

RESOLUTION NO. 2011-25

RESOLUTION AWARDING THE SALE OF  
\$8,565,000 GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2011A

WHEREAS, on July 11, 2011, the Village Board of the Village of Shorewood, Milwaukee County, Wisconsin (the "Village") adopted initial resolutions authorizing the issuance of general obligation bonds in an amount not to exceed \$1,825,000 for the public purpose of paying the cost of street improvement projects; in an amount not to exceed \$800,000 for the public purpose of paying the cost of parks and public grounds projects; in an amount not to exceed \$560,000 for the public purpose of paying the cost of water system projects; in an amount not to exceed \$2,405,000 for the public purpose of paying the cost of sewerage projects; in an amount not to exceed \$330,000 for the public purpose of paying the cost of constructing and equipping a regional police and fire project; and in an amount not to exceed \$170,000 for the public purpose of paying the cost of the acquisition of fire department equipment (collectively, the "Project Initial Resolutions");

WHEREAS, the Village Board hereby finds and determines that the projects to be financed pursuant to the Project Initial Resolutions (the "Projects") are within the Village's power to undertake and therefore serve a "public purpose" as that term is defined in Section 67.04(1)(b), Wisconsin Statutes;

WHEREAS, on July 11, 2011, the Village Board also adopted a resolution entitled: "Initial Resolution Authorizing \$3,190,000 General Obligation Refunding Bonds" (the "Refunding Initial Resolution") authorizing the issuance of \$3,190,000 general obligation bonds for the public purpose of refunding obligations of the Village, including interest on them;

WHEREAS, villages are authorized by the provisions of Section 67.04, Wisconsin Statutes, to borrow money and issue general obligation refunding bonds to refinance their outstanding obligations;

WHEREAS, the Village Board deems it to be necessary, desirable and in the best interest of the Village to issue general obligation refunding bonds pursuant to the Refunding Initial Resolution to refund the portions of the 2013 through 2018 maturities of the Village's General Obligation Refunding Bonds, dated March 1, 2002 described on Exhibit A-1 (the "Refunded Obligations") for the purpose of achieving debt service cost savings (hereinafter the refinancing of the Refunded Obligations shall be referred to as the "Refunding");

WHEREAS, on July 11, 2011, the Village Board also adopted a resolution entitled: "Resolution Providing for the Sale of \$9,280,000 General Obligation Corporate Purpose Bonds" (the "Set Sale Resolution"), providing that the general obligation bond issues authorized by the Project Initial Resolutions and the Refunding Initial Resolution be combined, issued and sold as a single issue of bonds designated as "General Obligation Corporate Purpose Bonds" (the "Bonds") for the purpose of paying the cost of the Projects and the Refunding;

WHEREAS, the Village Board deems it to be necessary, desirable and in the best interest of the Village that the Bonds be issued in the aggregate principal amount of \$8,565,000 for the following purposes: \$2,495,000 to refund obligations of the Village, including interest on them;

\$1,805,000 to finance street improvement projects; \$800,000 to finance parks and public grounds projects; \$560,000 to finance water system projects; \$2,405,000 to finance sewerage projects; \$330,000 to finance constructing and equipping a regional police and fire project; and \$170,000 to finance the acquisition of fire department equipment;

WHEREAS, pursuant to the Set Sale Resolution, the Village directed its financial advisor, Ehlers & Associates, Inc. ("Ehlers") to take the steps necessary to sell the Bonds;

WHEREAS, Ehlers, in consultation with the officials of the Village, prepared Notice of Sale (a copy of which is attached hereto as Exhibit A-2 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 August 8, 2011;

WHEREAS, the Village Clerk/Treasurer (in consultation with Ehlers) caused 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 August 8, 2011;

WHEREAS, the Village 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"); and

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 Village. Ehlers has recommended that the Village 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.

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

Section 1A. Ratification of the Notice of Sale and Offering Materials. The Village Board of the Village hereby ratifies and approves the details of the Bonds set forth in Exhibit A-2 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 Village 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 President and Village Clerk/Treasurer or other appropriate officers of the Village are authorized and directed to execute an acceptance of the Proposal on behalf of the Village. The good faith deposit of the Purchaser shall be retained by the Village Treasurer until the closing of the bond issue, and any good faith deposits submitted by unsuccessful bidders shall be promptly returned. The Bonds 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 2011A"; shall be issued in the aggregate principal amount of \$8,565,000; shall be dated August 25, 2011; 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 is payable semi-annually on March 1 and September 1 of each year commencing on March 1, 2012. 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 2A. Designation of Maturities.** For purposes of State law, the Bonds of this issue which mature first are designated as being issued to refund the Refunded Obligations and the remaining balance of the Bonds is designated to pay the cost of the Projects.

**Section 3. Redemption Provisions.** The Bonds maturing on March 1, 2020 and thereafter shall be subject to redemption prior to maturity, at the option of the Village, on March 1, 2019 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 Village 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 Village are hereby irrevocably pledged, and there is hereby levied upon all of the taxable property of the Village a direct annual irrepealable tax in the years 2011 through 2025 for the payments due in the years 2012 through 2026 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 Village 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 Village and collected in addition to all other taxes and in the same manner and at the same time as other taxes of the Village 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 Village 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 Village, 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 Village 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 \$8,565,000 General Obligation Corporate Purpose Bonds, Series 2011A, dated August 25, 2011" (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 Village Clerk/Treasurer shall deposit in the Debt Service Fund Account (i) all accrued interest received by the Village at the time of delivery of and payment for the Bonds; (ii) any premium not used for the Refunding which may be received by the Village 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 Village, 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 Village, unless the Village Board directs otherwise.

**Section 7. Proceeds of the Bonds; Segregated Borrowed Money Fund.** The proceeds of the Bonds (the "Bond Proceeds") (other than any premium not used for the Refunding 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 Village 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 Village, 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 Village represents and covenants that the projects financed by the Bonds and by the Refunded Obligations and the ownership, management and use of the projects will not cause the Bonds or the Refunded Obligations to be "private activity bonds" within the meaning of Section 141 of the Code. The Village 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 Village 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 Village Clerk/Treasurer or other officer of the Village charged with the responsibility of issuing the Bonds shall provide an appropriate certificate of the Village certifying that the Village can and covenanting that it will comply with the provisions of the Code and Regulations.

(b) The Village 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 Village 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. Execution of the Bonds; Closing; Professional Services.** The Bonds shall be issued in printed form, executed on behalf of the Village by the manual or facsimile signatures of the President and Village Clerk/Treasurer, 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 Village 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 Village 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 Village hereby authorizes the officers and agents of the Village 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 11. Payment of the Bonds; Fiscal Agent.** The principal of and interest on the Bonds shall be paid by the Village Clerk/Treasurer (the "Fiscal Agent").

**Section 12. Persons Treated as Owners; Transfer of Bonds.** The Village 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 President and Village Clerk/Treasurer 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 Village shall cooperate in any such transfer, and the President and Village Clerk/Treasurer are authorized to execute any new Bond or Bonds necessary to effect any such transfer.

**Section 13. 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 Village 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 Bonds eligible for the services provided by The Depository Trust Company,

New York, New York ("DTC"), the Village agrees to the applicable provisions set forth in the Blanket Issuer Letter of Representations previously executed on behalf of the Village and on file in the Village Clerk/Treasurer's office.

**Section 15. Payment of Issuance Expenses.** The Village authorizes the Purchaser, if directed to do so by Ehlers, 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 16. Official Statement.** The Village Board 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 Village in connection with the preparation of such Preliminary Official Statement and any addenda to it or Final Official Statement are hereby ratified and approved. In connection with the Closing, the appropriate Village official shall certify the Preliminary Official Statement and any addenda or Final Official Statement. The Village Clerk/Treasurer shall cause copies of the Preliminary Official Statement and any addenda or Final Official Statement to be distributed to the Purchaser.

**Section 17. Undertaking to Provide Continuing Disclosure.** The Village hereby covenants and agrees, for the benefit of the owners of the Bonds, to enter into a written undertaking (the "Undertaking") 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 Village to comply with the provisions of the Undertaking shall not be an event of default with respect to the Bonds).

The Village Clerk/Treasurer, or other officer of the Village 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 Village's Undertaking.

**Section 18. Escrow Agent; Escrow Agreement; Escrow Account.** U.S. Bank, National Association, Minneapolis, Minnesota, is hereby appointed escrow agent for the Village, for the purpose of ensuring the payment of the principal of and interest on the Refunded Obligations (the "Escrow Agent").

The President and Village Clerk/Treasurer are hereby authorized and directed to execute an escrow agreement substantially in the form attached hereto as **Exhibit F** (the "Escrow Agreement") (such form may be modified by said officers prior to execution, the execution of such agreement by said officers to constitute full approval of the Village Board of any such modifications), with the Escrow Agent, for the purpose of effectuating the provisions of this Resolution.

The Bond Proceeds allocable to refunding the Refunded Obligations shall be deposited in a refunding escrow account which is hereby created with the Escrow Agent, pursuant to the Escrow Agreement, for the purpose of retaining the required amount of cash, if any, and acquiring the United States obligations provided for in the Escrow Agreement.

Upon transfer of the Bond Proceeds and any other necessary funds allocable to refunding the Refunded Obligations to the Escrow Account, the taxes heretofore levied to pay debt service on the Refunded Obligations shall be abated to the extent such transfer together with investment earnings thereon is sufficient to pay the principal of and interest on the Refunded Obligations, but such abatement shall not affect the Village's pledge of its full faith, credit and resources to make such payments. The refunding escrow account created by the Escrow Agreement shall hereinafter serve as the debt service (or sinking) fund account for the Refunded Obligations. The Escrow Agent shall serve as custodian of said debt service (or sinking) funds.

Section 19. SLGS Subscriptions. The Escrow Agent and Ehlers are authorized to submit subscriptions for United States Treasury Securities - State and Local Government Series and to purchase other U.S. government securities on behalf of the Village in such amount as is necessary in order to carry out the Refunding.

Section 20. Redemption of the Refunded Obligations. The Refunded Obligations are hereby called for prior payment and redemption on March 1, 2012 at a price of par plus accrued interest to the date of redemption.

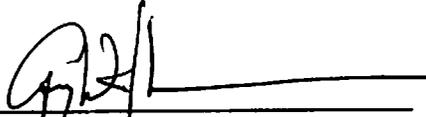
The Village hereby directs the Escrow Agent appointed above to cause timely notice of redemption, in substantially the form attached to the Escrow Agreement (the "Notice"), to be provided at the times, to the parties and in the manner set forth on the Notice.

Section 21. Record Book. The Village Clerk/Treasurer 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.

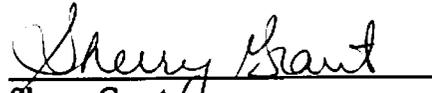
Section 22. Bond Insurance. If the Purchaser of the Bonds determines to obtain municipal bond insurance with respect to the Bonds, the officers of the Village are authorized to take all actions necessary to obtain such municipal bond insurance. The President and Village Clerk/Treasurer are authorized to agree to such additional provisions as the bond insurer may reasonably request and which are acceptable to the President and Village Clerk/Treasurer 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 23. Conflicting Resolutions; Severability; Effective Date.** All prior resolutions, rules or other actions of the Village 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 August 8, 2011.

  
\_\_\_\_\_  
Guy Johnson  
President

ATTEST:

  
\_\_\_\_\_  
Sherry Grant  
Village Clerk/Treasurer

(SEAL)

EXHIBIT A-1

Description of Refunded Obligations

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2013	\$365,000	4.375%
2014	380,000	4.45
2015	400,000	4.55
2016	420,000	4.65
2017	440,000	4.70
2018	460,000	4.75

**EXHIBIT A-2**

**Notice of Sale**

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

**(See Attached)**

## APPENDIX E

### NOTICE OF SALE

#### **\$8,665,000\* GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2011A VILLAGE OF SHOREWOOD, WISCONSIN**

Bids for the purchase of \$8,665,000\* General Obligation Corporate Purpose Bonds, Series 2011A (the "Bonds") of the Village of Shorewood, Wisconsin (the "Village") will be received at the offices of Ehlers & Associates, Inc. ("Ehlers"), 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, Financial Advisors to the Village, until 12:00 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 12:00 A.M. Central Time, on August 8, 2011, at which time they will be opened, read and tabulated. The bids will be presented to the Board of Trustees for consideration for award by resolution at a meeting to be held at 7:30 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 Village will be accepted unless all bids are rejected.

#### **PURPOSE**

The Bonds are being issued pursuant to Wisconsin Statutes, Section 67.04 for the public purpose of financing street improvement projects, parks and public grounds projects, water system projects, sewerage projects, regional police and fire projects, the acquisition of fire department equipment, and advance refunding certain obligations of the Village. The Bonds are valid and binding general obligations of the Village, and all the taxable property in the Village 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 August 25, 2011, 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>
2012	\$190,000	2017	\$695,000	2022	\$550,000
2013	555,000	2018	730,000	2023	575,000
2014	605,000	2019	580,000	2024	600,000
2015	640,000	2020	500,000	2025	625,000
2016	670,000	2021	500,000	2026	650,000

#### **ADJUSTMENT OPTION**

\* The Village reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, 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, 2012, 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 MSRB. All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate, not exceeding the rate specified for Bonds of any subsequent maturity. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

## **BOOK-ENTRY-ONLY FORMAT**

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 Village, Bonds maturing on or after March 1, 2020 shall be subject to redemption prior to maturity on March 1, 2019 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 Village. If only part of the Bonds having a common maturity date are called for redemption, then the Village 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, or overnight delivery service not fewer than 30 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 August 25, 2011, the Bonds will be delivered without cost to the winning bidder at DTC. On the day of closing, the Village 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 Village, threatened. Payment for the Bonds must be received by the Village 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 Village, and will accompany 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 Village; 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 \$8,556,688 nor more than \$8,745,000 plus accrued interest on the principal sum of \$8,665,000\* 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 12:00 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, 2<sup>nd</sup> 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 Village nor Ehlers shall be responsible for any failure to receive a facsimile submission.

A good faith deposit (the "Deposit") in the amount of \$173,300, complying with the provisions below, must be submitted with each bid. The Deposit must be in the form of a certified or cashier's check, or a financial surety bond or a wire transfer of funds to KleinBank, 1550 Audubon Road, Chaska, Minnesota, ABA No. 091915654 for credit: Ehlers & Associates Good Faith Account No. 3208138. The Deposit will be retained by the Village as liquidated damages if the bid is accepted and the bidder fails to comply therewith. The Deposit will be returned to the winning bidder at the closing for the Bonds.

The Deposit, payable to the Village, shall be retained in the offices of Ehlers with the same effect as if delivered to the Village. Alternatively, bidders may wire the Deposit to KleinBank, 1550 Audubon Road, Chaska, Minnesota, ABA No. 091915654 for credit: Ehlers & Associates Good Faith Account No. 3208138. The Village and any 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 losing 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 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.

If a financial surety bond is used, it must be from an insurance company licensed to issue such a bond in the State of Wisconsin, and preapproved by the Village. Such bond must be submitted to Ehlers prior to the opening of the bids. Such bond must identify each bidder whose Deposit is guaranteed by such financial surety bond. If the Bonds

are awarded to a bidder using a financial surety bond, then that bidder is required to submit its Deposit to Ehlers in the form of a certified or cashier's check or wire transfer as instructed by Ehlers not later than 3:00 P.M., Central Time, on the next business day following the award. If such Deposit is not received by that time, the financial surety bond may be drawn by the Village to satisfy the Deposit requirement. The amount securing the successful bid will be retained as liquidated damages if the bid is accepted and the bidder fails to comply therewith. No bid can be withdrawn after the time set for receiving bids unless the meeting of the Village 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 Village'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 Village reserves the right to reject any and all bids and to waive any informality in any bid.

### **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 Village requested and received a rating on the Bonds from a rating agency, the Village will pay that rating fee. Any rating agency fees not requested by the Village 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 Village 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.

### **NON-QUALIFIED TAX-EXEMPT OBLIGATIONS**

The Village will not 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 bidders in complying with SEC Rule 15c2-12, as amended, the Village will covenant to undertake (pursuant to a Resolution to be adopted by the Board of Trustees), to provide annual reports and timely notice of certain events for the benefit of holders of the Bonds. The details and terms of the undertaking are set forth in a Continuing Disclosure Certificate to be executed and delivered by the Village, a form of which is included in the Preliminary Official Statement. As a condition of closing, the Village will deliver a Continuing Disclosure Certificate at closing (in addition to the legal opinion and non-litigation certificate) setting forth the details and terms of the Village's undertaking.

## **INFORMATION FROM WINNING BIDDER**

The successful purchaser 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](http://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 Board of Trustees

Stephanie M. Walker, CPA, Finance Director  
Village of Shorewood, Wisconsin

**EXHIBIT B**

**Bid Tabulation**

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

**(See Attached)**

## BID TABULATION

**\$8,665,000\* General Obligation Corporate Purpose Bonds, Series 2011A**

**VILLAGE OF SHOREWOOD, WISCONSIN**

SALE: August 8, 2011

AWARD: J.P. MORGAN SECURITIES LLC

RATING: Moody's Investors Service, Inc. "Aa2"

BBI: 4.19%

NAME OF BIDDER	MATURITY (March 1)	RATE	REOFFERING YIELD	PRICE	NET INTEREST COST	TRUE INTEREST RATE
J.P. MORGAN SECURITIES LLC	2012	2.000%	0.450%	\$8,709,066.25	\$1,957,117.92	2.8663%
New York, New York	2013	2.000%	0.600%			
UBS FINANCIAL SECURITIES, INC.	2014	2.000%	0.760%			
CITIGROUP GLOBAL MARKETS, INC.	2015	2.000%	0.950%			
	2016	2.000%	1.270%			
	2017	2.250%	1.670%			
	2018	2.500%	2.020%			
	2019	3.000%	2.330%			
	2020	3.000%	2.660%			
	2021	3.000%	2.820%			
	2022	3.000%	3.000%			
	2023	3.125%	3.200%			
	2024	3.250%	3.360%			
	2025	3.375%	3.500%			
	2026	3.500%	3.600%			
BAIRD	2012	2.000%		\$8,754,922.60	\$2,025,440.95	2.9484%
Milwaukee, Wisconsin	2013	2.000%				
	2014	2.000%				
	2015	2.000%				
	2016	2.000%				
	2017	2.000%				
	2018	3.000%				
	2019	3.000%				
	2020	3.000%				
	2021	3.000%				
	2022	3.000%				
	2023	3.125%				
	2024	3.250%				
	2025	4.000%				
	2026	4.000%				

\*Subsequent to bid opening the issue size was decreased to \$8,565,000.

Adjusted Price - \$8,607,952.17

Adjusted Net Interest Cost - \$1,952,434.91

Adjusted TIC - 2.8711%

www.ehlers-inc.com



Wisconsin  
Offices also in Illinois and Minnesota

phone 262-785-1520  
fax 262-785-1810

375 Bishops Way, Suite 225  
Brookfield, WI 53005-6202

**\$8,665,000 General Obligation Corporate Purpose Bonds, Series 2011A**  
**Village of Shorewood, Wisconsin**

<b>NAME OF BIDDER</b>	<b>MATURITY (March 1)</b>	<b>RATE</b>	<b>REOFFERING YIELD</b>	<b>PRICE</b>	<b>NET INTEREST COST</b>	<b>TRUE INTEREST RATE</b>
<b>HUTCHINSON, SHOCKEY, ERLEY &amp; CO.</b> Chicago, Illinois	2012	2.000%		\$8,665,923.20	\$2,288,695.55	3.3515%
	2013	2.000%				
	2014	2.000%				
	2015	2.000%				
	2016	2.000%				
	2017	2.500%				
	2018	3.000%				
	2019	3.000%				
	2020	3.000%				
	2021	3.250%				
	2022	3.500%				
	2023	4.000%				
	2024	4.000%				
	2025	4.000%				
2026	4.000%					
<b>U.S. BANCORP INVESTMENTS, INC.</b> New York, New York	2012	2.000%		\$8,756,417.45	\$2,370,234.63	3.4383%
	2013	2.000%				
	2014	2.000%				
	2015	2.250%				
	2016	2.250%				
	2017	3.000%				
	2018	3.000%				
	2019	3.000%				
	2020	3.000%				
	2021	3.125%				
	2022	3.250%				
	2023	4.500%				
	2024	4.500%				
	2025	4.500%				
2026	4.500%					

**EXHIBIT C**

**Winning Bid**

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

**(See Attached)**

## BID FORM

The Board of Trustees  
Village of Shorewood, Wisconsin

August 8, 2011

RE: **\$8,665,000\* General Obligation Corporate Purpose Bonds, Series 2011A**  
DATED: **August 25, 2011**

For all or none of the above Bonds, in accordance with the Notice of Sale and terms of the Global Book-Entry System as stated in this Preliminary Official Statement, we will pay you \$8,709,066.25 (not less than \$8,556,688 nor more than \$8,767,000) 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 2012	<u>2.25</u> % due 2017	<u>3.00</u> % due 2022
<u>2.00</u> % due 2013	<u>2.50</u> % due 2018	<u>3.125</u> % due 2023
<u>2.00</u> % due 2014	<u>3.00</u> % due 2019	<u>3.25</u> % due 2024
<u>2.00</u> % due 2015	<u>3.00</u> % due 2020	<u>3.375</u> % due 2025
<u>2.00</u> % due 2016	<u>3.00</u> % due 2021	<u>3.50</u> % due 2026

\* The Village reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

We enclose our good faith deposit in the amount of \$173,300, to be held by you pending delivery and payment. Alternatively, we have provided a financial surety bond or have wired our good faith deposit to the KleinBank, 1550 Audubon Road, Chaska, Minnesota, ABA No. 091915654 for credit: Ehlers & Associates Good Faith Account No. 3208138. 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 Preliminary Official Statement dated July 29, 2011. This bid is for prompt acceptance and is conditional upon deposit 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 August 25, 2011.

This bid is subject to the Village'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 Village with the reoffering price of the Bonds within 24 hours of the bid acceptance.

Account Manager: **J.P. MORGAN SECURITIES LLC**

By: 

Account Members: **UBS FINANCIAL SERVICES, INC. AND CITIGROUP GLOBAL MARKETS, INC.**

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 August 25, 2011 of the above bid is \$1,957,117.92 and the true interest cost (TIC) is 2.8663%.

The foregoing offer is hereby accepted by and on behalf of the Board of Trustees of the Village of Shorewood, Wisconsin, on August 8, 2011.

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

\*Subsequent to bid opening the issue size was decreased to \$8,565,000.

Adjusted Price - \$8,607,952.17  
Adjusted Net Interest Cost - \$1,952,434.91  
Adjusted TIC - 2.8711%

**EXHIBIT D-1**

**Pricing Summary**

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

**(See Attached)**

# Village of Shorewood

\$8,565,000 G.O. Corporate Purpose Bonds, Series 2011A

Dated August 25, 2011

Winning Bidder: J.P Morgan Securities LLC

## Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
03/01/2012	Serial Coupon	2.000%	0.450%	155,000.00	100.798%	156,236.90
03/01/2013	Serial Coupon	2.000%	0.600%	540,000.00	102.110%	551,394.00
03/01/2014	Serial Coupon	2.000%	0.760%	595,000.00	103.085%	613,355.75
03/01/2015	Serial Coupon	2.000%	0.950%	630,000.00	103.622%	652,818.60
03/01/2016	Serial Coupon	2.000%	1.270%	660,000.00	103.194%	681,080.40
03/01/2017	Serial Coupon	2.250%	1.670%	685,000.00	103.044%	705,851.40
03/01/2018	Serial Coupon	2.500%	2.020%	720,000.00	102.916%	740,995.20
03/01/2019	Serial Coupon	3.000%	2.330%	580,000.00	104.595%	606,651.00
03/01/2020	Serial Coupon	3.000%	2.660%	500,000.00	102.302% c	511,510.00
03/01/2021	Serial Coupon	3.000%	2.820%	500,000.00	101.211% c	506,055.00
03/01/2022	Serial Coupon	3.000%	3.000%	550,000.00	100.000%	550,000.00
03/01/2023	Serial Coupon	3.125%	3.200%	575,000.00	99.281%	570,865.75
03/01/2024	Serial Coupon	3.250%	3.360%	600,000.00	98.883%	593,298.00
03/01/2025	Serial Coupon	3.375%	3.500%	625,000.00	98.662%	616,637.50
03/01/2026	Serial Coupon	3.500%	3.600%	650,000.00	98.876%	642,694.00
<b>Total</b>	-	-	-	<b>\$8,565,000.00</b>	-	<b>\$8,699,443.50</b>

## Bid Information

Par Amount of Bonds	\$8,565,000.00
Reoffering Premium or (Discount)	134,443.50
Gross Production	\$8,699,443.50
Total Underwriter's Discount (1.068%)	\$(91,491.33)
Bid (100.501%)	8,607,952.17
Total Purchase Price	\$8,607,952.17
Bond Year Dollars	\$67,240.25
Average Life	7.851 Years
Average Coupon	2.9675489%
Net Interest Cost (NIC)	2.9036703%
True Interest Cost (TIC)	2.8711775%

**EXHIBIT D-2**

**Debt Service Schedule and Irrepealable Tax Levies**

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

**(See Attached)**

# Village of Shorewood

**\$8,565,000 G.O. Corporate Purpose Bonds, Series 2011A**

Dated August 25, 2011

Winning Bidder: J.P Morgan Securities LLC

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+	Fiscal Total
08/25/2011	-	-	-	-	-
03/01/2012	155,000.00	2.000%	118,949.59	273,949.59	-
09/01/2012	-	-	113,562.51	113,562.51	387,512.10
03/01/2013	540,000.00	2.000%	113,562.51	653,562.51	-
09/01/2013	-	-	108,162.51	108,162.51	761,725.02
03/01/2014	595,000.00	2.000%	108,162.51	703,162.51	-
09/01/2014	-	-	102,212.51	102,212.51	805,375.02
03/01/2015	630,000.00	2.000%	102,212.51	732,212.51	-
09/01/2015	-	-	95,912.51	95,912.51	828,125.02
03/01/2016	660,000.00	2.000%	95,912.51	755,912.51	-
09/01/2016	-	-	89,312.51	89,312.51	845,225.02
03/01/2017	685,000.00	2.250%	89,312.51	774,312.51	-
09/01/2017	-	-	81,606.26	81,606.26	855,918.77
03/01/2018	720,000.00	2.500%	81,606.26	801,606.26	-
09/01/2018	-	-	72,606.26	72,606.26	874,212.52
03/01/2019	580,000.00	3.000%	72,606.26	652,606.26	-
09/01/2019	-	-	63,906.26	63,906.26	716,512.52
03/01/2020	500,000.00	3.000%	63,906.26	563,906.26	-
09/01/2020	-	-	56,406.26	56,406.26	620,312.52
03/01/2021	500,000.00	3.000%	56,406.26	556,406.26	-
09/01/2021	-	-	48,906.26	48,906.26	605,312.52
03/01/2022	550,000.00	3.000%	48,906.26	598,906.26	-
09/01/2022	-	-	40,656.26	40,656.26	639,562.52
03/01/2023	575,000.00	3.125%	40,656.26	615,656.26	-
09/01/2023	-	-	31,671.88	31,671.88	647,328.14
03/01/2024	600,000.00	3.250%	31,671.88	631,671.88	-
09/01/2024	-	-	21,921.88	21,921.88	653,593.76
03/01/2025	625,000.00	3.375%	21,921.88	646,921.88	-
09/01/2025	-	-	11,375.00	11,375.00	658,296.88
03/01/2026	650,000.00	3.500%	11,375.00	661,375.00	-
09/01/2026	-	-	-	-	661,375.00
<b>Total</b>	<b>\$8,565,000.00</b>	<b>-</b>	<b>\$1,995,387.33</b>	<b>\$10,560,387.33</b>	<b>-</b>

## Yield Statistics

Bond Year Dollars	\$67,240.25
Average Life	7.851 Years
Average Coupon	2.9675489%
Net Interest Cost (NIC)	2.9036703%
True Interest Cost (TIC)	2.8711775%
Bond Yield for Arbitrage Purposes	2.7148597%
All Inclusive Cost (AIC)	2.9702828%

## IRS Form 8038

Net Interest Cost	2.7473054%
Weighted Average Maturity	7.786 Years

EXHIBIT E

(Form of Bond)

REGISTERED UNITED STATES OF AMERICA DOLLARS  
STATE OF WISCONSIN  
MILWAUKEE COUNTY  
NO. R- VILLAGE OF SHOREWOOD \$  
GENERAL OBLIGATION CORPORATE PURPOSE BOND, SERIES 2011A

MATURITY DATE: ORIGINAL DATE OF ISSUE: INTEREST RATE: CUSIP:  
March 1, August 25, 2011 %

DEPOSITORY OR ITS NOMINEE NAME: CEDE & CO.

PRINCIPAL AMOUNT: THOUSAND DOLLARS  
(\$ )

FOR VALUE RECEIVED, the Village of Shorewood, Milwaukee County, Wisconsin (the "Village"), 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 semi-annually on March 1 and September 1 of each year commencing on March 1, 2012 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 Village Clerk/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 Village are hereby irrevocably pledged.

This Bond is one of an issue of Bonds aggregating the principal amount of \$8,565,000, all of which are of like tenor, except as to denomination, interest rate, maturity date and redemption provision, issued by the Village pursuant to the provisions of Section 67.04, Wisconsin Statutes, for the purpose of paying the cost of street improvement projects (\$1,805,000), parks and public grounds projects (\$800,000), water system projects (\$560,000),

sewerage projects (\$2,405,000), regional police and fire projects (\$330,000), the acquisition of fire department equipment (\$170,000) and refunding outstanding obligations of the Village (\$2,495,000), all as authorized by resolutions of the Village Board duly adopted by said governing body at meetings held on July 11, 2011 and August 8, 2011. Said resolutions are recorded in the official minutes of the Village Board for said dates.

The Bonds maturing on March 1, 2020 and thereafter are subject to redemption prior to maturity, at the option of the Village, on March 1, 2019 or on any date thereafter. Said Bonds are redeemable as a whole or in part, and if in part, from maturities selected by the Village 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 Village, 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 irrevocable tax has been levied sufficient to pay this Bond, together with the interest thereon, when and as payable.

This Bond is transferable only upon the books of the Village 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 Village appoints another depository, upon surrender of the Bond to the Fiscal Agent, by the registered owner in person or his duly authorized attorney, upon surrender of this Bond 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 Village 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 Village 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.

IN WITNESS WHEREOF, the Village of Shorewood, Milwaukee 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 President and Village Clerk/Treasurer; and to be sealed with its official or corporate seal, if any, all as of the original date of issue specified above.

VILLAGE OF SHOREWOOD,  
MILWAUKEE COUNTY, WISCONSIN

By:   
\_\_\_\_\_  
Guy Johnson  
President

(SEAL)

By: \_\_\_\_\_  
Sherry Grant  
Village Clerk/Treasurer

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:

COPY

\_\_\_\_\_  
(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)

## EXHIBIT F

### ESCROW AGREEMENT

THIS ESCROW AGREEMENT is made and entered into the 25th day of August, 2011 by and between the Village of Shorewood, Wisconsin (the "Village") and U.S. Bank, National Association, Minneapolis, Minnesota, a national banking association with trust powers (the "Escrow Agent").

### RECITALS

The Village has duly issued \$7,335,000 General Obligation Refunding Bonds, dated March 1, 2002 (the "Prior Issue").

The Village has duly authorized and sold and is delivering this day its \$8,565,000 General Obligation Corporate Purpose Bonds, Series 2011A, dated August 25, 2011 (the "Refunding Obligations") for the purpose of providing funds sufficient to refund the callable portions of the 2013 through 2018 maturities of the Prior Issue described on Exhibit A-1 (hereinafter the portion of the Prior Issue being refunded shall be referred to herein as the "Refunded Obligations") (the "Refunding").

In order to accomplish the Refunding, it is necessary to irrevocably deposit in trust an amount (in the form of investment securities and cash) which, together with investment income therefrom, will be sufficient to pay when due the principal of and interest on the Refunded Obligations.

To accomplish the Refunding, the Escrow Agent has been appointed depository of a portion of the proceeds of the Refunding Obligations (in the form of investment securities and cash) as hereinafter specified and has been appointed custodian of the Village's debt service fund account for the Refunded Obligations until the Refunded Obligations are paid in full.

The execution of this Agreement has been duly authorized by a resolution of the Village Board entitled: "Resolution Awarding the Sale of \$8,565,000 General Obligation Corporate Purpose Bonds" (the "Resolution") adopted by the Village Board of the Village on August 8, 2011.

In consideration of the mutual covenants contained herein, the parties hereto covenant and agree as follows for the equal and proportionate benefit and security of the holders of the Refunding Obligations and the Refunded Obligations:

1. Escrow Deposit. Concurrently with the execution of this Agreement, the Village has irrevocably deposited with the Escrow Agent, receipt of which is hereby acknowledged by the Escrow Agent, \$2,579,053.64 being a portion of the proceeds of the Refunding Obligations.

The foregoing, along with earnings and interest thereon, shall be held and disposed of by the Escrow Agent only in accordance with this Agreement. The Village represents and warrants that the foregoing, if held, invested and disposed of by the Escrow Agent in accordance with this Agreement, will be sufficient, without the need for any further investment or reinvestment, to make all payments required under this Agreement. The Escrow Agent has not and is under no obligation to determine

whether the amounts deposited hereunder are or will be sufficient to make all of the payments directed to be made hereunder.

2. Acceptance of Escrow. The Escrow Agent acknowledges receipt of the escrow deposit hereunder and accepts the responsibilities imposed on it by this Agreement.

3. Application of Escrow Deposit. There is hereby created by the Village and ordered established with the Escrow Agent an account hereby designated, "Village of Shorewood Escrow Account" (the "Escrow Account").

The Escrow Agent shall deposit the amount described above in the Escrow Account to be used as follows:

a) \$2,521,048 to be used to purchase the \$2,521,048 principal amount of United States Treasury Certificates of Indebtedness, Notes and/or Bonds - State and Local Government Series ("SLGs"), described on the attached Exhibit B-1, pay for the SLGs from monies in the Escrow Account and hold the SLGs in the Escrow Account;

b) \$0.64 to be used to establish a beginning cash balance in the Escrow Account;  
and

c) \$58,005 to be used to pay the Issuance Expenses set forth on the attached Exhibit C-1, which the Escrow Agent is hereby authorized to pay.

Except as set forth in Section 8 hereof, the Escrow Account (other than the cash held pursuant to subsection (b) above) shall remain invested in the SLGs, and the Escrow Agent shall not sell or otherwise dispose of the SLGs.

The Escrow Account cash flow prepared by the Accountant defined below is set forth on Exhibit D-1.

Except as set forth in Section 8 hereof, no reinvestment of amounts on deposit in the Escrow Account shall be permitted.

The Escrow Agent shall apply the monies in the Escrow Account to the payment of the Refunded Obligations in the amounts set forth on the attached Exhibit A-1.

Barthe & Wahrman, Bloomington, Minnesota, a firm of independent accountants (the "Accountant"), has delivered to the Village, the Escrow Agent, Ehlers & Associates, Inc., any bond insurer for the Refunding Obligations, any bond insurer for the Refunded Obligations, and Quarles & Brady LLP, for their purposes, a report stating that the firm has reviewed the arithmetical accuracy of certain computations based on assumptions relating to the sufficiency of forecasted net cash flow from the United States government securities (paragraph (a) above) and any initial cash deposit (paragraph (b) above) to pay the principal of and interest (if any) on the Refunded Obligations when due as described on Exhibit A-1. Based upon the summarized data presented in its report and the assumption that the principal and interest payments on the United States government securities are deposited in the Escrow Account when due, in its opinion, the proceeds from the United States government securities,

plus any initial cash deposit will be sufficient for the timely payment of principal and interest, when due, on the Refunded Obligations.

If at any time it shall appear to the Escrow Agent that the money in the Escrow Account will not be sufficient to make any required payments due to the holders of the Refunded Obligations, the Escrow Agent shall immediately notify the Village. Upon receipt of such notice, the Village shall forthwith transmit to the Escrow Agent for deposit in the Escrow Account from legally available funds such additional monies as may be required to make any such payment.

4. Redemption of the Refunded Obligations. Pursuant to the Resolution, the Village has heretofore called the Refunded Obligations for redemption and authorized and directed the Escrow Agent to give notice of said intended redemption of the Refunded Obligations by providing appropriate notice (in substantially the form attached hereto as Exhibit E-1) in the manner and at the times set forth on Exhibit E-1, and the Escrow Agent hereby agrees to give such notice.

5. Notice of Advance Refunding of the Refunded Obligations. The Escrow Agent is hereby directed and agrees to provide to the owners of the Refunded Obligations a Notice of Advance Refunding and Redemption, in substantially the form attached hereto as Exhibit F-1, as soon as practicable after the closing for the Refunding Obligations. The Notice of Advance Refunding and Redemption shall also be provided to any fiscal agent for the Refunded Obligations to the MSRB and to DTC as described in Exhibit F-1.

6. The Escrow Agent.

a) Annual Report. The Escrow Agent shall, in the month of February of each year while this Agreement is in effect, and as soon as practicable after termination of this Agreement, forward by first class mail to the Village a report of the receipts, income, investments, reinvestments, redemptions and payments of and from the Escrow Account during the preceding calendar year, including in such report a statement, as of the end of the preceding calendar year, regarding the manner in which it has carried out the requirements of this Agreement. The Village shall have the right, at any time during business hours, to examine all of the Escrow Agent's records regarding the status and details of the Escrow Account.

b) Separate Funds; Accountability. Except as otherwise permitted under Section 3 hereof, the Escrow Agent shall keep all monies, securities and other properties deposited hereunder, all investments and all interest thereon and profits therefrom, at all times in a special fund and separate trust account, wholly segregated from all other funds and securities on deposit with it; shall never commingle such deposits, investments and proceeds with other funds or securities of the Escrow Agent; and shall never at any time use, pledge, loan or borrow the same in any way. The fund established hereunder shall be held separately and distinctly and not commingled with any other such fund. Nothing herein contained shall be construed as requiring the Escrow Agent to keep the identical monies, or any part thereof, received from or for the Escrow Account, on hand, but monies of an equal amount shall always be maintained on hand as funds held by the Escrow Agent, belonging to the Village, and a special account thereof, evidencing such fact, shall at all times be maintained on the books of the Escrow Agent. All uninvested money held at any time in the Escrow Account shall be continuously secured by the deposit in a Federal Reserve Bank or direct obligations of the United States of America in a principal amount always not less than the total amount of uninvested money in

the Escrow Account. It is understood and agreed that the responsibility of the Escrow Agent under this Agreement is limited to the safekeeping and segregation of the monies and securities deposited with it for the Escrow Account, and the collection of and accounting for the principal and interest payable with respect thereto.

In the event the Escrow Agent due to any action or inaction required hereunder is unable or fails to account for any property held hereunder, such property shall be and remain the property of the Village, and if, for any reason such property cannot be identified, all other assets of the Escrow Agent shall be impressed with a trust for the amount thereof and the Village shall be entitled to the preferred claim upon such assets enjoyed by any trust beneficiary. Property held by the Escrow Agent hereunder shall not be deemed to be a banking deposit of the Village to the extent that the Escrow Agent shall have no right or title with respect thereto (including any right of set-off) and the Village shall have no right of withdrawal thereof.

c) **Liability.** The Escrow Agent shall be under no obligation to inquire into or be in any way responsible for the performance or nonperformance by the Village or any paying agent of any of its obligations, or to protect any of the Village's rights under any bond proceeding or any of the Village's other contracts with or franchises or privileges from any state, county, municipality or other governmental agency or with any person. The Escrow Agent shall not be liable for any act done or step taken or omitted by it, as escrow agent, or for any mistake of fact or law, or for anything which it may do or refrain from doing in good faith and in the exercise of reasonable care and believed by it to be within the discretion or power conferred upon it by this Agreement, except for its negligence or its default in the performance of any obligation imposed upon it hereunder. The Escrow Agent shall not be responsible in any manner whatsoever for the recitals or statements contained herein, including without limitation those as to the sufficiency of the trust deposit to accomplish the purposes hereof or in the Refunded Obligations or the Refunding Obligations or in any proceedings taken in connection therewith, but they are made solely by the Village.

d) **Resignations; Successor Escrow Agent.** The Escrow Agent may at any time resign by giving not less than 60 days written notice to the Village. Upon giving such notice of resignation, the resigning Escrow Agent may petition any court of competent jurisdiction for the appointment of a successor escrow agent. Such court may thereupon, after such notice, if any, as it may deem proper and prescribes, appoint a successor escrow agent of comparable qualifications to those of the resigning Escrow Agent. The resignation of the Escrow Agent shall take effect only upon the appointment of a successor escrow agent and such successor escrow agent's acceptance of such appointment.

Any successor escrow agent shall be a state or national bank, have full banking and trust powers, and have a combined capital and surplus of at least \$5,000,000.

Any successor escrow agent shall execute, acknowledge and deliver to the Village and to its predecessor escrow agent an instrument accepting such appointment hereunder, and thereupon the resignation of the predecessor escrow agent shall become effective and such successor escrow agent, without any further act, deed or conveyance, shall become vested with all the rights, powers, duties and obligations of its predecessor hereunder, with like effect as if originally named as escrow agent herein; but nevertheless, on written request of the Village or on the request of the successor escrow agent, the escrow agent ceasing to act shall execute and deliver an instrument transferring to such successor escrow agent, upon the terms herein expressed, all the rights, power, and duties of the escrow agent so

ceasing to act. Upon the request of any such successor escrow agent, the Village shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor escrow agent all such rights, powers and duties. Any predecessor escrow agent shall pay over to its successor escrow agent a proportional part of the Escrow Agent's fee hereunder.

e) Fees. The Escrow Agent acknowledges receipt from the Village the sum of FOUR HUNDRED FIFTY DOLLARS (\$450) as and for full compensation for all services to be performed by it as the Escrow Agent under this Agreement. Any out-of-pocket expenses including legal fees and publication costs will be paid by the Village as incurred. The Escrow Agent expressly waives any lien upon or claim against the monies and investments in the Escrow Account.

7. Arbitrage. The Village has covenanted and agreed and the Escrow Agent hereby covenants and agrees, to the extent any action is within its control and to its knowledge, to and for the benefit of the holders of the Refunding Obligations and the Refunded Obligations, that no investment of the monies on deposit in the Escrow Account will be made in a manner that would cause the Refunding Obligations or the Refunded Obligations to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code") or any Regulations promulgated or proposed thereunder (the "Regulations").

In order to ensure continuing compliance with Section 148 of the Code and the Regulations, the Escrow Agent agrees that it will not invest the cash balance nor reinvest any cash received in payment of the principal of and interest on the federal securities held in the Escrow Account nor redeem such federal securities except as specifically provided in Section 1 hereof. Said prohibition on reinvestment shall continue unless and until the Village requests that such reinvestment be made and shall be restricted to noncallable direct obligations of the United States Treasury. Prior to any such request for reinvestment of the proceeds from the federal securities held in the Escrow Account, the Village shall provide to the Escrow Agent: (i) an opinion by an independent certified public accounting firm that after such reinvestment the principal amount of the substituted securities, together with the earnings thereon and other available monies, will be sufficient to pay, as the same become due, any required interest payments on the Refunding Obligations and all principal of, redemption premium where required, and interest on the Refunded Obligations which have not then previously been paid, and (ii) an unqualified opinion of nationally recognized bond counsel to the effect that (a) such reinvestment will not cause the Refunding Obligations or the Refunded Obligations to be "arbitrage bonds" within the meaning of Section 148 of the Code and the Regulations in effect thereunder on the date of such reinvestment, and (b) such reinvestment complies with the Constitution and laws of the State of Wisconsin and the provisions of all relevant documents relating to the issuance of the Refunding Obligations and the Refunded Obligations.

8. Substitute Investments. At the written request of the Village and upon compliance with the conditions hereinafter stated, the Escrow Agent shall have the power to request the redemption of the SLGs and to substitute direct obligations of, or obligations which are unconditionally guaranteed by, the United States of America, which are not subject to redemption prior to maturity and which are available for purchase with the proceeds derived from the disposition of the SLGs on the date of such transaction. The Escrow Agent shall purchase such substitute obligations with the proceeds derived from the sale, transfer, disposition or redemption of the SLGs. The transactions may be effected only by simultaneous sale and purchase transactions, and only if (i) the amounts and dates on which the anticipated transfers from the Escrow Account to the fiscal agent or depository for the payment of the

principal of and interest on the Refunded Obligations will not be diminished or postponed thereby, (ii) the Escrow Agent shall receive, at the expense of the Village, an opinion of a nationally recognized firm of attorneys experienced in the area of municipal finance to the effect that such disposition and substitution would not cause any Refunded Obligations or Refunding Obligations to be "arbitrage bonds" within the meaning of Section 148 of the Code and the Regulations thereunder; and (iii) the Escrow Agent shall receive, at the expense of the Village, a certification from an independent certified public accountant that, after such transaction, the principal of and interest on the U.S. government obligations in the Escrow Account will, together with other monies in the Escrow Account available for such purpose, be sufficient at all times to pay, when due, the principal of, redemption premium, where required, and interest on the Refunded Obligations.

The Village hereby covenants that no part of the monies or funds at any time in the Escrow Account shall be used directly or indirectly to acquire any securities or obligations, the acquisition of which would cause any Refunded Obligations or Refunding Obligations to be "arbitrage bonds" within the meaning of Section 148 of the Code and the Regulations thereunder.

9. Miscellaneous.

a) Third Party Beneficiaries. This Agreement has been entered into by the Village and the Escrow Agent for the benefit of the holders of the Refunding Obligations and the Refunded Obligations, and is not revocable by the Village or the Escrow Agent, and the investments and other funds deposited in the Escrow Account and all income therefrom have been irrevocably appropriated for the payment of interest on the Refunding Obligations when due and the payment and any redemption of the Refunded Obligations and interest thereon when due, in accordance with this Agreement. This Agreement shall be binding upon and shall inure to the benefit of the Village and the Escrow Agent and their respective successors and assigns. In addition, this Agreement shall constitute a third party beneficiary contract for the benefit of the owners of the Refunding Obligations and the Refunded Obligations. Said third party beneficiaries shall be entitled to enforce performance and observance by the Village and the Escrow Agent of the respective agreements and covenants herein contained as fully and completely as if said third party beneficiaries were parties hereto.

b) Severability. If any section, paragraph, clause or provision of this Agreement shall be invalid or ineffective for any reason, the remainder of this Agreement shall remain in full force and effect, it being expressly hereby agreed that the remainder of this Agreement would have been entered into by the parties hereto notwithstanding any such invalidity.

c) Termination. This Agreement shall terminate upon the payment of all of the principal of and interest on the Refunded Obligations. The parties realize that some of the amounts hereunder may remain upon termination. Any amounts remaining upon termination shall be returned to the Village for deposit in the account designated "Debt Service Fund Account for \$8,565,000 General Obligation Corporate Purpose Bonds, Series 2011A, dated August 25, 2011" created by the Resolution and used solely to pay the principal of and interest on the Refunding Obligations. Termination of this Agreement shall not, of itself, have any effect on the Village's obligation to pay the Refunding Obligations and the Refunded Obligations in full in accordance with the respective terms thereof.

d) Indemnification. The Village agrees to hold the Escrow Agent harmless and to indemnify the Escrow Agent against any loss, liability, expenses (including attorney's fees and

expenses), claims, or demand arising out of or in connection with the performance of its obligations in accordance with the provisions of this Agreement, except for gross negligence or willful misconduct of the Escrow Agent. The foregoing indemnities in this paragraph shall survive the resignation or removal of the Escrow Agent or the termination of the Agreement.

e) Execution in Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their duly authorized officers on the date first above written.

VILLAGE OF SHOREWOOD,  
MILWAUKEE COUNTY, WISCONSIN

By: \_\_\_\_\_  
Guy Johnson  
President

(SEAL)

By: \_\_\_\_\_  
Sherry Grant  
Village Clerk/Treasurer

U.S. BANK, NATIONAL ASSOCIATION  
Minneapolis, Minnesota, as Agent

By: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(SEAL)

And: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Refunded Obligations)

EXHIBIT A-1

\$7,335,000

Village of Shorewood, Wisconsin  
General Obligation Refunding Bonds  
Dated March 1, 2002

Debt Service Requirements

<u>Payment Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Interest Amount</u>	<u>Total Principal and Interest</u>
-------------------------	-----------------------------	--------------------------	----------------------------	---

(See attached)

Depository:

The Depository Trust Company  
New York, New York

EXHIBIT B-1

U.S. TREASURY SECURITIES

(State and Local Government Series)

For Delivery August 25, 2011

<u>Type</u>	<u>Maturity Date</u>	<u>Par Amount</u>	<u>Coupon Rate</u>	<u>Cost</u>
-------------	----------------------	-----------------------	------------------------	-------------

(See Attached Subscription Forms)

**EXHIBIT C-1**

**AUTHORIZED ISSUANCE EXPENSES**

Escrow Agent, U.S. Bank, National Association, Minneapolis, Minnesota	\$450.00
Escrow Verification, Barthe & Wahrman, Bloomington, Minnesota	2,500.00
Legal Opinion, Quarles & Brady LLP, Milwaukee, Wisconsin	15,000.00
Rating Fee, Moody's Investors Service Inc., New York, New York	11,000.00
Financial Advisor, Ehlers & Associates, Inc., Brookfield, Wisconsin	<u>29,055.00</u>
Total:	\$58,005.00

EXHIBIT D-1

ESCROW ACCOUNT CASH FLOW

(SEE ATTACHED)

**EXHIBIT E-1**

**NOTICE OF PARTIAL CALL\***

Regarding

Village of Shorewood  
Milwaukee County, Wisconsin  
\$7,335,000 General Obligation Refunding Bonds  
Dated March 1, 2002

NOTICE IS HEREBY GIVEN that the Bonds of the above-referenced issue which mature on the dates and in the amounts; bear interest at the rates; and have CUSIP Nos. as set forth below have been called by the Village for prior payment on March 1, 2012 at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of prepayment:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP No.</u>
03/01/2013	\$365,000	4.375%	825230__
03/01/2014	380,000	4.45	825230__
03/01/2015	400,000	4.55	825230__
03/01/2016	420,000	4.65	825230__
03/01/2017	440,000	4.70	825230__
03/01/2018	460,000	4.75	825230__

The Village's Escrow Agent shall deposit federal or other immediately available funds sufficient for such redemption at the office of The Depository Trust Company on or before March 1, 2012.

Said Bonds will cease to bear interest on March 1, 2012.

By Order of the  
Village Board  
Village of Shorewood  
Village Clerk/Treasurer

Dated \_\_\_\_\_

\* To be provided by facsimile transmission, registered or certified mail, or overnight express delivery to The Depository Trust Company, Attn: Supervisor, Call Notification Department, 55 Water Street, 50<sup>th</sup> Floor, New York, NY 10041-0099, not less than thirty (30) days nor more than sixty (60) days prior to March 1, 2012 and to the MSRB. Notice shall also be provided to Ambac Assurance Corporation, or its successor, the bond insurer of the Bonds.

\*\* If the Refunded Obligations are subject to the continuing disclosure requirements of SEC Rule 15c2-12 effective July 3, 1995, this Notice should be filed electronically with the MSRB through the Electronic Municipal Market Access (EMMA) System website at [www.emma.msrb.org](http://www.emma.msrb.org).

**EXHIBIT F-1**

**NOTICE OF PARTIAL ADVANCE REFUNDING AND REDEMPTION  
OF THE GENERAL OBLIGATION REFUNDING BONDS, DATED MARCH 1, 2002  
OF THE VILLAGE OF SHOREWOOD, WISCONSIN (THE "BONDS")**

Notice is given that the Bonds described below (the "Refunded Obligations")<sup>\*\*</sup>, of the Village of Shorewood, Wisconsin (the "Village") have been advance refunded by the Village pursuant to an Escrow Agreement dated the 25th day of August, 2011 between the Village and U.S. Bank, National Association, Minneapolis, Minnesota (the "Escrow Agent").

<u>Maturity Date</u>	<u>Original CUSIP</u>	<u>Original Amount</u>	<u>Refunded CUSIP</u>	<u>Refunded Amount</u>	<u>Non- Refunded CUSIP</u>	<u>Non- Refunded Amount</u>
03/01/2013	825230EF8	\$455,000		\$365,000		\$90,000
03/01/2014	825230EG6	475,000		380,000		95,000
03/01/2015	825230EH4	495,000		400,000		95,000
03/01/2016	825230EJ0	520,000		420,000		100,000
03/01/2017	825230EK7	545,000		440,000		105,000
03/01/2018	825230EL5	570,000		460,000		110,000

The Village has instructed the Escrow Agent to call the Refunded Obligations maturing on 2013 and thereafter for redemption on March 1, 2012. The Village has irrevocably deposited United States government securities and cash in escrow with the Escrow Agent in an amount which, together with investment income on it, is sufficient to pay the interest on the Refunded Obligations as they become due up to and including March 1, 2012 and to redeem the Refunded Obligations on March 1, 2012 at a price of par plus accrued interest to March 1, 2012. Interest on the Refunded Obligations will cease to accrue on March 1, 2012.

Dated: August 25, 2011.

U.S. Bank, National Association  
as Escrow Agent

<sup>\*</sup> As soon as practicable after the closing for the Refunding Obligations, notice shall be provided to the registered owners of the Refunded Obligations, to any fiscal agent for the Refunded Obligations and to the MSRB. Notice shall also be provided to Ambac Assurance Corporation, or its successor the bond insurer of the Bonds.

<sup>\*\*</sup> If the Refunded Obligations are subject to the continuing disclosure requirements of SEC Rule 15c2-12 effective July 3, 1995, this Notice should be filed electronically with the MSRB through the Electronic Municipal Market Access (EMMA) System website at [www.emma.msrb.org](http://www.emma.msrb.org).