

TOWN OF SEVASTOPOL
Door County, Wisconsin

RESOLUTION NO. 01 - 2011 TB

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF
\$760,000 GENERAL OBLIGATION REFUNDING PROMISSORY NOTES, SERIES 2011

WHEREAS, the Town Board hereby finds and determines that it is necessary, desirable and in the best interest of the Town of Sevastopol, Door County, Wisconsin (the "Town") to raise funds for the purpose of paying the cost of refinancing certain outstanding obligations of the Town, to wit: State Trust Fund Loans, dated November 18, 2008, December 16, 2008, January 14, 2009, March 9, 2009, March 18, 2009, May 19, 2009, June 16, 2009 and August 11, 2009 (collectively, the "Refunded Obligations") (hereinafter the refinancing of the Town's Refunded Obligations shall be referred to as the "Refunding"), and there are insufficient funds on hand to pay said cost;

WHEREAS, the Town Board deems it to be necessary, desirable and in the best interest of the Town to refund the Refunded Obligations for the purpose of achieving debt service cost savings;

WHEREAS, towns are authorized by the provisions of Section 67.12(12), Wisconsin Statutes, to borrow money and issue general obligation promissory notes to refinance their outstanding obligations; and

WHEREAS, it is the finding of the Town Board that it is necessary, desirable and in the best interest of the Town to sell the general obligation promissory notes to Bankers' Bank (the "Purchaser"), pursuant to the terms and conditions of its note purchase proposal attached hereto as Exhibit A and incorporated herein by this reference (the "Proposal").

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

Section 1. Authorization and Sale of the Notes. For the purpose of paying the cost of the Refunding, there shall be borrowed pursuant to Section 67.12(12), Wisconsin Statutes, the principal sum of SEVEN HUNDRED SIXTY THOUSAND DOLLARS (\$760,000) from the Purchaser in accordance with the terms and conditions of the Proposal. The Proposal is hereby accepted and the Chairperson and Town Clerk or other appropriate officers of the Town are authorized and directed to execute an acceptance of the Proposal on behalf of the Town. To evidence the obligation of the Town, the Chairperson and Town Clerk are hereby authorized, empowered and directed to make, execute, issue and sell to the Purchaser for, on behalf of and in the name of the Town, general obligation promissory notes aggregating the principal amount of SEVEN HUNDRED SIXTY THOUSAND DOLLARS (\$760,000) (the "Notes") for the sum set forth on the Proposal, plus accrued interest to the date of delivery.

Section 2. Terms of the Notes. The Notes shall be designated "General Obligation Refunding Promissory Notes, Series 2011"; shall be issued in the aggregate principal amount of \$760,000; shall be dated their date of issuance; 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 B-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 Notes is set forth on the Debt Service Schedule attached hereto as Exhibit B-2 and incorporated herein by this reference (the "Schedule").

Section 3. Redemption Provisions. The Notes maturing on March 1, 2019 shall be subject to redemption prior to maturity, at the option of the Town, on March 1, 2018 or on any date thereafter. Said Notes shall be redeemable as a whole or in part, and if in part, by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

Section 4. Form of the Notes. The Notes shall be issued in registered form and shall be executed and delivered in substantially the form attached hereto as Exhibit C and incorporated herein by this reference.

Section 5. Tax Provisions.

(A) Direct Annual Irrepealable Tax Levy. For the purpose of paying the principal of and interest on the Notes as the same becomes due, the full faith, credit and resources of the Town are hereby irrevocably pledged, and there is hereby levied upon all of the taxable property of the Town a direct annual irrepealable tax in the years 2011 through 2018 for the payments due in the years 2012 through 2019 in the amounts set forth on the Schedule.

(B) Tax Collection. So long as any part of the principal of or interest on the Notes remains unpaid, the Town 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 Notes, said tax shall be, from year to year, carried onto the tax roll of the Town and collected in addition to all other taxes and in the same manner and at the same time as other taxes of the Town 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 Notes when due, the requisite amounts shall be paid from other funds of the Town 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 Town, 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 Town 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 \$760,000 General Obligation Refunding Promissory Notes, Series 2011" (the "Debt Service Fund Account") and such account shall be maintained until the indebtedness evidenced by the Notes is fully paid or otherwise extinguished. The Town Treasurer shall deposit in the Debt Service Fund Account (i) all accrued interest received by the Town at the time of delivery of and payment for the Notes; (ii) any premium not used for the Refunding which may be received by the Town above the par value of the Notes 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 Notes when due; (iv) such other sums as may be necessary at any time to pay principal of and interest on the Notes 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 Notes until all such principal and interest has been paid in full and the Notes canceled; provided (i) the funds to provide for each payment of principal of and interest on the Notes 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 Notes may be used to reduce the next succeeding tax levy, or may, at the option of the Town, be invested by purchasing the Notes 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 Notes have been paid in full and canceled, and all Permitted Investments disposed of, any money remaining in the Debt Service Fund Account shall be transferred and deposited in the general fund of the Town, unless the Town Board directs otherwise.

Section 7. Proceeds of the Notes; Segregated Borrowed Money Fund. The proceeds of the Notes (the "Note 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 Notes into the Debt Service Fund Account created above) shall be deposited into a special fund separate and distinct from all other funds of the Town and disbursed solely for the purpose for which borrowed or for the payment of the principal of and the interest on the Notes. 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 purpose for which the Notes have been issued has been accomplished, and, at any time, any monies as are not needed

and which obviously thereafter cannot be needed for such purpose 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 Notes to be "arbitrage bonds" within the meaning of Section 148 of the Code or the Regulations and an officer of the Town, charged with the responsibility for issuing the Notes, shall certify as to facts, estimates, circumstances and reasonable expectations in existence on the date of delivery of the Notes to the Purchaser which will permit the conclusion that the Notes are not "arbitrage bonds," within the meaning of the Code or Regulations.

Section 9. Compliance with Federal Tax Laws. (a) The Town represents and covenants that the projects financed by the Notes and by the Refunded Obligations and their ownership, management and use will not cause the Notes or the Refunded Obligations to be "private activity bonds" within the meaning of Section 141 of the Code. The Town 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 Notes including, if applicable, the rebate requirements of Section 148(f) of the Code. The Town 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 Notes) if taking, permitting or omitting to take such action would cause any of the Notes to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause interest on the Notes to be included in the gross income of the recipients thereof for federal income tax purposes. The Town Clerk or other officer of the Town charged with the responsibility of issuing the Notes shall provide an appropriate certificate of the Town certifying that the Town can and covenanting that it will comply with the provisions of the Code and Regulations.

(b) The Town 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 Notes provided that in meeting such requirements the Town will do so only to the extent consistent with the proceedings authorizing the Notes and the laws of the State of Wisconsin and to the extent that there is a reasonable period of time in which to comply.

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

Section 11. Execution of the Notes; Closing; Professional Services. The Notes shall be issued in printed form, executed on behalf of the Town by the manual or facsimile signatures of the Chairperson and Town Clerk, authenticated, if required, by the Fiscal Agent (defined below), sealed with its official or corporate seal, if any, or a facsimile thereof, and delivered to the Purchaser upon payment to the Town of the purchase price thereof, plus accrued interest to the date of delivery (the "Closing"). The facsimile signature of either of the officers executing the Notes may be imprinted on the Notes in lieu of the manual signature of the officer but, unless the Town has contracted with a fiscal agent to authenticate the Notes, at least one of the signatures appearing on each Note shall be a manual signature. In the event that either of the officers

whose signatures appear on the Notes shall cease to be such officers before the Closing, such signatures shall, nevertheless, be valid and sufficient for all purposes to the same extent as if they had remained in office until the Closing. The aforesaid officers are hereby authorized and directed to do all acts and execute and deliver the Notes and all such documents, certificates and acknowledgements as may be necessary and convenient to effectuate the Closing. The Town hereby authorizes the officers and agents of the Town to enter into, on its behalf, agreements and contracts in conjunction with the Notes, including but not limited to agreements and contracts for legal, trust, fiscal agency, disclosure and continuing disclosure, and rebate calculation services. Any such contract heretofore entered into in conjunction with the issuance of the Notes is hereby ratified and approved in all respects.

Section 12. Payment of the Notes; Fiscal Agent. The principal of and interest on the Notes shall be paid by the Town Clerk or Town Treasurer (the "Fiscal Agent").

Section 13. Persons Treated as Owners; Transfer of Notes. The Town shall cause books for the registration and for the transfer of the Notes to be kept by the Fiscal Agent. The person in whose name any Note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of either principal or interest on any Note shall be made only to the registered owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Note to the extent of the sum or sums so paid.

Any Note may be transferred by the registered owner thereof by surrender of the Note at the office of the Fiscal Agent, duly endorsed for the transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing. Upon such transfer, the Chairperson and Town Clerk shall execute and deliver in the name of the transferee or transferees a new Note or Notes of a like aggregate principal amount, series and maturity and the Fiscal Agent shall record the name of each transferee in the registration book. No registration shall be made to bearer. The Fiscal Agent shall cancel any Note surrendered for transfer.

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

Section 14. Record Date. The fifteenth day of each calendar month next preceding each interest payment date shall be the record date for the Notes (the "Record Date"). Payment of interest on the Notes on any interest payment date shall be made to the registered owners of the Notes as they appear on the registration book of the Town at the close of business on the Record Date.

Section 15. Utilization of The Depository Trust Company Book-Entry-Only System. In order to make the Notes eligible for the services provided by The Depository Trust Company, New York, New York ("DTC"), the Town agrees to the applicable provisions set forth in the Blanket Issuer Letter of Representations which the Town Clerk or other authorized representative of the Town is authorized and directed to execute and deliver to DTC on behalf of the Town.

Section 16. Official Statement. The Town Board hereby approves the Preliminary Official Statement with respect to the Notes 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 Town 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 Town official shall certify the Preliminary Official Statement and any addenda or Final Official Statement. The Town Clerk shall cause copies of the Preliminary Official Statement and any addenda or Final Official Statement to be distributed to the Purchaser.

Section 17. Continuing Disclosure. The continuing disclosure requirements of the Rule are not applicable to the Notes because the Notes are a primary offering of less than \$1,000,000.

Section 18. Redemption of the Refunded Obligations. The Town hereby ratifies the call of the Refunded Obligations for redemption on February 2, 2011. The Town hereby approves the actions of the Town Clerk to work with its financial advisor, Public Financial Management, Inc. to cause timely notice of redemption to be sent to the Board of Commissioners of Public Lands by registered or certified mail at least 30 days prior to the date of redemption of the Refunded Obligations.

Section 19. Record Book. The Town Clerk shall provide and keep the transcript of proceedings as a separate record book (the "Record Book") and shall record a full and correct statement of every step or proceeding had or taken in the course of authorizing and issuing the Notes in the Record Book.

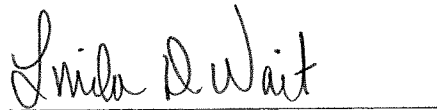
Section 20. Bond Insurance. If the Purchaser of the Notes determines to obtain municipal bond insurance with respect to the Notes, the officers of the Town are authorized to take all actions necessary to obtain such municipal bond insurance. The Chairperson and Town Clerk are authorized to agree to such additional provisions as the bond insurer may reasonably request and which are acceptable to the Chairperson and Town Clerk including provisions regarding restrictions on investment of Note proceeds, the payment procedure under the municipal bond insurance policy, the rights of the bond insurer in the event of default and payment of the Notes by the bond insurer and notices to be given to the bond insurer. In addition, any reference required by the bond insurer to the municipal bond insurance policy shall be made in the form of Note provided herein.

Section 21. Conflicting Resolutions; Severability; Effective Date. All prior resolutions, rules or other actions of the Town 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 January 13, 2011.


Leo W. Zipperer
Chairperson

ATTEST:



Linda Wait
Town Clerk



(SEAL)

EXHIBIT A

Note Purchase Proposal

To be provided by Public Financial Management, Inc. and incorporated into the Resolution.

(See Attached)

NOTE PURCHASE AGREEMENT

\$760,000
Town of Sevastopol
Door County, Wisconsin
General Obligation Refunding Promissory Notes, Series 2011

Sale Date: January 13, 2011

For all or none of the principal amount of the Town's \$760,000 General Obligation Refunding Promissory Notes, Series 2011, as described in the Preliminary Official Statement dated January 13, 2011, we will pay the Town the purchase price of \$753,160 plus accrued interest, if any, on the total principal amount of the Notes to date of delivery, provided the Notes bear the following interest rates:

<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>
2012	\$ 80,000	1.00%
2013	90,000	1.40%
2014	95,000	1.70%
2015	95,000	2.10%
2016	95,000	2.35%
2017	100,000	2.55%
2018	100,000	2.75%
2019	105,000	2.95%

The Notes mature on March 1 in the years and amounts indicated above. Interest on the Notes will be payable semi-annually on March 1 and September 1, commencing March 1, 2012. The Notes maturing on March 1, 2019 are subject to prior redemption at the option of the Town on March 1, 2018, and any date thereafter at a price of par plus accrued interest.

This offer is subject to the receipt of the unqualified legal opinion of Quarles & Brady LLP, Bond Counsel.

It is intended that the Notes will be exchanged for the purchase price on February 1, 2011.

NOT PART OF THE BID

Explanatory Note: According to our computation this bid involves the following:

\$94,835.83


Net Interest Cost

2.631662%

True Interest Rate (TIC)

Respectfully submitted,

Bankers' Bank



Marilyn Stepnik

The foregoing offer is hereby accepted by and on behalf of the Town of Sevastopol, Wisconsin, this 13th day of January 2011.

Leo Zipperer, Chairman

Linda Wait, Clerk/Treasurer

EXHIBIT B-1

Pricing Summary

To be provided by Public Financial Management, Inc. and incorporated into the Resolution.

(See Attached)

BOND PRICING

Town of Sevastopol
 \$760,000 G.O. Refunding Promissory Notes, Series 2011
 Final - Bankers' Bank

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Bond Component:					
	03/01/2012	80,000	1.000%	1.000%	100.000
	03/01/2013	90,000	1.400%	1.400%	100.000
	03/01/2014	95,000	1.700%	1.700%	100.000
	03/01/2015	95,000	2.100%	2.100%	100.000
	03/01/2016	95,000	2.350%	2.350%	100.000
	03/01/2017	100,000	2.550%	2.550%	100.000
	03/01/2018	100,000	2.750%	2.750%	100.000
	03/01/2019	105,000	2.950%	2.950%	100.000
		760,000			

Dated Date	02/01/2011	
Delivery Date	02/01/2011	
First Coupon	03/01/2012	
Par Amount	760,000.00	
Original Issue Discount		
Production	760,000.00	100.000000%
Underwriter's Discount	(6,840.00)	(0.900000)
Purchase Price	753,160.00	99.100000%
Accrued Interest		
Net Proceeds	753,160.00	

EXHIBIT B-2

Debt Service Schedule and Irrepealable Tax Levies

To be provided by Public Financial Management, Inc. and incorporated into the Resolution.

(See Attached)

BOND DEBT SERVICE

Town of Sevastopol
 \$760,000 G.O. Refunding Promissory Notes, Series 2011
 Final - Bankers' Bank

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service	Bond Balance	Total Bond Value
02/01/2011						760,000	760,000
03/01/2012	80,000	1.000%	17,658.33	97,658.33		680,000	680,000
09/01/2012			7,750.00	7,750.00		680,000	680,000
12/31/2012					105,408.33	680,000	680,000
03/01/2013	90,000	1.400%	7,750.00	97,750.00		590,000	590,000
09/01/2013			7,120.00	7,120.00		590,000	590,000
12/31/2013					104,870.00	590,000	590,000
03/01/2014	95,000	1.700%	7,120.00	102,120.00		495,000	495,000
09/01/2014			6,312.50	6,312.50		495,000	495,000
12/31/2014					108,432.50	495,000	495,000
03/01/2015	95,000	2.100%	6,312.50	101,312.50		400,000	400,000
09/01/2015			5,315.00	5,315.00		400,000	400,000
12/31/2015					106,627.50	400,000	400,000
03/01/2016	95,000	2.350%	5,315.00	100,315.00		305,000	305,000
09/01/2016			4,198.75	4,198.75		305,000	305,000
12/31/2016					104,513.75	305,000	305,000
03/01/2017	100,000	2.550%	4,198.75	104,198.75		205,000	205,000
09/01/2017			2,923.75	2,923.75		205,000	205,000
12/31/2017					107,122.50	205,000	205,000
03/01/2018	100,000	2.750%	2,923.75	102,923.75		105,000	105,000
09/01/2018			1,548.75	1,548.75		105,000	105,000
12/31/2018					104,472.50	105,000	105,000
03/01/2019	105,000	2.950%	1,548.75	106,548.75			
12/31/2019					106,548.75		
	760,000		87,995.83	847,995.83	847,995.83		

EXHIBIT C

(Form of Note)

REGISTERED UNITED STATES OF AMERICA DOLLARS
STATE OF WISCONSIN
DOOR COUNTY
NO. R- TOWN OF SEVASTOPOL \$
GENERAL OBLIGATION REFUNDING PROMISSORY NOTE, SERIES 2011

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

DEPOSITORY OR ITS NOMINEE NAME: CEDE & CO.

PRINCIPAL AMOUNT: THOUSAND DOLLARS
(\$)

COPY

FOR VALUE RECEIVED, the Town of Sevastopol, Door County, Wisconsin (the "Town"), 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 Note are payable to the registered owner in lawful money of the United States. Interest payable on any interest payment date shall be paid by wire transfer to the Depository in whose name this Note is registered on the Bond Register maintained by the Town Clerk or Town 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 Note is payable as to principal upon presentation and surrender hereof at the office of the Fiscal Agent.

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

This Note is one of an issue of Notes aggregating the principal amount of \$760,000, all of which are of like tenor, except as to denomination, interest rate, maturity date and redemption provision, issued by the Town pursuant to the provisions of Section 67.12(12), Wisconsin Statutes, for the purpose of paying the cost of refunding certain outstanding obligations of the Town, all as authorized by a resolution of the Town Board duly adopted by said governing body at a meeting held on January 13, 2011. Said resolution is recorded in the official minutes of the Town Board for said date.

The Notes maturing on March 1, 2019 are subject to redemption prior to maturity, at the option of the Town, on March 1, 2018 or on any date thereafter. Said Notes are redeemable as a whole or in part, and if in part, by lot (as selected by the Depository), at the principal amount thereof, plus accrued interest to the date of redemption.

In the event the Notes are redeemed prior to maturity, as long as the Notes are in book-entry-only form, official notice of the redemption will be given by mailing a notice by registered or certified mail, overnight express delivery, facsimile transmission, electronic transmission or in any other manner required by the Depository, to the Depository not less than thirty (30) days nor more than sixty (60) days prior to the redemption date. If less than all of the Notes of a maturity are to be called for redemption, the Notes of such maturity to be redeemed will be selected by lot. Such notice will include, but not be limited to the following: the designation, date and maturities of the Notes called for redemption, CUSIP numbers, and the date of redemption. Any notice provided as described herein shall be conclusively presumed to have been duly given, whether or not the registered owner receives the notice. The Notes shall cease to bear interest on the specified redemption date provided that federal or other immediately available funds sufficient for such redemption are on deposit at the office of the Depository at that time. Upon such deposit of funds for redemption the Notes shall no longer be deemed to be outstanding.

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

This Note has been designated by the Town Board as a "qualified tax-exempt obligation" pursuant to the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

This Note is transferable only upon the books of the Town kept for that purpose at the office of the Fiscal Agent, only in the event that the Depository does not continue to act as depository for the Notes, and the Town appoints another depository, upon surrender of the Note to the Fiscal Agent, by the registered owner in person or his duly authorized attorney, upon surrender of this Note 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 Note 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 Town for any tax, fee or other governmental charge required to be paid with respect to such registration. The Fiscal Agent shall not be obliged to make any transfer of the Notes (i) after the Record Date, (ii) during the fifteen (15) calendar days preceding the date of any publication of notice of any proposed redemption of the Notes, or (iii) with respect to any particular Note, after such Note has been called for redemption. The Fiscal Agent and Town may treat and consider the Depository in whose name this Note is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes whatsoever. The Notes are issuable solely as negotiable, fully-registered Notes without coupons in the denomination of \$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 Town of Sevastopol, Door County, Wisconsin, by its governing body, has caused this Note to be executed for it and in its name by the manual or facsimile signatures of its duly qualified Chairperson and Town Clerk; and to be sealed with its official or corporate seal, if any, all as of the original date of issue specified above.

TOWN OF SEVASTOPOL,
DOOR COUNTY, WISCONSIN

By: _____
Leo W. Zipperer
Chairperson

(SEAL)

By: _____
Linda Wait
Town Clerk

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(Name and Address of Assignee)

(Social Security or other Identifying Number of Assignee)

the within Note and all rights thereunder and hereby irrevocably constitutes and appoints _____, Legal Representative, to transfer said Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

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 Note in every particular, without alteration or enlargement or any change whatever.

(Authorized Officer)