.500%				
	2023	2.000%				
	2024	2.000%				
	2025	2.000%				
	2026	2.000%				
	2027	2.500%				
	2028	2.500%				
	2029	2.500%				
	2030	2.750%				
	2031	2.750%				
	2032	2.750%				
	2033	2.750%				
	2034	3.000%				
	2035	3.000%				
	2036	3.000%				



EXHIBIT C

Winning Bid

To be provided by Ehlers & Associates, Inc. and incorporated into the Resolution.

(See Attached)

BID FORM

The Common Council
City of Cedarburg, Wisconsin

April 25, 2016

RE: \$9,830,000*General Obligation Corporate Purpose Bonds, Series 2016A
DATED: May 18, 2016

For all or none of the above Bonds, in accordance with the Notice of Sale and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Preliminary Official Statement, we will pay you \$ 10,024,029.75 (not less than \$9,707,125, nor more than \$10,026,600) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

<u>2.00</u>	% due	2017	<u>2.00</u>	% due	2021	<u>2.25</u>	% due	2031
<u>2.00</u>	% due	2018	<u>2.00</u>	% due	2025	<u>2.50</u>	% due	2032
<u>1.50</u>	% due	2019	<u>2.00</u>	% due	2026	<u>2.75</u>	% due	2033
<u>1.50</u>	% due	2020	<u>2.00</u>	% due	2027	<u>3.00</u>	% due	2034
<u>1.50</u>	% due	2021	<u>2.00</u>	% due	2028	<u>3.00</u>	% due	2035
<u>2.00</u>	% due	2022	<u>2.00</u>	% due	2029	<u>3.00</u>	% due	2036
<u>2.00</u>	% due	2023	<u>2.00</u>	% due	2030			

* The City reserves the right to increase or decrease the amount of any individual maturity of the Bonds in increments of \$5,000 on the day of sale. If individual maturities are increased or decreased, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000

The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2017 maturity, then the lowest rate that may be proposed for any later maturity is 2.50%.) All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%

We enclose our good faith deposit in the amount of \$196,600, to be held by you pending delivery and payment. Alternatively, if we are the winning bidder, we will wire our good faith deposit to KleinBank, 1550 Audubon Road, Chaska, Minnesota, ABA No. 091915654 for credit: Ehlers & Associates Good Faith Account No. 3208138. Such good faith deposit shall be received by Ehlers & Associates no later than two hours after the bid opening time. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award. If our bid is not accepted, said deposit shall be promptly returned to us. If the good faith deposit is wired to such escrow account, we agree to the conditions and duties of Ehlers & Associates, Inc., as escrow holder of the good faith deposit, pursuant to the Notice of Sale. This bid is for prompt acceptance and is conditional upon delivery of said Bonds to The Depository Trust Company, New York, New York, in accordance with the Notice of Sale. Delivery is anticipated to be on or about May 18, 2016

This bid is subject to the City's agreement to enter into a written undertaking to provide continuing disclosure under Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 as described in the Preliminary Official Statement for this Issue.

We have received and reviewed the Preliminary Official Statement and have submitted our requests for additional information or corrections to the Final Official Statement. As Syndicate Manager, we agree to provide the City with the reoffering price of the Bonds within 24 hours of the bid acceptance.

Account Manager. Citigroup Global Markets Inc.

By: 

Account Members Cantor Fitzgerald & Co.

Award will be on a true interest cost basis. According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from May 18, 2016 of the above bid is \$2,474,944.07 and the true interest cost (TIC) is 2.1956 %.

The foregoing offer is hereby accepted by and on behalf of the Common Council of the City of Cedarburg, Wisconsin, on April 25, 2016.

By:

By:

Title:

Title:

* Subsequent to bid opening the issue size was decreased to \$9,705,000.

Adjusted Price - \$9,892,694.38 Adjusted Net Interest Cost - \$2,344,696.42

Adjusted TIC - 2.1798%

EXHIBIT D-1

Pricing Summary

To be provided by Ehlers & Associates, Inc. and incorporated into the Resolution.

(See Attached)

City of Cedarburg

\$9,705,000 General Obligation Corporate Purpose Bonds, Series 2016A

Issue Summary

Dated May 18, 2016 Winning Bidder Citigroup Global Markets Inc

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	YTM	Call Date	Call Price	Dollar Price
03/01/2017	Serial Coupo	2 000%	0 700%	525,000 00	101 016%	-	-	-	530 334 00
03/01/2018	Serial Coupo	2 000%	0 800%	105 000 00	102 123%	-	-	-	413 598 15
03/01/2019	Serial Coupo	1 500%	0 900%	415 000 00	101 646%	-	-	-	421 830 90
03/01/2020	Serial Coupo	1 500%	1 000%	420,000 00	101 852%	-	-	-	427 778 40
03/01/2021	Serial Coupo	1 500%	1 100%	425,000 00	101 859%	-	-	-	432,900 75
03/01/2022	Serial Coupo	2 000%	1 200%	430,000 00	104 458%	-	-	-	449,169 40
03/01/2023	Serial Coupo	2 000%	1 300%	440 000 00	104 531%	-	-	-	459 936 40
03/01/2024	Serial Coupo	2 000%	1 400%	450 000 00	104 410%	-	-	-	469 845 00
03/01/2025	Serial Coupo	2 000%	1 500%	455 000 00	104 100%	-	-	-	473 655 00
03/01/2026	Serial Coupo	2 000%	1 600%	470 000 00	103 265%	c 1 637%	03/01/2025	100 000%	485 345 50
03/01/2027	Serial Coupo	2 000%	1 700%	475 000 00	102 437%	c 1 751%	03/01/2025	100 000%	486 575 75
03/01/2028	Serial Coupo	2 000%	1 800%	485 000 00	101 617%	c 1 847%	03/01/2025	100 000%	492,842 45
03/01/2029	Serial Coupo	2 000%	1 900%	495 000 00	100 804%	c 1 929%	03/01/2025	100 000%	498 979 80
03/01/2030	Serial Coupo	2 000%	2 000%	505 000 00	100 000%	-	-	-	505 000 00
03/01/2031	Serial Coupo	2 250%	2 100%	515 000 00	101 196%	c 2 155%	03/01/2025	100 000%	521 159 40
03/01/2032	Serial Coupo	2 500%	2 200%	525 000 00	102 383%	c 2 319%	03/01/2025	100 000%	537 510 75
03/01/2033	Serial Coupo	2 750%	2 300%	540 000 00	103 559%	c 2 489%	03/01/2025	100 000%	559 218 60
03/01/2034	Serial Coupo	3 000%	2 400%	560 000 00	104 725%	c 2 665%	03/01/2025	100 000%	586,460 00
03/01/2035	Serial Coupo	3 000%	2 500%	575 000 00	103 919%	c 2 732%	03/01/2025	100 000%	597 534 25
03/01/2036	Serial Coupo	3 000%	2 600%	595,000 00	103,121%	c 2 793%	03/01/2025	100 000%	613,569 95
Total	-	-	-	\$9,705,000 00	-	-	-	-	\$9,963,244 45

Bid Information

Par Amount of Bonds	\$9 705,000 00
Reoffering Premium or (Discount)	258 244 45
Gross Production	\$9,963,244 45
Total Underwriter's Discount (0 727%)	\$(70 550 07)
Bid (101 934%)	9 892 691 38
Total Purchase Price	\$9 892 694 38
Bond Year Dollars	\$105,124 21
Average Life	10 832 Years
Average Coupon	2 4089511%
Net Interest Cost (NIC)	2 2304058%
True Interest Cost (TIC)	2 1798394%

EXHIBIT D-2

Debt Service Schedule and Irrepealable Tax Levies

To be provided by Ehlers & Associates, Inc. and incorporated into the Resolution.

(See Attached)

City of Cedarburg

\$9,705,000 General Obligation Corporate Purpose Bonds, Series 2016A

Issue Summary

Dated May 18, 2016 Winning Bidder Citigroup Global Markets Inc

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
05/18/2016	-	-	-	-	-
03/01/2017	525 000 00	2 000%	167,490 80	692,490 80	-
09/01/2017	-	-	101,281 25	101 281 25	793 772 05
03/01/2018	405 000 00	2 000%	101,281 25	506 281 25	-
09/01/2018	-	-	97 231 25	97,231 25	603 512 50
03/01/2019	415 000 00	1 500%	97,231 25	512 231 25	-
09/01/2019	-	-	94 118 75	94,118 75	606 350 00
03/01/2020	420 000 00	1 500%	94 118 75	514,118 75	-
09/01/2020	-	-	90 968 75	90,968 75	605 087 50
03/01/2021	425 000 00	1 500%	90 968 75	515,968 75	-
09/01/2021	-	-	87,781 25	87,781 25	603 750 00
03/01/2022	430 000 00	2 000%	87,781 25	517 781 25	-
09/01/2022	-	-	83,481 25	83,481 25	601,262 50
03/01/2023	440,000 00	2 000%	83,481 25	523,481 25	-
09/01/2023	-	-	79,081 25	79 081 25	602,562 50
03/01/2024	450 000 00	2 000%	79 081 25	529 081 25	-
09/01/2024	-	-	74 581 25	74,581 25	603,662 50
03/01/2025	455 000 00	2 000%	74,581 25	529,581 25	-
09/01/2025	-	-	70,031 25	70,031 25	599,612 50
03/01/2026	470,000 00	2 000%	70,031 25	540 031 25	-
09/01/2026	-	-	65 331 25	65 331 25	605 362 50
03/01/2027	475 000 00	2 000%	65 331 25	540,331 25	-
09/01/2027	-	-	60,581 25	60,581 25	600,912 50
03/01/2028	485 000 00	2 000%	60,581 25	545,581 25	-
09/01/2028	-	-	55,731 25	55,731 25	601,312 50
03/01/2029	495 000 00	2 000%	55 731 25	550 731 25	-
09/01/2029	-	-	50,781 25	50,781 25	601 512 50
03/01/2030	505 000 00	2 000%	50,781 25	555,781 25	-
09/01/2030	-	-	45 731 25	45,731 25	601,512 50
03/01/2031	515,000 00	2 250%	45 731 25	560,731 25	-
09/01/2031	-	-	39,937 50	39,937 50	600 668 75
03/01/2032	525 000 00	2 500%	39 937 50	564,937 50	-
09/01/2032	-	-	33 375 00	33,375 00	598,312 50
03/01/2033	540,000 00	2 750%	33,375 00	573 375 00	-
09/01/2033	-	-	25,950 00	25 950 00	599,325 00
03/01/2034	560,000 00	3 000%	25 950 00	585 950 00	-
09/01/2034	-	-	17 550 00	17,550 00	603,500 00
03/01/2035	575 000 00	3 000%	17 550 00	592,550 00	-
09/01/2035	-	-	8,925 00	8,925 00	601 475 00
03/01/2036	595 000 00	3 000%	8,925 00	603,925 00	-
09/01/2036	-	-	-	-	603 925 00
Total	\$9,705,000 00	-	\$2,532,390 80	\$12,237,390 80	-

Yield Statistics

Bond Year Dollars	\$105 124 21
Average Life	10 832 Years
Average Coupon	2 4089511%
Net Interest Cost (NIC)	2 2304058%
True Interest Cost (TIC)	2 1798394%
Bond Yield for Arbitrage Purposes	1 8991190%
All Inclusive Cost (AIC)	2 2599582%

IRS Form 8038

Net Interest Cost	2 1040238%
Weighted Average Maturity	10 848 Years

EXHIBIT E

(Form of Bond)

REGISTERED UNITED STATES OF AMERICA
STATE OF WISCONSIN DOLLARS
OZAUKEE COUNTY
NO. R- CITY OF CEDARBURG \$
GENERAL OBLIGATION CORPORATE PURPOSE BOND, SERIES 2016A

MATURITY DATE: ORIGINAL DATE OF ISSUE: INTEREST RATE: CUSIP
March 1, May 18, 2016 %

DEPOSITORY OR ITS NOMINEE NAME: CEDE & CO.

PRINCIPAL AMOUNT: THOUSAND DOLLARS
(\$)

FOR VALUE RECEIVED, the City of Cedarburg, Ozaukee 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), 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 March 1 and September 1 of each year commencing on March 1, 2017 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 the City Clerk or City Treasurer (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.

For the prompt payment of this Bond together with interest hereon as aforesaid and for the levy of taxes sufficient for that purpose, the full faith, credit and resources of the City are hereby irrevocably pledged.

This Bond is one of an issue of Bonds aggregating the principal amount of \$9,705,000, all of which are of like tenor, except as to denomination, interest rate, maturity date and redemption provision, issued by the City pursuant to the provisions of Section 67.04, Wisconsin Statutes, for the following public purposes: \$8,700,000 for a building for the housing of machinery and equipment; and \$1,005,000 for sewerage projects, consisting of sanitary sewer improvements, all as authorized by resolutions of the Common Council duly adopted by said

governing body at meetings held on March 28, 2016 and April 25, 2016. Said resolutions are recorded in the official minutes of the Common Council for said dates.

The Bonds maturing on March 1, 2026 and thereafter are subject to redemption prior to maturity, at the option of the City, on March 1, 2025 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.

It is hereby certified and recited that all conditions, things and acts required by law to exist or to be done prior to and in connection with the issuance of this Bond have been done, have existed and have been performed in due form and time; that the aggregate indebtedness of the City, including this Bond and others issued simultaneously herewith, does not exceed any limitation imposed by law or the Constitution of the State of Wisconsin; and that a direct annual irrepealable tax has been levied sufficient to pay this Bond, together with the interest thereon, when and as payable.

This Bond has been designated by the Common Council as 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.

No delay or omission on the part of the owner hereof to exercise any right hereunder shall impair such right or be considered as a waiver thereof or as a waiver of or acquiescence in any default hereunder.

COPY

IN WITNESS WHEREOF, the City of Cedarburg, Ozaukee 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 CEDARBURG,
OZAUKEE COUNTY, WISCONSIN

By: _____
Kip Kinzel
Mayor

(SEAL)

By: _____
Constance K. McHugh
City Clerk

COPY

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:

(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)