

\$2,863,161
City of Watertown, Wisconsin
Taxable Water System Revenue Bonds, Series 2025

CLOSING CERTIFICATE

Robert Stocks, the Mayor, and Megan Dunneisen, the City Clerk of the City of Watertown, Jefferson and Dodge Counties, Wisconsin (the "Municipality"), hereby certify as follows:

1. We are the duly qualified and acting Mayor and City Clerk of the Municipality and have been such at all times pertinent to the authorization and delivery of the "Taxable Water System Revenue Bonds, Series 2025" 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 \$2,863,161, are dated September 24, 2025, and are numbered from 1 upward. The Bonds mature in installments of principal due on May 1 of each of the years 2028 through 2045, and bear interest at a rate of 0.250% 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 \$2,863,161 Taxable Water System Revenue Bonds, Series 2025, and Providing for Other Details and Covenants With Respect Thereto" (the "Bond Resolution"). The Bond Resolution was duly adopted by the Common Council of the Municipality (the "Governing Body") on September 2, 2025. The Bond Resolution has not been repealed, amended or modified in any respect and remains in full force and effect today.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 2, 2025 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 2, 2025 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 Robert Stocks, the Mayor, and Megan Dunneisen, 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 Mayor 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 2, 2025, at which a quorum was present 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 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 and the Bond Resolution, 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, dated April 23, 2012, Water System Revenue Refunding Bonds, dated March 1, 2017, Water System Revenue Bonds, Series 2017B, dated May 10, 2017, and the Bonds.

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

24. The Municipality has delivered the Bonds to the State on the date of this Certificate.

IN WITNESS WHEREOF, we have hereunto set our hands and affixed the official seal of the Municipality as of September 24, 2025.

CITY OF WATERTOWN, WISCONSIN

(SEAL)

By: _____
Robert Stocks
Mayor

By: _____
Megan Dunneisen
City Clerk

\$2,863,161
City of Watertown, Wisconsin
Taxable Water System Revenue Bonds, Series 2025

ADDITIONAL BONDS CERTIFICATE

The undersigned City Clerk of the City of Watertown, Jefferson and Dodge Counties, Wisconsin (the "City") hereby certifies, in connection with the issuance of the City's Taxable Water System Revenue Bonds, Series 2025, dated September 24, 2025 (the "Bonds"), that:

1. (a) Pursuant to a resolution adopted on April 2, 2012 (the "2012 Resolution"), the City issued its Water System Revenue Bonds, dated April 23, 2012 (the "2012 Bonds"), and set certain conditions on the issuance of additional bonds on a parity with the 2012 Bonds (Section 7).

(b) Pursuant to a resolution adopted on February 7, 2017 (the "2017 Resolution"), the City issued its Water System Revenue Refunding Bonds, dated March 1, 2017 (the "2017 Bonds"), and set certain conditions on the issuance of additional bonds on a parity with the 2017 Bonds (Section 7).

(c) Pursuant to a resolution adopted on April 18, 2017 (the "2017B Resolution"), the City issued its Water System Revenue Bonds, Series 2017B, dated May 10, 2017 (the "2017B Bonds"), and set certain conditions on the issuance of additional bonds on a parity with the 2017B Bonds (Section 11).

The 2012 Bonds, the 2017 Bonds and the 2017B Bonds shall collectively be referred to as the "Prior Bonds". The 2012 Resolution, the 2017 Resolution and the 2017B 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 2024 (which is the most recent Fiscal Year preceding the issuance of the Bonds for which audited financial statements are available) were in an amount at least equal to the maximum annual interest and principal requirements on the Prior Bonds and the Bonds (\$930,234) times 1.25 (\$1,162,793), as follows:

Gross Earnings:	\$5,855,303
Less Current Expenses:	<u>1,781,712</u>
Net Revenues:	\$4,073,591

1.25 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 4 of the 2012 Resolution and the 2017 Resolution (including the Reserve Account but not the Surplus Fund) and Section 6 of the 2017B Resolution 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 Bonds are not secured by the Reserve Account.

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

Dated September 24, 2025.

CITY OF WATERTOWN, WISCONSIN

Megan Dunneisen
City Clerk

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 WATERTOWN

By: _____
Robert Stocks
Mayor

Attest: _____
Megan Dunneisen
City Clerk

STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION

By: _____
Authorized Officer

STATE OF WISCONSIN
DEPARTMENT OF NATURAL RESOURCES

By: _____
Authorized Officer

REGISTERED
NO. 1

UNITED STATES OF AMERICA
STATE OF WISCONSIN
JEFFERSON AND DODGE COUNTIES
CITY OF WATERTOWN

REGISTERED
\$2,863,161

TAXABLE WATER SYSTEM REVENUE BOND, SERIES 2025

Final
Maturity Date

May 1, 2045

Date of
Original Issue

September 24, 2025

REGISTERED OWNER: STATE OF WISCONSIN SAFE DRINKING WATER LOAN
PROGRAM

FOR VALUE RECEIVED the City of Watertown, Jefferson and Dodge Counties, 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 TWO MILLION EIGHT HUNDRED SIXTY-THREE THOUSAND ONE HUNDRED SIXTY-ONE DOLLARS (\$2,863,161) (but only so much as shall have been drawn hereunder, as provided below) on May 1 of each year commencing May 1, 2028 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 0.250% 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, 2026.

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 (the "Financial Assistance Agreement") 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, 2028 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 Zero and 250/1000ths percent (0.250%) 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 and interest hereon shall be payable by electronic transfer or by check or draft dated on or before the applicable payment date (as directed by the registered owner) and if by check or draft, 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 as provided in the Financial Assistance Agreement.

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, including the replacement of lead service lines, pursuant to Article XI, Section 3, of the Wisconsin Constitution, Section 66.0621, Wisconsin Statutes, and a resolution adopted September 2, 2025, and entitled: "Resolution Authorizing the Issuance and Sale of Up to \$2,863,161 Taxable Water System Revenue Bonds, Series 2025, 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, dated April 23, 2012, Water System Revenue Refunding Bonds, dated March 1, 2017 and Water System Revenue Bonds, Series 2017B, dated May 10, 2017, 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 Mayor and City Clerk, and its corporate seal to be impressed hereon, all as of the date of original issue specified above.

CITY OF WATERTOWN,
WISCONSIN

(SEAL)

By: _____
Robert Stocks
Mayor

By: _____
Megan Dunneisen
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

\$2,863,161

CITY OF WATERTOWN, WISCONSIN
TAXABLE WATER SYSTEM REVENUE BONDS, SERIES 2025

<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, 2028	\$155,711.10
May 1, 2029	156,100.38
May 1, 2030	156,490.63
May 1, 2031	156,881.86
May 1, 2032	157,274.06
May 1, 2033	157,667.25
May 1, 2034	158,061.42
May 1, 2035	158,456.57
May 1, 2036	158,852.71
May 1, 2037	159,249.85
May 1, 2038	159,647.97
May 1, 2039	160,047.09
May 1, 2040	160,447.21
May 1, 2041	160,848.33
May 1, 2042	161,250.44
May 1, 2043	161,653.57
May 1, 2044	162,057.71
May 1, 2045	162,462.85