

\$526,696  
City of Two Rivers, Wisconsin  
Water System Revenue Bonds, Series 2023

CLOSING CERTIFICATE

Gregory E. Buckley, the City Manager, and Amanda Baryenbruch, the City Clerk of the City of Two Rivers, Manitowoc County, Wisconsin (the "Municipality"), hereby certify as follows:

1. We are the duly qualified and acting City Manager and City Clerk of the Municipality and have been such at all times pertinent to the authorization and delivery of the "Water System Revenue Bonds, Series 2023" of the Municipality (the "Bonds").
2. We have executed and sealed the negotiable, fully-registered Bonds. The Bonds are in the aggregate principal amount of \$526,696, are dated September 27, 2023, and are numbered from 1 upward. The Bonds mature in installments of principal due on May 1 of each of the years 2024 through 2043, and bear interest at a rate of 2.145% per annum. We were duly authorized to execute the same.
3. Attached in the Closing Transcript is a true and complete copy of a resolution entitled: "Resolution Authorizing the Issuance and Sale of Up to \$526,696 Water System Revenue Bonds, Series 2023, and Providing for Other Details and Covenants With Respect Thereto" (the "Bond Resolution"). The Bond Resolution was duly adopted by the City Council of the Municipality (the "Governing Body") on September 5, 2023. The Bond Resolution has not been repealed, amended or modified in any respect and remains in full force and effect today.
4. Attached in the Closing Transcript is a true and complete copy of the Certificate of Compliance with Open Meeting Law Public Notice Requirements with respect to the September 5, 2023 meeting of the Governing Body of the Municipality, evidencing compliance with Subchapter V of Chapter 19, Wisconsin Statutes.
5. Attached in the Closing Transcript is a true and complete copy of the part of the minutes of the September 5, 2023 meeting of the Governing Body wherein the Governing Body adopted the Bond Resolution.
6. Attached in the Closing Transcript is a true and complete copy of a sworn affidavit from an authorized representative of the official newspaper of the Municipality, in which a notice has been published pursuant to Section 893.77, Wisconsin Statutes, regarding the adoption of the Bond Resolution.
7. Attached in the Closing Transcript is a Specimen Bond. The signatures of Gregory E. Buckley, the City Manager, and Amanda Baryenbruch, the City Clerk of the Municipality, are their respective true signatures, and the seal of the Municipality appearing on the Bonds is an accurate impression or facsimile of the seal of the Municipality.

8. Attached in the Closing Transcript is a true and complete copy of the Financial Assistance Agreement relating to the Bonds; said Financial Assistance Agreement has not been amended or modified in any respect and remains in full force and effect today.

9. The Municipality is a duly organized and existing municipal corporation of the State of Wisconsin.

10. There are no rules or resolutions in effect which require any officer or official of the Municipality, other than the City Manager and the City Clerk of the Municipality, to execute bonds of the Municipality.

11. Each meeting of the Governing Body or any committee of the Municipality at which the Bond Resolution was taken up was held at the place and time and called and notified in the manner routinely established by the Governing Body or such committee and proceeded in accordance with a written agenda; was notified to the public and news media and conducted in full compliance with the "open meeting" laws of the State of Wisconsin, and particularly Subchapter V, Chapter 19, Wisconsin Statutes; was held in a public, accessible place in the Municipality, with doors open at all times to the public; and no secret ballot was taken thereat; and no such meeting was commenced, subsequently convened in closed session and thereafter reconvened in open session, unless public notice of such subsequent open session was given at the same time and in the same manner as the public notice of the meeting convened prior to the closed session. All such meetings were fully lawful and in all respects in accordance with the rules of the Municipality. Each such meeting was a regular meeting or duly-called special meeting, held at the place in the Municipality, on the date and at the time and notified in the manner routinely established by rule of the Governing Body.

12. The meeting of the Governing Body was held on September 5, 2023, at which a quorum was present in person throughout. The Governing Body consists of nine Alderpersons. At such meeting, the Bond Resolution was introduced by one of the Governing Body members in accordance with routinely established procedures of the Governing Body (all Governing Body members having full copies thereof in advance and adequate time to read and examine prior to adoption, and no member objecting); and, on motion duly made and seconded, duly adopted by the unanimous affirmative vote of the members present, upon an aye or no vote duly recorded in the Governing Body minutes.

13. The City Clerk of the Municipality has recorded a full and correct statement of every step or proceeding had or taken in the course of authorizing and issuing the Bonds in a separate record book as required by law. This record has been available for public inspection during normal business hours at the City Clerk's office in the Municipality and no person was denied the right to inspect or duplicate it.

14. We have reviewed the Additional Bonds Certificate, No Arbitrage Certificate, the Bond Resolution and the Form 8038-G, all appearing in the Closing Transcript, and to the best of our information and belief, all of the statements made in each respective document are true and correct.

15. No litigation is pending or, to our knowledge, threatened (i) to restrain or enjoin the issuance or delivery of any of the Bonds, or (ii) in any way contesting or affecting the validity of the Bonds or the Bond Resolution.

16. There is no litigation pending or, to our knowledge, threatened against the Municipality or involving any of the property or assets under the control of the Municipality that involves the possibility of any judgment or uninsured liability which may result in any material adverse change in the business, properties, assets or in the condition, financial or otherwise, of the Municipality or the Water System.

17. Neither the corporate existence nor boundaries of the Municipality nor the title of its present or former officers to their respective offices is being contested, and no authority or proceedings for the issuance of the Bonds have been repealed, revoked or rescinded. No petition has been filed requesting that the Bonds not be issued.

18. Based on our inquiry, information and belief, no part of the funds of the Municipality or the Water System derived from the issuance and sale of the Bonds shall inure to the benefit of or be distributable to any official of the Water System or of the Municipality, except for the lawful payment or compensation for services rendered and its lawful reimbursement of expenses incurred, and no loans shall be made, and no property or services shall be purchased or sold, leased or otherwise disposed of, to any such official as a result of the use of such funds by the Municipality or by the Water System.

19. Based on our inquiry, information and belief, no official of the Water System or of the Municipality has any private interest, direct or indirect, in any of the proceedings relating to the authorization, issuance and sale of the Bonds.

20. The Municipality is able to pay all of its current operating expenses in the usual course as they come due without need for special or exceptional tax levies.

21. The Bonds are payable only from and secured by a pledge of the income and revenues of the Water System of the Municipality; and do not constitute an indebtedness of the Municipality within any constitutional or statutory limitation.

22. There are no obligations outstanding payable from a pledge of the income and revenues of the Water System of the Municipality, other than the Municipality's Water System Revenue Bonds, Series 2014, dated June 25, 2014, Water System Revenue Bonds, Series 2014B, dated November 12, 2014, Water System Revenue Bonds, Series 2017, dated June 28, 2017, Water System Revenue Bonds, Series 2018, dated June 13, 2018, Water System Revenue Bonds, Series 2019, dated June 26, 2019, Water System Revenue Bonds, Series 2021, dated June 23, 2021, Water System Revenue Bonds, Series 2022, dated September 28, 2022, and the Bonds.

23. The Municipality is not in default on any borrowed money obligation.

24. The Municipality has received a disbursement of Bond proceeds from the State on the date of this Certificate, representing the purchase price of the Bonds as provided in the Bond Resolution.

IN WITNESS WHEREOF, we have hereunto set our hands and affixed the official seal of the Municipality as of September 27, 2023.

CITY OF TWO RIVERS, WISCONSIN

(SEAL)

By: \_\_\_\_\_  
Gregory E. Buckley  
City Manager

By: \_\_\_\_\_  
Amanda Baryenbruch  
City Clerk

Form **8038-G**

(Rev. October 2021)

Department of the Treasury  
Internal Revenue Service**Information Return for Tax-Exempt Governmental Bonds**

► Under Internal Revenue Code section 149(e)

► See separate instructions.

Caution: If the issue price is under \$100,000, use Form 8038-GC.

► Go to [www.irs.gov/F8038G](http://www.irs.gov/F8038G) for instructions and the latest information.

OMB No. 1545-0047

**Part I Reporting Authority**Check box if Amended Return ☐

1 Issuer's name <b>City of Two Rivers</b>		2 Issuer's employer identification number (EIN) <b>39-6005635</b>
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)		3b Telephone number of other person shown on 3a
4 Number and street (or P.O. box if mail is not delivered to street address) <b>1717 East Park Street</b>	Room/suite	5 Report number (For IRS Use Only) <b>3</b>
6 City, town, or post office, state, and ZIP code <b>Two Rivers, WI 54241</b>		7 Date of issue <b>09/27/2023</b>
8 Name of issue <b>Water System Revenue Bonds, Series 2023</b>		9 CUSIP number <b>None</b>
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information <b>Gregory E. Buckley, City Manager</b>		10b Telephone number of officer or other employee shown on 10a <b>920-793-5532</b>

**Part II Type of Issue (Enter the issue price.)** See the instructions and attach schedule.

11 Education . . . . .	11	
12 Health and hospital . . . . .	12	
13 Transportation . . . . .	13	
14 Public safety . . . . .	14	
15 Environment (including sewage bonds) . . . . .	15	
16 Housing . . . . .	16	
17 Utilities . . . . .	17	526,696
18 Other. Describe ►	18	
19a If bonds are TANs or RANs, check only box 19a . . . . . <input type="checkbox"/>		
b If bonds are BANs, check only box 19b . . . . . <input type="checkbox"/>		
20 If bonds are in the form of a lease or installment sale, check box . . . . . <input type="checkbox"/>		

**Part III Description of Bonds.** Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	05/01/2043	\$ 526,696	\$ 526,696	10.798 years	2.1448 %

**Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)**

22 Proceeds used for accrued interest . . . . .	22	0
23 Issue price of entire issue (enter amount from line 21, column (b)) . . . . .	23	526,696
24 Proceeds used for bond issuance costs (including underwriters' discount) . . . . .	24	13,000
25 Proceeds used for credit enhancement . . . . .	25	0
26 Proceeds allocated to reasonably required reserve or replacement fund . . . . .	26	0
27 Proceeds used to refund prior tax-exempt bonds. Complete Part V . . . . .	27	0
28 Proceeds used to refund prior taxable bonds. Complete Part V . . . . .	28	0
29 Total (add lines 24 through 28) . . . . .	29	13,000
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here) . . . . .	30	513,696

**Part V Description of Refunded Bonds.** Complete this part only for refunding bonds.

31 Enter the remaining weighted average maturity of the tax-exempt bonds to be refunded . . . . .	►	years
32 Enter the remaining weighted average maturity of the taxable bonds to be refunded . . . . .	►	years
33 Enter the last date on which the refunded tax-exempt bonds will be called (MM/DD/YYYY) . . . . .	►	
34 Enter the date(s) the refunded bonds were issued ► (MM/DD/YYYY)		

For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 63773S

Form **8038-G** (Rev. 10-2021)

QB\84256555

**Part VI Miscellaneous**

- 35** Enter the amount of the state volume cap allocated to the issue under section 141(b)(5) . . . . . **35** 0
- 36a** Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC). See instructions . . . . . **36a** 0
- b** Enter the final maturity date of the GIC ► (MM/DD/YYYY) \_\_\_\_\_
- c** Enter the name of the GIC provider ► \_\_\_\_\_
- 37** Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units . . . . . **37** 0
- 38a** If this issue is a loan made from the proceeds of another tax-exempt issue, check box ► ☒ and enter the following information:
- b** Enter the date of the master pool bond ► (MM/DD/YYYY) See Ex A
- c** Enter the EIN of the issuer of the master pool bond ► 39-6028867
- d** Enter the name of the issuer of the master pool bond ► State of Wisconsin
- 39** If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box . . . . . ► ☐
- 40** If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box . . . . . ► ☐
- 41a** If the issuer has identified a hedge, check here ► ☐ and enter the following information:
- b** Name of hedge provider ► \_\_\_\_\_
- c** Type of hedge ► \_\_\_\_\_
- d** Term of hedge ► \_\_\_\_\_
- 42** If the issuer has superintegrated the hedge, check box . . . . . ► ☐
- 43** If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box . . . . . ► ☒
- 44** If the issuer has established written procedures to monitor the requirements of section 148, check box . . . . . ► ☒
- 45a** If some portion of the proceeds was used to reimburse expenditures, check here ► ☒ and enter the amount of reimbursement . . . . . ► \_\_\_\_\_
- b** Enter the date the official intent was adopted ► (MM/DD/YYYY) 06/27/2022

**Signature and Consent**

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.

Signature of issuer's authorized representative 09/27/2023 Gregory E. Buckley, City Manager  
Date Type or print name and title

**Paid Preparer Use Only**

Print/Type preparer's name Rebecca A. Speckhard Preparer's signature [Signature] Date 09/27/2023 Check ☐ if self-employed PTIN P01294827  
Firm's name ► Quarles & Brady LLP Firm's EIN ► 39-0432630  
Firm's address ► 411 East Wisconsin Avenue, Milwaukee, WI 53202 Phone no. (414) 277-5000

**Exhibit A**

**Attachment to IRS Form 8038-G**

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**CITY OF TWO RIVERS  
(E.I.N. 39-6005635)  
WATER SYSTEM REVENUE BONDS, SERIES 2023  
DATED SEPTEMBER 27, 2023**

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- Line 38a**      Proceeds of another tax-exempt issue(s) issued by the State of Wisconsin (E.I.N. 39-6028867) may be used to make the initial or future disbursements of proceeds on this issue for nonrefunding purposes, but the date of such issue(s) and amount, if any, are unknown at this time.
- Line 38b**      See above.
- Line 38c**      See above.
- Line 38d**      See above.

\$526,696  
City of Two Rivers, Wisconsin  
Water System Revenue Bonds, Series 2023

ADDITIONAL BONDS CERTIFICATE

The undersigned City Clerk of the City of Two Rivers, Manitowoc County, Wisconsin (the "City") hereby certifies, in connection with the issuance of the City's Water System Revenue Bonds, Series 2023, dated September 27, 2023 (the "Bonds"), that:

1. Pursuant to a resolution adopted on June 16, 2014 (the "2014 Resolution"), the City issued its Water System Revenue Bonds, Series 2014, dated June 25, 2014 (the "2014 Bonds") and set certain conditions on the issuance of additional bonds on a parity with the 2014 Bonds (Section 11). Pursuant to a resolution adopted on October 20, 2014 (the "2014B Resolution"), the City issued its Water System Revenue Bonds, Series 2014B, dated November 12, 2014 (the "2014B Bonds") and set certain conditions on the issuance of additional bonds on a parity with the 2014B Bonds (Section 11). Pursuant to a resolution adopted on June 5, 2017 (the "2017 Resolution"), the City issued its Water System Revenue Bonds, Series 2017, dated June 28, 2017 (the "2017 Bonds") and set certain conditions on the issuance of additional bonds on a parity with the 2017 Bonds (Section 11). Pursuant to a resolution adopted on May 21, 2018 (the "2018 Resolution"), the City issued its Water System Revenue Bonds, Series 2018, dated June 13, 2018 (the "2018 Bonds") and set certain conditions on the issuance of additional bonds on a parity with the 2018 Bonds (Section 11). Pursuant to a resolution adopted on June 3, 2019 (the "2019 Resolution"), the City issued its Water System Revenue Bonds, Series 2019, dated June 26, 2019 (the "2019 Bonds") and set certain conditions on the issuance of additional bonds on a parity with the 2019 Bonds (Section 11). Pursuant to a resolution adopted on June 7, 2021 (the "2021 Resolution"), the City issued its Water System Revenue Bonds, Series 2021, dated June 23, 2021 (the "2021 Bonds"), and set certain conditions on the issuance of additional bonds on a parity with the 2021 Bonds (Section 11). Pursuant to a resolution adopted on September 19, 2022 (the "2022 Resolution"), the City issued its Water System Revenue Bonds, Series 2022, dated September 28, 2022 (the "2022 Bonds"), and set certain conditions on the issuance of additional bonds on a parity with the 2022 Bonds (Section 11). The 2014 Bonds, the 2014B Bonds, the 2017 Bonds, the 2018 Bonds, the 2019 Bonds, the 2021 Bonds and the 2022 Bonds shall collectively be referred to as the "Prior Bonds". The 2014 Resolution, the 2014B Resolution, the 2017 Resolution, the 2018 Resolution, the 2019 Resolution, the 2021 Resolution and the 2022 Resolution shall collectively be referred to as the "Prior Resolutions".

2. Such conditions are met in connection with the issuance of the Bonds, as follows:

(a) The Net Revenues (as defined in the Prior Resolutions) of the City's Water System for Fiscal Year 2022 were in an amount at least equal to the maximum annual interest and principal requirements on the Prior Bonds and the Bonds (\$279,498) times 1.10 (\$307,448), as follows:

Gross Earnings:	\$2,916,774
Less Current Expenses:	<u>1,761,276</u>
Net Revenues:	\$1,155,498



1.10 is the highest debt service coverage ratio to be required with respect to the Prior Bonds and the Bonds (which are the only obligations payable from the revenues of the Water System currently outstanding).

(b) The payments required to be made into the funds enumerated in Section 6 of the Prior Resolutions have been made in full.

(c) The Resolution authorizing the Bonds provides that the Bonds shall mature on May 1 of each year and that interest thereon is payable semiannually on May 1 and November 1 of each year.

(d) The proceeds of the Bonds will be used only for the purpose of providing extensions and improvements to the Water System.

Dated September 27, 2023.

CITY OF TWO RIVERS, WISCONSIN

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David Buss  
Finance/Administrative Services  
Director/Treasurer

IN WITNESS WHEREOF, the SDWLP and the Municipality have caused this FAA to be executed and delivered, as of the date and year first written above.

CITY OF TWO RIVERS

By: \_\_\_\_\_  
Gregory E. Buckley  
City Manager

Attest: \_\_\_\_\_  
Amanda Baryenbruch  
City Clerk

STATE OF WISCONSIN  
DEPARTMENT OF ADMINISTRATION

By: \_\_\_\_\_  
Authorized Officer

STATE OF WISCONSIN  
DEPARTMENT OF NATURAL RESOURCES

By: \_\_\_\_\_  
Authorized Officer

\$526,696  
City of Two Rivers, Wisconsin  
Water System Revenue Bonds, Series 2023

NO ARBITRAGE CERTIFICATE

The undersigned officers of the City of Two Rivers, Manitowoc County, Wisconsin (the "Municipality") hereby certify as follows with regard to the Municipality's issuance of up to \$526,696 Water System Revenue Bonds, Series 2023, dated September 27, 2023 (the "Bonds").

I. IN GENERAL

1.1 Authority. The undersigned are officers of the Municipality charged by law and a resolution adopted by the City Council of the Municipality on September 5, 2023 authorizing the issuance of the Bonds (the "Bond Resolution") with responsibility for issuing the Bonds and are acting for and on behalf of the Municipality in executing this Certificate.

1.2 Nature of Certificate. This Certificate accompanies the transcript of proceedings for the issuance of the Bonds and describes the Municipality's reasonable expectations as of this date, regarding the amount and use of the proceeds of the Bonds (the "Bond Proceeds").

1.3 Date of Certificate. This Certificate is made as of the date of issue, that is, the date on which there is a physical delivery of some or all of the Bonds in exchange for an amount of the purchase price for the Bonds exceeding the lesser of \$50,000 or five percent of the issue price of the Bonds.

II. PURPOSE

2.1 Governmental Purpose. The Bonds are being issued for the governmental purpose of constructing improvements and extensions to the water system (the "Water System") of the Municipality, consisting of construction of a project (the "Project") assigned Safe Drinking Water Loan Program Project No. 4920-48 by the Department of Natural Resources, and as described in the Department of Natural Resources approval letter for the plans and specifications under Section 281.41 of the Wisconsin Statutes, assigned Number W-2022-0697 and dated August 19, 2022 by the DNR.

2.2 Issuance Costs. \$13,000 of the proceeds of the Bonds will be used to pay issuance costs with respect to the Bonds.

2.3 New Money Proceeds. The balance of the proceeds (the "New Money Proceeds") will be used to pay the costs of the Project and to pay administrative expenses related to the Project.

2.4 No Replacement Proceeds. The Bonds are not being issued to replace any proceeds of an earlier issue of governmental obligations that were not expended on the project for which such earlier issue was intended. Neither the Municipality or any related party of the Municipality has or is reasonably expected to have any monies (other than sale proceeds or investment proceeds of the Bonds) that (i) could be used for the governmental purposes for which the Bonds are being issued and (ii) are not reasonably expected to be used for other purposes.

2.5 Not a Tax Anticipation Note. The Bonds are not being issued in anticipation of taxes or other revenues, such as tolls, fees, grants or awards.

2.6 No Abusive Arbitrage Device. In connection with the issuance of the Bonds, the Municipality has not and will not engage in any transaction or series of transactions (i) enabling the Municipality to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage, or (ii) increasing the burden on the market for tax-exempt obligations in any manner including, without limitation, by selling Bonds that would not otherwise be sold or selling more Bonds, or issuing them sooner, or allowing them to remain outstanding longer, than would otherwise be necessary to accomplish the governmental purposes of the Bonds. No device has been employed in connection with the issuance of the Bonds to obtain a material financial advantage (based on arbitrage) apart from savings attributable to lower interest rates.

2.7 No Other Obligations. There are no other obligations of the Municipality which (a) have been or will be sold within 15 days of the date of sale of the Bonds; (b) are sold pursuant to the same plan of financing together with the Bonds; and (c) are reasonably expected to be paid out of substantially the same source of funds as the Bonds.

2.8 Covenant. The Municipality will not make or permit any use of the Bond Proceeds which, if such use had been reasonably expected on the date of issuance of the Bonds, would have caused the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code") and any applicable income tax regulations (the "Regulations"), and hereby further covenants that it will observe and not violate the requirements of Section 148 of the Code or any applicable Regulations.

### III. PROCEEDS AND FUNDS

3.1 Disposition of Proceeds. For tax purposes, the Bonds are considered issued on the date hereof because an amount of Bond Proceeds exceeding the lesser of \$50,000 or five percent (5%) of the Bond Proceeds is to be advanced on the date hereof pursuant to the Financial Assistance Agreement to either (i) reimburse the Municipality for Project expenses previously paid in anticipation of the receipt of Bond Proceeds or (ii) pay, within three days of the date hereof, invoices previously received for Project costs. Subsequent advances of Bond Proceeds shall be made, in an aggregate amount which, after adding the first advance, does not exceed the face amount of the Bonds. Such subsequent advances will be applied either to (i) reimburse the Municipality for Project expenses previously paid in anticipation of the receipt of Bond Proceeds or (ii) pay Project invoices, as specified earlier, within three days of the date of receipt of such funds. Prior to the payment of Project invoices, the proceeds of the sale of the Bonds shall be

deposited by the Municipality into a special fund designated as "Water System SDWLP Project Fund." The Water System SDWLP Project Fund shall be used solely for the purpose of paying the costs of the Project as described above and in the Financial Assistance Agreement relating to the Project dated September 27, 2023. Moneys in the Water System SDWLP Project Fund shall be disbursed within three business days of their receipt from the State of Wisconsin and shall not be invested in any interest-bearing account.

3.2 Not an Overissuance. The total cost of the Project is expected to be greater than the principal sum of the Bonds. The net amounts received by the Municipality allocable to the Project will not exceed the aggregate amount necessary for the Project.

3.3 Project Expenditures; No Payments to Related Parties. All New Money Proceeds shall be used solely to pay costs of the Project. The Municipality reasonably expects that 100% of the New Money Proceeds will be allocated to expenditures on the Project during a 3-year period beginning on the date of delivery of the Bonds. No New Money Proceeds will be allocated to any payment to a related party to the payor.

3.4 Substantial Binding Obligations. The Municipality has incurred substantial binding obligations to third parties (which are not subject to a contingency within the control of the Municipality or of a related party of the Municipality) to expend at least 5% of the New Money Proceeds on the Project.

3.5 Work or Acquisition Will Proceed with Due Diligence. The Municipality expects that work on or acquisition of the Project will proceed with due diligence to completion, and that the allocation of the New Money Proceeds to expenditures on the Project will proceed with due diligence.

3.6 Project Not to be Sold. The Project will not be sold or otherwise disposed of, in whole or in part, prior to the last maturity of the Bonds.

3.7 Debt Service Fund. Revenues of the Water System collected for payment of principal and interest on the Bonds will be deposited when received into a sinking fund, as required by law, and amounts therein may only be used to pay principal and interest on the Bonds and other outstanding revenue bonds of the Municipality. The sinking fund, designated the "Debt Service Fund," for the Bonds is used primarily to achieve a proper matching of revenues and principal and interest payments within each year. Based on the debt service requirements of the Bonds and the expected dates of collection of revenues to pay such debt service, the Municipality expects that (i) the Debt Service Fund will be depleted at least once each year except for a reasonable carry-over amount which is not expected to exceed the greater of (a) the earnings from the investment of the Debt Service Fund for the immediately preceding bond year, or (b) 1/12 of the principal and interest payments on the Bonds and other outstanding revenue bonds for the immediately preceding bond year; (ii) amounts deposited in the Debt Service Fund will only be invested for a period less than 13 months (assuming a first-in-first-out method of accounting for deposits to the Debt Service Fund); and (iii) all earnings from the investment of the Debt Service Fund will be invested for a period not to exceed one year before being expended for payment of debt service on the Bonds. The Municipality has not established and does not expect to establish any other sinking fund or similar fund with respect to the Bonds.

There are no other funds which are reasonably expected to be used to pay principal or interest on the Bonds or which are pledged to secure the Bonds.

3.8 No Bond Insurance. No premiums have been paid or will be paid to insure the Bonds.

3.9 No Reserve Fund. No reserve or replacement fund has been or will be established with regard to the Bonds.

3.10 Trade or Business. Not more than ten percent (10%) of either the proceeds of the Bonds or the Project is to be used (directly or indirectly) in a trade or business carried on by any person (other than a governmental unit), and not more than ten percent (10%) of the payment of the Bonds is (directly or indirectly): (i) secured by any interest in property used or to be used for a trade or business or payments in respect of such property; or (ii) derived from payments (whether or not to the Municipality) in respect of property or borrowed money, used or to be used for a trade or business. Not more than five percent (5%) of either the proceeds of the Bonds or the Project is to be or has been used (directly or indirectly) for any trade or business carried on by any person (other than a governmental unit) which is not related to any governmental use of such proceeds or of the Project, and not more than five percent (5%) of the payment of the principal of, or interest on, the Bonds is (directly or indirectly): (a) secured by any interest in property used or to be used for a trade or business or payments in respect of such property; or (b) derived from payments (whether or not to the Municipality) in respect of property or borrowed money, used or to be used in a trade or business. None of the proceeds of the Bonds will be used (directly or indirectly) to make or finance loans to persons other than governmental units. All users of the Municipality's Water System have access to and use the System, and pay charges for use of the System, on the same basis as all other members of the general public.

#### IV. REBATE

4.1 Rebate. The Municipality shall comply with the requirements of Section 148(f) of the Code, and applicable regulations thereunder, including Reg. §§ 1.148-1 through 1.148-11 as provided in the Bond Resolution. Because the Municipality will not invest the Bond Proceeds in anything other than a non-interest bearing checking account, and will disburse all Bond Proceeds received as described in Section 3.1 above, the Municipality will not earn a yield in excess of the Bond yield and is therefore anticipated to have no rebate liability. In addition, the Municipality reasonably expects to issue no more than \$5,000,000 of tax-exempt obligations in the current calendar year and anticipates that all Bond Proceeds will be disbursed within the time periods set forth in Section 148(f)(4) of the Code. Further, the Municipality has covenanted in the Bond Resolution that, unless the Bonds are exempt from the rebate requirement of the Code, it will establish a Rebate Fund and calculate and pay to the United States any rebate amount payable with respect to the Bonds.

4.2 Records. The Municipality shall maintain or cause to be maintained records of such determinations for each computation period until six (6) years after payment in full of the Bonds and shall make such records available upon reasonable request therefor.

## V. OTHER TAX MATTERS

5.1 No Federal Guarantee. Except as permitted under Section 149(b)(3) of the Code, (a) the payment of principal of or interest with respect to the Bonds will not be guaranteed, either directly or indirectly, in whole or in part, by the United States or any agency or instrumentality thereof, and (b) none of the proceeds of the Bonds will be (i) used in making loans the payment of principal or interest with respect to which are to be guaranteed, in whole or in part, by the United States or any agency or instrumentality thereof, or (ii) invested directly or indirectly in federally insured deposits or accounts.

5.2 Not Hedge Bonds. None of the proceeds of the Bonds will be invested in nonpurpose investments having a substantially guaranteed yield for a period of four years or more.

5.3 Reimbursement. Any expenditures already paid by the Municipality prior to the date hereof for which the Municipality is to be reimbursed with proceeds of the Bonds (a) were paid no earlier than 60 days prior to June 27, 2022, the date on which the Municipality adopted a resolution, a true and correct copy of which is attached hereto in the Closing Transcript, stating its expectation to reimburse itself from the proceeds of the Bonds for any expenditures relating to the Project which it paid from other funds of the Municipality prior to receipt of the proceeds of the Bonds or (b) are preliminary expenditures relating to the Project (such as architectural, engineering, surveying, soil testing and similar costs that are incurred prior to commencement of acquisition, construction, or rehabilitation of a project, other than land acquisition, site preparation and similar costs incident to the commencement of construction) which are in an amount which is less than 20% of the aggregate issue price of the Bonds and any other issues that finance or are reasonably expected to finance the Project. The Project was placed in service in August, 2023. Proceeds of the Bonds in an amount equal to the amount of expenditures on the Project which have been paid from other funds of the Municipality prior to the date hereof are hereby allocated to the reimbursement of those original expenditures.

5.4 Average Maturity. The term of the Bonds is no longer than reasonably necessary for the governmental purposes of the issue. The weighted average maturity of the Bonds (10.798 years) does not exceed 120% of the average reasonably expected economic life of the Project.

5.5 Form 8038-G. To the best of the Municipality's knowledge and belief, the information contained in the Information Return (Form 8038-G) attached in the transcript is complete and accurate.

## VI. CONCLUSION

6.1 Expectations are Reasonable. To the best of our knowledge and belief, there are no other facts, estimates or circumstances that would materially change any of the Municipality's expectations as to future events described in this Certificate, and said expectations are reasonable.

IN WITNESS WHEREOF, we have set our hands as of September 27, 2023.

CITY OF TWO RIVERS, WISCONSIN

By: \_\_\_\_\_  
Gregory E. Buckley  
City Manager

By: \_\_\_\_\_  
Amanda Baryenbruch  
City Clerk



REGISTERED  
NO. 1

UNITED STATES OF AMERICA  
STATE OF WISCONSIN  
MANITOWOC COUNTY  
CITY OF TWO RIVERS

REGISTERED  
\$526,696

WATER SYSTEM REVENUE BOND, SERIES 2023

Final  
Maturity Date

Date of  
Original Issue

May 1, 2043

September 27, 2023

REGISTERED OWNER: STATE OF WISCONSIN SAFE DRINKING WATER LOAN  
PROGRAM

FOR VALUE RECEIVED the City of Two Rivers, Manitowoc County, Wisconsin (the "Municipality") hereby acknowledges itself to owe and promises to pay to the registered owner shown above, or registered assigns, solely from the fund hereinafter specified, the principal sum of an amount not to exceed FIVE HUNDRED TWENTY-SIX THOUSAND SIX HUNDRED NINETY-SIX DOLLARS (\$526,696) (but only so much as shall have been drawn hereunder, as provided below) on May 1 of each year commencing May 1, 2024 until the final maturity date written above, together with interest thereon (but only on amounts as shall have been drawn hereunder, as provided below) from the dates the amounts are drawn hereunder or the most recent payment date to which interest has been paid, at the rate of 2.145% 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 May and November of each year, with the first interest being payable on May 1, 2024.

The principal amount evidenced by this Bond may be drawn upon by the Municipality in accordance with the Financial Assistance Agreement entered by and between the Municipality 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 May 1 of each year commencing on May 1, 2024 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 Two and 145/1000ths percent (2.145%) 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 the attached Schedule A.

Both principal and interest hereon are hereby made payable to the registered owner 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 Municipality 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 therefor. The Municipality 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 providing for the payment of the cost of constructing improvements to the Water System of the Municipality, pursuant to Article XI, Section 3, of the Wisconsin Constitution, Section 66.0621, Wisconsin Statutes, and a resolution adopted September 5, 2023, and entitled: "Resolution Authorizing the Issuance and Sale of Up to \$526,696 Water System Revenue Bonds, Series 2023, and Providing for Other Details and Covenants With Respect Thereto" and is payable only from the income and revenues of the Water System of the Municipality (the "Utility"). The Bonds are issued on a parity with the Municipality's Water System Revenue Bonds, Series 2014, dated June 25, 2014, Water System Revenue Bonds, Series 2014B, dated November 12, 2014, Water System Revenue Bonds, Series 2017, dated June 28, 2017, Water System Revenue Bonds, Series 2018, dated June 13, 2018, Water System Revenue Bonds, Series 2019, dated June 26, 2019, Water System Revenue Bonds, Series 2021, dated June 23, 2021 and Water System Revenue Bonds, Series 2022, dated September 28, 2022, as to the pledge of income and revenues of the Utility. This Bond does not constitute an indebtedness of said Municipality 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 Municipality 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 Municipality has caused this Bond to be signed by the signatures of its City Manager and City Clerk, and its corporate seal to be impressed hereon, all as of the date of original issue specified above.

CITY OF TWO RIVERS,  
WISCONSIN

(SEAL)

By: \_\_\_\_\_  
Gregory E. Buckley  
City Manager

By: \_\_\_\_\_  
Amanda Baryenbruch  
City Clerk

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 of 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

\_\_\_\_\_

SCHEDULE A

\$526,696

CITY OF TWO RIVERS, WISCONSIN  
WATER SYSTEM REVENUE BONDS, SERIES 2023

<u>Amount of Disburse- ment</u>	<u>Date of Disbursement</u>	<u>Series of Bonds</u>	<u>Principal Repaid</u>	<u>Principal Balance</u>

SCHEDULE A (continued)

PRINCIPAL REPAYMENT SCHEDULE

<u>Date</u>	<u>Principal Amount</u>
May 1, 2024	\$21,365.85
May 1, 2025	21,824.15
May 1, 2026	22,292.28
May 1, 2027	22,770.45
May 1, 2028	23,258.87
May 1, 2029	23,757.78
May 1, 2030	24,267.38
May 1, 2031	24,787.91
May 1, 2032	25,319.62
May 1, 2033	25,862.72
May 1, 2034	26,417.48
May 1, 2035	26,984.13
May 1, 2036	27,562.94
May 1, 2037	28,154.17
May 1, 2038	28,758.07
May 1, 2039	29,374.93
May 1, 2040	30,005.03
May 1, 2041	30,648.63
May 1, 2042	31,306.05
May 1, 2043	31,977.56