

RESOLUTION NO. R2025-12-2

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF A
\$2,000,000 GENERAL OBLIGATION PROMISSORY NOTE

WHEREAS, the Village Board hereby finds and determines that it is necessary, desirable and in the best interest of the Village of Twin Lakes, Kenosha County, Wisconsin (the "Village") to raise funds for public purposes, including paying the cost of road improvements, a public works storage building, fire truck refurbishing and acquisition of vehicles (collectively, the "Project");

WHEREAS, the Village Board hereby finds and determines that the Project is within the Village's power to undertake and therefore serves a "public purpose" as that term is defined in Section 67.04(1)(b), Wisconsin Statutes;

WHEREAS, the Village is authorized by the provisions of Section 67.12(12), Wisconsin Statutes, to borrow money and issue general obligation promissory notes for such public purposes; and

WHEREAS, it is the finding of the Village Board that it is necessary, desirable and in the best interest of the Village to sell its general obligation promissory note (the "Note") to State Bank of the Lakes, N.A. (the "Purchaser"), pursuant to the terms and conditions set forth in this Resolution.

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

Section 1. Authorization and Sale of the Note. For the purpose of paying the cost of the Project, there shall be borrowed pursuant to Section 67.12(12), Wisconsin Statutes, the principal sum of TWO MILLION DOLLARS (\$2,000,000) from the Purchaser. To evidence the obligation of the Village, the President and Village 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 Village, the Note in the maximum principal amount of TWO MILLION DOLLARS (\$2,000,000) for a sum equal to the principal amount drawn under the Note.

Section 2. Terms of the Note. The Note shall be designated "General Obligation Promissory Note"; shall be issued in the principal amount of up to \$2,000,000; shall be dated its date of issuance; shall be in the denomination of \$1,000 or any integral multiple thereof; shall initially be numbered R-1; shall bear interest at the rate of 3.75% per annum (but only on such amounts as shall have been drawn under the Note from the dates such amounts are drawn); and shall mature on December 30, 2030. Principal of the Note may be drawn by the Village as needed up to the full principal amount of the Note, or so much thereof as the Village may require. Interest shall be payable on March 31 and November 30 of each year commencing on March 31, 2026. Interest shall be computed on a 365/360 basis. The Village must make its final draw on the Note on or before September 30, 2028, and after such date the Village shall no longer be permitted to make draws on the Note.

Section 3. Redemption Provisions. (a) The Note shall be subject to redemption prior to maturity, at the option of the Village, on any date. Said Note shall be redeemable as a whole or in part, at the principal amount thereof, plus accrued interest to the date of redemption. (b) The Note shall be subject to mandatory redemption in the years 2028-2030 such that the annual principal and interest due in those years, based on the amount of principal outstanding, shall be approximately equal.

Section 4. Form of the Note. The Note shall be issued in registered form and shall be executed and delivered in substantially the form attached hereto as Exhibit A 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 Note 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 2026 through 2029 for the payments due in the years 2026 through 2030 which tax shall be in such amounts as are necessary to provide for payment of the principal and interest on the Note when due. The amount of tax levied in the year 2026 shall be the total amount of debt service due on the Note in the years 2026 and 2027; provided that the amount of such tax carried onto the tax rolls shall be abated by any amounts appropriated pursuant to subsection (D) below which are applied to payment of principal of or interest on the Note in the year 2026.

(B) Tax Collection. So long as any part of the principal of or interest on the Note 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 Note, 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 Note 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.

(D) Appropriation. The Village hereby appropriates from taxes levied in anticipation of the issuance of the Note, proceeds of the Note or other funds of the Village on hand a sum sufficient to be irrevocably deposited in the segregated Debt Service Fund Account created below and used to pay debt service on the Note coming due in 2026.

Section 6. Segregated Debt Service Fund Account.

(A) Creation and Deposits. There shall 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 General Obligation Promissory Note" (the "Debt Service Fund Account") and such account shall be maintained until the indebtedness evidenced by the Note is fully paid or otherwise extinguished. There shall be deposited into the Debt Service Fund Account (i) all accrued interest received by the Village at the time of delivery of and payment for the Note; (ii) any premium which may be received by the Village above the par value of the Note 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 Note when due; (iv) such other sums as may be necessary at any time to pay principal of and interest on the Note 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 Note until all such principal and interest has been paid in full and the Note canceled; provided (i) the funds to provide for each payment of principal of and interest on the Note 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 Note may be used to reduce the next succeeding tax levy, or may, at the option of the Village, be invested by purchasing the Note 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 the Note has 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 Note; Segregated Borrowed Money Fund. The proceeds of the Note (the "Note Proceeds") (other than any premium and accrued interest which must be paid at the time of the delivery of the Note into the Debt Service Fund Account created above) shall be deposited into a special fund (the "Borrowed Money Fund") separate and distinct from all other funds of the Village and disbursed solely for the purpose or purposes for which borrowed. 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 or purposes for which the Note has been issued have been

accomplished, and, at any time, any monies as are not needed and which obviously thereafter cannot be needed for such purpose(s) 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 Note to be an "arbitrage bond" 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 Note, shall certify as to facts, estimates, circumstances and reasonable expectations in existence on the date of delivery of the Note to the Purchaser which will permit the conclusion that the Note is not an "arbitrage bond," 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 Note and the ownership, management and use of the projects will not cause the Note to be a "private activity bond" 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 Note 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 Note) if taking, permitting or omitting to take such action would cause the Note to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause interest on the Note to be included in the gross income of the recipients thereof for federal income tax purposes. The Village Clerk or other officer of the Village charged with the responsibility of issuing the Note 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 Note provided that in meeting such requirements the Village will do so only to the extent consistent with the proceedings authorizing the Note 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 Note is hereby designated as a "qualified tax-exempt obligation" 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 Note; Closing; Professional Services. The Note shall be issued in printed form, executed on behalf of the Village by the manual or facsimile signatures of the President and Village Clerk, 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 of the first draw on the Note, plus accrued interest to the date of delivery (the "Closing"). The facsimile signature of either of the officers executing the Note may be imprinted on the Note in lieu of the manual signature of the officer but, unless the Village has contracted with a fiscal agent to authenticate the Note, 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 Note

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 Note 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 Note, 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 Note is hereby ratified and approved in all respects.

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

Section 13. Persons Treated as Owners; Transfer of Note. The Village shall cause books for the registration and for the transfer of the Note 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 President and Village 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 Village shall cooperate in any such transfer, and the President and Village Clerk are authorized to execute any new Note or Notes necessary to effect any such transfer.


Section 14. Record Date. The 15th calendar day next preceding each principal and interest payment date shall be the record date for the Note (the "Record Date"). Payment of principal and interest on the Note on any payment date shall be made to the registered owners of the Note as they appear on the registration book of the Village at the close of business on the Record Date.

Section 15. Record Book. The Village 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 Note in the Record Book.

Section 16. Annual Financial Statements. Not later than six months after the end of its fiscal year, the Village shall provide the Purchaser with a copy of its audited financial statements.

Section 17. 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 December 15, 2025.


Howard K. Skinner
President

ATTEST:

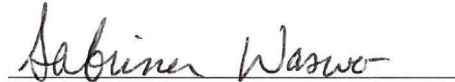

Sabrina Waswo
Village Clerk



EXHIBIT A

(Form of Note)

NUMBER	UNITED STATES OF AMERICA STATE OF WISCONSIN KENOSHA COUNTY VILLAGE OF TWIN LAKES	DOLLARS
R-1	GENERAL OBLIGATION PROMISSORY NOTE	\$2,000,000

MATURITY DATE: ORIGINAL DATE OF ISSUE: INTEREST RATE:

December 30, 2030 December 31, 2025 3.75%

REGISTERED OWNER: STATE BANK OF THE LAKES, N.A.

PRINCIPAL AMOUNT: TWO MILLION DOLLARS (\$2,000,000)

FOR VALUE RECEIVED, the Village of Twin Lakes, Kenosha County, Wisconsin (the "Village"), hereby acknowledges itself to owe and promises to pay to the registered owner identified above (or to registered assigns), on the maturity date identified above, the principal amount set forth above (but only so much as shall have been drawn hereunder), and to pay interest thereon (but only on amounts as shall have been drawn hereunder from the dates the amounts are drawn hereunder) at the rate of interest per annum identified above, all subject to the provisions set forth herein regarding redemption prior to maturity. Interest shall be payable on March 31 and November 30 of each year commencing on March 31, 2026 until the aforesaid principal amount is paid in full. If the entire principal amount on this Note is not drawn, the final principal installment shall be reduced so that the Village never pays more in principal than actually drawn. The Village must make its final draw on the Note on or before September 30, 2028, and after such date the Village shall no longer be permitted to make draws on the Note.

Both the principal of and interest on this Note are payable in lawful money of the United States by the Village Clerk or the Village Treasurer.

Payment of each installment of principal and interest shall be made to the registered owner who shall appear on the registration books of the Village maintained by the Village Clerk or the Village Treasurer at the close of business on the 15th day of the calendar month next preceding a principal and interest payment date (the "Record Date") and shall be paid by check or draft of the Village to such registered owner at his address as it appears on such registration books or at such other address as may be furnished in writing by such registered owner to the Village Clerk or the Village Treasurer. The final installment on this Note is payable upon presentation and surrender hereof at the office of the Village Clerk or the Village Treasurer.

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 Village are hereby irrevocably pledged.

This Note is issued by the Village pursuant to the provisions of Section 67.12(12), Wisconsin Statutes, for public purposes, including paying the cost of road improvements, a public works storage building, fire truck refurbishing and acquisition of vehicles, as authorized by a resolution adopted on December 15, 2025. Said resolution is recorded in the official minutes of the Village Board for said date.

The Note is subject to redemption prior to maturity, at the option of the Village, on any date. Said Note is redeemable as a whole or in part, at the principal amount thereof, plus accrued interest to the date of redemption.

The Note shall be subject to mandatory redemption in the years 2028-2030 such that the annual principal and interest due in those years, based on the amount of principal outstanding, shall be approximately equal.

Before the redemption of any of the Note, unless waived by the registered owner, the Village shall give notice of such redemption by registered or certified mail at least five (5) days prior to the date fixed for redemption to the registered owner of the Note to be redeemed, in whole or in part, at the address shown on the registration books. 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 Note 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 with the registered owner at that time. Upon such deposit of funds for redemption the Note shall no longer be deemed to be outstanding.

The Note is issued in registered form in the denomination of \$1,000 or any integral multiple thereof. This Note may be exchanged at the office of the Village Clerk or the Village Treasurer for a like aggregate principal amount of Note of the same maturity in other authorized denominations.

This Note is transferable by a written assignment duly executed by the registered owner hereof or by such owner's duly authorized legal representative. Upon such transfer a new registered Note, in authorized denomination or denominations and in the same aggregate principal amount, shall be issued to the transferee in exchange hereof.

The Village may deem and treat the registered owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof, premium, if any, hereon and interest due hereon and for all other purposes, and the Village shall not be affected by notice to the contrary.

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 Village, 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 irrevocable 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 Village 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.

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 Twin Lakes, Kenosha 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 President and Village Clerk; and to be sealed with its official or corporate seal, if any, all as of the original date of issue specified above.

VILLAGE OF TWIN LAKES
KENOSHA COUNTY, WISCONSIN

By: _____
Howard K. Skinner
President

(SEAL)

By: _____
Sabrina Waswo
Village Clerk

ASSIGNMENT

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

(Name and Address of Assignee)

(Social Security or other Identifying Number of Assignee)

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

Dated: _____

Signature Guaranteed:

(e.g. Bank, Trust Company
or Securities Firm)

(Registered Owner)

(Authorized Officer)

NOTICE: This signature must correspond with the name of the registered owner as it appears upon the face of the within Note in every particular, without alteration or enlargement or any change whatever.

*The Internal Revenue Code of 1986 (IRC Section 149) requires that for interest on a municipal obligation with a term greater than one year to be exempt from federal income tax, the obligation must be issued and remain in registered form.

Section 67.09, Wisconsin Statutes provides that the Village Clerk of the Village when acting as the registrar shall record the registration of each note or bond in its bond registrar. Therefore, if this Note is to be assigned, the Village Clerk of the Village should be notified and a copy of this Assignment should be sent to the Village Clerk of the Village for his or her records.