

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF \$5,030,000
TAXABLE NOTE ANTICIPATION NOTES, SERIES 2015
PURSUANT TO SECTION 67.12(1)(b), WISCONSIN STATUTES

WHEREAS, the School District of Shorewood, Milwaukee County, Wisconsin (the "District") is presently in need of the sum of \$5,030,000 for the public purpose of paying a portion of the cost of funding of a trust to provide for the District's other post employment benefits (the "Benefits");

WHEREAS, the School Board hereby finds and determines that providing for payment of the Benefits is within the District's power to undertake and therefore serves a "public purpose" as that term is defined in Section 67.04(1)(b), Wisconsin Statutes;

WHEREAS, school districts are authorized by the provisions of Chapter 67, Wisconsin Statutes, to borrow money and issue general obligation promissory notes for such public purposes;

WHEREAS, on February 8, 2011 the School Board adopted an initial resolution (the "Initial Resolution") authorizing the issuance of general obligation promissory notes in an amount not to exceed \$13,645,000 for the purpose of refinancing the debt issued to finance the District's contributions to the Wisconsin Retirement System and funding the cost of other post employment benefits;

WHEREAS, on April 5, 2011, a referendum was held in the District on the proposition of whether the Initial Resolution should be approved at which 3,231 votes were cast "YES" for approval of the Initial Resolution and 1,867 votes were cast "NO" for rejection of the Initial Resolution;

WHEREAS, the District has to date issued \$8,615,000 of obligations pursuant to the Initial Resolution and has authority to issue \$5,030,000 of additional obligations (the "Securities") pursuant to the Initial Resolution;

WHEREAS, the Securities have not yet been issued or sold;

WHEREAS, school districts are authorized by the provisions of Section 67.12(1)(b), Wisconsin Statutes, to issue note anticipation notes in anticipation of receiving the proceeds from the issuance and sale of obligations such as the Securities;

WHEREAS, it is the finding of the School Board that it is necessary, desirable and in the best interest of the District to authorize the issuance and sale of note anticipation notes pursuant to Section 67.12(1)(b), Wisconsin Statutes (the "Notes"), in anticipation of receiving the proceeds from the issuance and sale of the Securities, to provide interim financing to pay a portion of the cost of the Benefits;

WHEREAS, due to certain provisions contained in the Internal Revenue Code of 1986, as amended, it is necessary to issue such Notes on a taxable rather than tax-exempt basis; and

WHEREAS, it is the finding of the School Board that it is necessary, desirable and in the best interest of the District to sell the Notes to _____ (the "Purchaser"), pursuant to the terms and conditions of its note purchase proposal attached hereto as Exhibit A and incorporated herein by this reference (the "Proposal").

NOW, THEREFORE, BE IT RESOLVED by the School Board of the District that:

Section 1. Authorization of Securities. The District hereby authorizes the issuance and declares its intention and covenants to issue the Securities pursuant to the provisions of Chapter 67, Wisconsin Statutes, in an amount sufficient to retire any outstanding note anticipation notes issued for the purpose of paying the cost of the Benefits. There is hereby levied on all the taxable property in the District a direct, annual, irrevocable tax sufficient to pay the interest on said Securities as it becomes due, and also to pay and discharge the principal thereof. The District has heretofore authorized the issuance of the Securities pursuant to the Initial Resolution and the Referendum.

Section 2. Authorization and Sale of the Notes. In anticipation of the sale of the Securities, for the purpose of paying a portion of the cost of the Benefits, there shall be borrowed pursuant to Section 67.12(1)(b), Wisconsin Statutes, the principal sum of FIVE MILLION THIRTY THOUSAND DOLLARS (\$5,030,000) from the Purchaser in accordance with the terms and conditions of the Proposal. The Proposal is hereby accepted and the District President and District Clerk or other appropriate officers of the District are authorized and directed to execute an acceptance of the Proposal on behalf of the District. To evidence the obligation of the District, the District President and District Clerk are hereby authorized, empowered and directed to make, execute, issue and sell to the Purchaser for, on behalf of and in the name of the District, the Notes aggregating the principal amount of FIVE MILLION THIRTY THOUSAND DOLLARS (\$5,030,000) for the sum set forth on the Proposal, plus accrued interest to the date of delivery.

Section 3. Terms of the Notes. The Notes shall be designated "Taxable Note Anticipation Notes, Series 2015"; shall be issued in the aggregate principal amount of \$5,030,000; shall be dated January 6, 2015; shall be in the denomination of \$100,000 or any multiple of \$5,000 in excess thereof; shall be numbered R-1 and upward; and shall bear interest at the rate and mature on June 10, 2015 as set forth on the schedule attached hereto as Exhibit B and incorporated herein by this reference (the "Schedule"). Interest is payable at maturity. 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.

Section 4. Redemption Provisions. The Notes shall be subject to redemption prior to maturity, at the option of the District, on April 10, 2015 or on any date thereafter. Said Notes shall be redeemable as a whole or in part, and if in part, by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

Section 5. Form of the Notes. The Notes shall be issued in registered form and shall be executed and delivered in substantially the form attached hereto as Exhibit C and incorporated herein by this reference.

Section 6. Security. The Notes shall in no event be a general obligation of the District and do not constitute an indebtedness of the District nor a charge against its general credit or taxing power. No lien is created upon any property of the District as a result of the issuance of the Notes. The Notes shall be payable only from (a) any proceeds of the Notes set aside for payment of interest on the Notes as it becomes due and (b) proceeds to be derived from the issuance and sale of the Securities, which proceeds are hereby declared to constitute a special trust fund, hereby created and established, to be held by the District Clerk and expended solely for the payment of the principal of and interest on the Notes until paid. The District hereby agrees that, in the event such monies are not sufficient to pay the principal of and interest on the Notes when due, if necessary, the District will pay such deficiency out of its annual general tax levy or other available funds of the District; provided, however, that such payment shall be subject to annual budgetary appropriations therefor and any applicable levy limits; and provided further, that neither this Resolution nor any such payment shall be construed as constituting an obligation of the District to make any such appropriation or any further payments.

Section 7. Segregated Debt Service Fund Account.

(A) Creation and Deposits. There be and there hereby is established in the treasury of the District a separate and distinct fund account designated as the "Debt Service Fund Account for \$5,030,000 Taxable Note Anticipation Notes, Series 2015, dated January 6, 2015" (the "Debt Service Fund Account"), and such account shall be maintained until the indebtedness evidenced by the Notes is fully paid or otherwise extinguished. The District Treasurer shall deposit in the Debt Service Fund Account (i) all accrued interest received by the District at the time of delivery of and payment for the Notes; (ii) any proceeds of the Notes representing capitalized interest on the Notes or other funds appropriated by the District for payment of interest on the Notes, as needed to pay the interest on the Notes when due; (iii) proceeds of the Securities (or other obligations of the District issued to pay principal of or interest on the Notes); (iv) such other sums, including tax monies, as may be necessary at any time to pay principal of and interest on the Notes when due and which are appropriated by the School Board for that purpose; and (v) surplus monies in the Borrowed Money Fund as specified in Section 9 hereof.

(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 Notes until all such principal and interest has been paid in full and the Notes canceled; provided that such monies may be invested 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. Said account shall be used for the sole purpose of paying the principal of and interest on the Notes and shall be maintained for such purpose until the Notes are fully paid or otherwise extinguished.

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

Section 8. Covenants of the District. The District hereby covenants with the owners of the Notes as follows:

(A) It shall issue and sell the Securities or other obligations of the District as soon as practicable, as necessary to provide for payment of the Notes;

(B) It shall segregate the proceeds derived from the sale of the Securities into the 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 principal of and interest on the Notes until paid. After the payment of principal of and interest on the Notes in full, said trust fund may be used for such other purposes as the School Board may direct in accordance with law; and,

(C) It shall maintain a debt limit capacity such that its combined outstanding principal amount of general obligation bonds or notes or certificates of indebtedness and the \$5,030,000 authorized for the issuance of the Securities shall at no time exceed its constitutional debt limit.

Section 9. Proceeds of the Notes; Segregated Borrowed Money Fund. All monies received by the District upon the delivery of the Notes to the Purchaser thereof, except for accrued interest and premium, if any, shall be deposited by the District Clerk into a special fund (the "Borrowed Money Fund") which shall be maintained separate and distinct from all other funds of the District and shall be used for no purpose other than the purposes for which the Notes are issued. Monies in the Borrowed Money Fund may be temporarily invested in Permitted Investments. Any monies, including any income from Permitted Investments, remaining in the Borrowed Money Fund after the purposes for which the Notes have been issued have been accomplished, and, at any time, any monies as are not needed and which obviously thereafter cannot be needed for such purposes, shall be deposited in the Debt Service Fund Account created herein.

Section 10. Execution of the Notes; Closing; Professional Services. The Notes shall be issued in printed form, executed on behalf of the District by the manual or facsimile signatures of the District President and District 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 District 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 Notes may be imprinted on the Notes in lieu of the manual signature of the officer but, unless the District has contracted with a fiscal agent to authenticate the Notes, at least one of the signatures appearing on each Note shall be a manual signature. In the event that either of the officers whose signatures appear on the Notes 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 Notes and all such documents, certificates and acknowledgements as may be necessary and convenient to effectuate the Closing. The District hereby authorizes the officers and agents of the District to enter into, on its behalf, agreements and contracts in conjunction with the Notes, 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 Notes is hereby ratified and approved in all respects.

Section 11. Payment of the Notes; Fiscal Agent. The principal of and interest on the Notes shall be paid by the District Clerk or District Treasurer (the "Fiscal Agent").

Section 12. Persons Treated as Owners; Transfer of Notes. The District shall cause books for the registration and for the transfer of the Notes to be kept by the Fiscal Agent. The person in whose name any Note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of either principal or interest on any Note shall be made only to the registered owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Note to the extent of the sum or sums so paid.

Any Note may be transferred by the registered owner thereof by surrender of the Note at the office of the 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 District President and District Clerk shall execute and deliver in the name of the transferee or transferees a new Note or Notes of a like aggregate principal amount, series and maturity and the 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 Note surrendered for transfer.

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

Section 13. Record Date. The fifteenth calendar day preceding the interest payment date shall be the record date for the Notes (the "Record Date"). Payment of interest on the Notes on any interest payment date shall be made to the registered owners of the Notes as they appear on the registration book of the District at the close of business on the Record Date.

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

Section 15. Record Book. The District 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 Notes in the Record Book.

Section 16. Bond Insurance. If the Purchaser determines to obtain municipal bond insurance with respect to the Notes, the officers of the District are authorized to take all actions necessary to obtain such municipal bond insurance. The District President and District Clerk are authorized to agree to such additional provisions as the bond insurer may reasonably request and which are acceptable to the District President and District Clerk including provisions regarding restrictions on investment of Note 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 Notes 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 Note provided herein.

Section 17. Conflicting Resolutions; Severability; Effective Date. All prior resolutions, rules or other actions of the School Board 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 December 9, 2014.

Rob Reinoffer
District President

Attest:

Paru Shah
District Clerk

EXHIBIT A

Note Purchase Proposal

To be provided by PMA Securities, Inc. and incorporated into the Resolution.

(See Attached)

DRAFT

EXHIBIT B

Debt Service Schedule

To be provided by PMA Securities, Inc. and incorporated into the Resolution.

(See Attached)

DRAFT

EXHIBIT C

(Form of Note)

REGISTERED UNITED STATES OF AMERICA DOLLARS
STATE OF WISCONSIN
MILWAUKEE COUNTY
NO. R-1 SCHOOL DISTRICT OF SHOREWOOD \$5,030,000
TAXABLE NOTE ANTICIPATION NOTE, SERIES 2015

MATURITY DATE: ORIGINAL DATE OF ISSUE: INTEREST RATE: CUSIP:
June 10, 2015 January 6, 2015 _____% _____

DEPOSITORY OR ITS NOMINEE NAME: CEDE & CO.

PRINCIPAL AMOUNT: FIVE MILLION THIRTY THOUSAND DOLLARS
(\$5,030,000)

FOR VALUE RECEIVED, the School District of Shorewood, Milwaukee County, Wisconsin (the "District"), 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 is payable at maturity. Both the principal of and interest on this Note 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 Note is registered on the Bond Register maintained by the District Clerk or District Treasurer (the "Fiscal Agent") or any successor thereto at the close of business on the 15th calendar day preceding the interest payment date (the "Record Date"). This Note is payable as to principal upon presentation and surrender hereof at the office of the Fiscal Agent.

This Note is one of an issue of Notes aggregating the principal amount of \$5,030,000, all of which are of like tenor, except as to denomination, issued by the District pursuant to the provisions of Section 67.12(1)(b), Wisconsin Statutes, in anticipation of the sale of general obligation promissory notes (the "Securities"), to provide interim financing to pay a portion of the cost of funding of a trust to provide for the District's other post employment benefits, all as authorized by a resolution duly adopted by the School Board at a meeting held on December 9, 2014 (the "Authorizing Resolution"). An initial resolution duly adopted by the School Board at a meeting held on February 8, 2011 (the "Initial Resolution") and approved by the electors of the District at a referendum election held on April 5, 2011 (the "Referendum") approved the amount and purpose of the borrowing. The Initial Resolution and the Authorizing Resolution are recorded in the official minutes of the School Board for said dates.

This Note shall be payable only from (a) any proceeds of the Notes set aside for payment of interest on the Notes as it becomes due and (b) proceeds to be derived from the issuance and sale of the Securities, which proceeds have been declared to constitute a special trust fund and to be held by the District Clerk and expended solely for the payment of the principal of and interest on the Notes until paid. The District has authorized the issuance of the Securities pursuant to the Initial Resolution and the Referendum. The District has covenanted to issue the Securities pursuant to the Authorizing Resolution. **THE NOTES ARE NOT A GENERAL OBLIGATION OF THE DISTRICT AND DO NOT CONSTITUTE AN INDEBTEDNESS OF THE DISTRICT WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION OR PROVISION NOR A CHARGE AGAINST ITS GENERAL CREDIT OR TAXING POWER. NO LIEN IS CREATED UPON ANY PROPERTY OF THE DISTRICT AS A RESULT OF THE ISSUANCE OF THE NOTES.**

The Notes are subject to redemption prior to maturity, at the option of the District, on April 10, 2015 or on any date thereafter. Said Notes are redeemable as a whole or in part, and if in part, by lot (as selected by the Depository), at the principal amount thereof, plus accrued interest to the date of redemption.

In the event the Notes are redeemed prior to maturity, as long as the Notes 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 Notes of a maturity are to be called for redemption, the Notes 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 Notes 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 Notes 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 Notes 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 Note have been done, have existed and have been performed in due form and time. The District has covenanted to issue and sell the Securities, the sale of which this Note anticipates, as soon as practicable and to set aside the proceeds of the Securities into a special trust fund for the payment of the principal of and interest on this Note.

This Note is transferable only upon the books of the District 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 Notes, and the District appoints another depository, upon surrender of the Note to the Fiscal Agent, and thereupon a new fully registered Note in the same aggregate principal amount (**but in no event in a denomination less than \$100,000**) shall be issued to the new depository in exchange therefor and upon the payment of a charge sufficient to reimburse the District 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 Notes (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 Notes, or (iii) with respect to any particular Note, after such Note has been called for redemption. The Fiscal Agent and District may treat and consider the Depository in whose name this Note 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 Notes are issuable solely as negotiable, fully-registered Notes without coupons in the denomination of \$100,000 or any multiple of \$5,000 in excess 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.

IN WITNESS WHEREOF, the School District of Shorewood, Milwaukee County, Wisconsin, by its governing body, having no official or corporate seal, has caused this Note to be executed for it and in its name by the manual or facsimile signatures of its duly qualified District President and District Clerk all as of the original date of issue specified above.

SCHOOL DISTRICT OF SHOREWOOD,
MILWAUKEE COUNTY, WISCONSIN

By: _____
Rob Reinoffer
District President

By: _____
Paru Shah
District Clerk

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 Note and all rights thereunder and hereby irrevocably constitutes and appoints _____, Legal Representative, to transfer said Note 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 Note in every particular, without alteration or enlargement or any change whatever.

(Authorized Officer)