

The City Clerk read the following resolution:

Resolution No. 04-30

A RESOLUTION AUTHORIZING THE CITY OF SOUTH MILWAUKEE TO BORROW THE SUM OF \$4,950,000 BY ISSUING GENERAL OBLIGATION PROMISSORY NOTES PURSUANT TO SECTION 67.12(12) OF THE WISCONSIN STATUTES AND AUTHORIZING THE SALE OF THE NOTES

WHEREAS the City of South Milwaukee, Milwaukee County, Wisconsin (sometimes hereinafter called the "City") is presently in need of the sum of Four Million Nine Hundred Fifty Thousand Dollars (\$4,950,000) for public purposes, including paying part of the costs of capital improvement projects of the City; water and wastewater projects; and refunding obligations of the City; and

WHEREAS the Common Council deems it necessary and in the best interest of the City that the monies needed for such purposes be borrowed by issuing general obligation promissory notes pursuant to the provisions of Section 67.12(12), Wis. Stats., upon the terms and conditions hereinafter provided;

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of South Milwaukee, Milwaukee County, Wisconsin, that:

Section 1. Sale of Notes. The City shall sell and deliver its \$4,950,000 General Obligation Promissory Notes (the "Notes"), issued for the purposes above stated, to Hutchinson, Shockey, Erley & Co. (the "Purchaser") for the purchase price set forth in the Note Purchase Agreement attached hereto as Exhibit A and incorporated herein by this reference (the "Proposal"). The Proposal is hereby approved, and the appropriate City officials are hereby authorized and directed to execute the same.

Section 2. The Notes. The Mayor and City Clerk shall make, execute and deliver the Notes to the Purchaser, for and on behalf of the City. The Notes shall be negotiable, general obligation promissory notes of the City, registered as to both principal and interest, in the denomination of Five Thousand Dollars (\$5,000) each or whole multiples thereof, numbered from R-1 upward and dated July 1, 2004. The Notes shall bear interest at the rates per annum set forth in the Proposal and shall mature on June 1 of each year, in the years and principal

amounts set forth in the Proposal and the debt service schedule attached hereto as Exhibit B and incorporated herein by this reference (the "Schedule").

Interest on the Notes shall be payable on June 1 and December 1 of each year, commencing June 1, 2005.

Notes maturing in the years 2013 and 2014 shall be subject to call and prior payment at the option of the City in whole or from time to time in part on June 1, 2012 or any date thereafter at the price of par plus accrued interest to the date of redemption.

Section 3. Form of Notes. The Notes shall be in substantially the form attached hereto as Exhibit C and incorporated herein by this reference.

Section 4. Tax Provisions.

(A) Direct, Annual Irrepealable Tax. For the purpose of paying the principal of and interest on the Notes as the same become due, the full faith, credit and resources of the City are hereby irrevocably pledged and there be and there hereby is levied on all the taxable property in the City a direct, annual, irrepealable tax in the years 2004 through 2013 for payment of principal of and interest on the Notes in the years 2005 through 2014 in the amounts set forth in the Schedule.

(B) Tax Collection. The City 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 into the tax rolls of the City and collected as other taxes are collected, provided that the amount of tax carried into said tax rolls may be reduced in any year by the amount of any surplus money in the Debt Service Account created in Section 5(A) hereof.

(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 City then available, which sums shall be replaced upon the collection of the taxes herein levied.

Section 5. Debt Service Fund and Account.

(A) Creation and Deposits. There be and there hereby is established in the treasury of the City, 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. Sinking funds established for obligations previously issued by the City may be considered as separate and distinct accounts within the debt service fund.

Within the debt service fund, there be and there hereby is established a separate and distinct account designated as the "Debt Service Account for \$4,950,000 'General Obligation Promissory Notes,' dated July 1, 2004" (the "Debt Service Account") and such account shall be maintained until the indebtedness evidenced by the Notes is fully paid or otherwise extinguished. The City Treasurer shall deposit in such Debt Service Account (i) all accrued interest received by the City at the time of delivery of and payment for the Notes; (ii) the taxes herein levied for the specific purpose of meeting principal of and interest on the Notes when due; (iii) such other sums as may be necessary at any time to pay principal of and interest on the Notes when due; (iv) any premium which may be received by the City above the par value of the Notes and accrued interest thereon; (v) surplus monies in the Borrowed Money Fund as specified in Section 6 hereof; and (vi) such further deposits as may be required by Sec. 67.11, Wis. Stats.

(B) Use and Investment. No money shall be withdrawn from the Debt Service 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 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 City, be invested by purchasing the Notes as permitted by and subject to Section 67.11(2)(a), Wis. Stats., in interest-bearing obligations of the United States of America, in other obligations of the City or in other investments permitted by law, which investments shall continue to be a part of the Debt Service Account.

(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 Account shall be deposited in the general fund of the City, unless the Common Council directs otherwise.

Section 6. Proceeds of the Notes. All monies received by the City upon the delivery of the Notes to the Purchaser thereof, except for accrued interest and premium, if any, shall be deposited by the City Treasurer into a special fund (the "Borrowed Money Fund") which shall be maintained separate and distinct from all other funds of the City and shall be used for no purpose other than the purposes for which the Notes are issued. Monies in the Borrowed Money Fund may be temporarily invested as provided in Section 66.0603(1m), Wis. Stats. Any monies, including any income from permitted investments, remaining in the Borrowed Money Fund after the purposes for which the Notes 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 Account.

Section 7. No Arbitrage. All investments permitted by this resolution shall be legal 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 Internal Revenue Code of 1986, as amended (the "Code"), or the Regulations of the Commissioner of Internal Revenue thereunder (the "Regulations"); and an officer of the City, charged with the responsibility for issuing the Notes, shall certify as to facts, estimates, circumstances and reasonable expectations in existence on the date of closing which will permit the conclusion that the Notes are not "arbitrage bonds," within the meaning of the Code or Regulations.

Section 8. Persons Treated as Owners; Transfer of Notes. The City Clerk shall keep books for the registration and for the transfer of the Notes. 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 City Clerk, 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 Mayor and City 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 City Clerk shall record the name of each transferee in the registration book. No registration shall be made to bearer. The City Clerk shall cancel any Note surrendered for transfer.

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

The fifteenth day of each calendar month next preceding each interest payment date shall be the record dates for the Notes. 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 City at the close of business on the corresponding record date.

Section 9. Compliance with Federal Tax Laws. (a) The City represents and covenants that the projects financed by the Notes and the Refunded Obligations defined in Section 12 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 City 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 City 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 City Clerk or other officer of the City charged with the responsibility of issuing the Notes shall provide an appropriate certificate of the City certifying that the City can and covenanting that it will comply with the provisions of the Code and Regulations.

(b) The City 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 City will do so only to the extent consistent with the proceedings authorizing the Notes and the laws 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 Internal Revenue Code of 1986, as amended, 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. 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, the City agrees to the applicable provisions set forth in the Blanket Issuer Letter of Representations previously executed on behalf of the City and on file in the City Clerk's office.

Section 12. Redemption of Refunded Obligations. The City has outstanding its General Obligation Promissory Notes, dated August 15, 1996 (the "Refunded Obligations"). The Refunded Obligations maturing in the years 2005 and 2006 (the "Refunded Obligations") are called for prior payment on July 19, 2004 at the price of par plus accrued interest to the date of redemption.

The City Clerk shall cause timely notice of the call of the Refunded Obligations to be redeemed to be given by mailing a notice thereof, in substantially the form attached hereto as Exhibit D and incorporated herein by this reference, by registered or certified mail no later than June 19, 2004, to the registered owner of each Refunded Obligation to be redeemed at the address shown on the registration books.

In addition to the official notice of redemption provided for in the paragraph above, the City Clerk shall cause further notice of the redemption of the Refunded Obligations to be given on behalf of the City to all nationally recognized municipal securities information repositories, to all registered securities depositories in the business of holding substantial

amounts of obligations of types such as the Refunded Obligations (such depositories being Depository Trust Company of New York, New York) and to one or more national information services that disseminate notices of redemption of obligations such as the Refunded Obligations. Each further notice of redemption shall be sent by registered or certified mail, overnight express delivery, facsimile transmission or email transmission and shall contain the information set forth in the official notice of redemption provided on Exhibit D.

Section 13. Undertaking to Provide Continuing Disclosure. The City covenants and agrees, for the benefit of the holders of the Notes, to enter into a written undertaking (the "Undertaking") required by SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934 (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 holders of the Notes or by the original purchaser(s) of the Notes on behalf of such holders (provided that the rights of the holders and the purchaser(s) to enforce the Undertaking shall be limited to a right to obtain specific performance of the obligations thereunder and any failure by the City to comply with the provisions of the Undertaking shall not be an event of default with respect to the Notes).

The City Clerk, or other officer of the City charged with the responsibility for issuing the Notes, shall provide a Continuing Disclosure Certificate for inclusion in the transcript of proceedings, setting forth the details and terms of the City's Undertaking.

Section 14. Records. The City Clerk shall provide and keep a separate 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 these Notes.

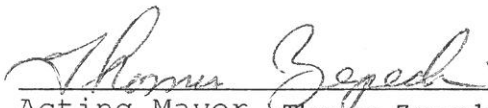
Section 15. Bond Insurance. If the Purchaser of the Notes determines to obtain municipal bond insurance with respect to the Notes, the officers of the City are authorized to take all actions necessary to obtain such municipal bond insurance. The Mayor and City Clerk are authorized to agree to such additional provisions as the bond insurer may reasonably request and which are acceptable to the Mayor and City 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, appropriate reference to the municipal bond insurance policy shall be made in the form of Note provided herein.

Section 16. Closing. The Mayor and City Clerk of the City are hereby authorized and directed to execute and deliver the Notes to the Purchaser thereof upon receipt of the borrowed funds, accrued interest to date of delivery and premium, if any. The Mayor and City Clerk may execute the Notes by manual or facsimile signature, but at least one of said officers shall sign the Notes manually.

The officers of the City are hereby directed and authorized to take all steps necessary or convenient to close this issue as soon as practicable hereafter, in accordance with the terms of sale thereof; and said officers are hereby authorized and directed to execute and deliver such documents, certificates and acknowledgments as may be necessary or convenient in accordance therewith.

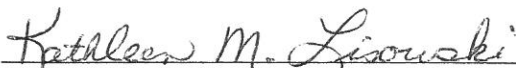
Adopted, approved and recorded June 15, 2004.



Acting Mayor, Thomas Zepecki

(SEAL)

Attest:



City Clerk, Kathleen M. Lisowski

Aldersperson Stoner moved that Resolution No. 04-30 be adopted. Motion seconded by Aldersperson Moran and carried by the following vote:

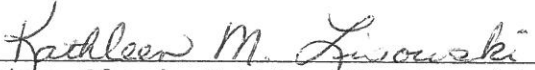
Ayes: Moran, Baumgartner, Stoner, Zepecki, Raduenz, Clark and Bartoshevich

Nos: none

The Acting Mayor declared the resolution adopted and approved and the Acting Mayor and City Clerk signed same in the appropriate manner in open meeting.

(Here occurred business not pertinent to the note issue.)

There being no further business to come before the meeting, the meeting adjourned.



City Clerk, Kathleen M. Lisowski

EXHIBIT A
PURCHASE PROPOSAL
(SEE ATTACHED)

HSE

HUTCHINSON, SHOCKEY, ERLEY & CO.

Established 1957

1110 Old World 3rd Street - Suite 630 • Milwaukee, WI 53203

Phone: (414) 298-9898

Fax: (414) 298-9893

June 15, 2004

Mr. Thomas G. Zepecki
Acting Mayor
Common Council
City of South Milwaukee
2424 – 15th Avenue
South Milwaukee, WI 53172

Re: \$4,950,000 General Obligation Promissory Notes
Dated July 1, 2004

Dear Acting Mayor Zepecki and Common Council Members:

At the present time the City of South Milwaukee (the "City") is in need of funds for the public purposes of refunding the outstanding maturities of the City's General Obligation Promissory Notes dated August 15, 1996 on the early redemption date of July 19, 2004, and paying the cost of capital improvements included in the City's 2004 capital improvement budget.

Based upon the foregoing, Hutchinson, Shockey, Erley & Co. (the "Purchaser") will pay the City the sum of \$4,865,000 plus accrued interest from July 1, 2004 to the date of delivery of \$4,950,000 par value of the City of South Milwaukee General Obligation Promissory Notes dated July 1, 2004 (the "Notes").

The Notes shall mature and pay interest as set forth on the attached Debt Service Schedule.

The City agrees to issue and deliver the Notes in book-entry-only form via Depository Trust Company, New York, New York as securities depository for the Notes.

The obligations of the Purchaser to accept delivery of and make payment for the Notes, is strictly contingent upon the following:

1. The City shall agree that the Preliminary Official Statement dated May 27, 2004, which is incorporated herein by this reference, has been and may be used by Hutchinson, Shockey, Erley & Co. in connection with the offering of the Notes until the Final Official Statement is delivered to the Purchaser.

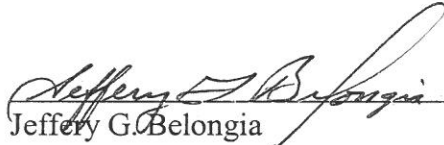
Mr. Thomas G. Zepecki, Acting Mayor
Common Council Members
City of South Milwaukee
June 15, 2004
Page 2

2. No representation of the City contained in the Official Statement or the Note Resolution adopted on June 15, 2004 (the "Note Resolution") by the Common Council shall prove to have been false in any material respect.
3. That no litigation shall be pending or threatened concerning the issuance of the Notes or the validity of the Note Resolution.
4. That no impediment exists for the issuance of the unqualified approving opinion of Quarles & Brady LLP, Milwaukee, Wisconsin in substantially the form contained in Appendix B of the Official Statement.
5. That no action by Congress, the Securities and Exchange Commission or a court shall have occurred which would require the registration of the Notes under the Securities Act of 1933, as amended.
6. That no material restriction not presently in force on trading in securities generally shall have been imposed.
7. That no banking moratorium shall have been imposed.
8. That the City shall have entered into an undertaking substantially in the form attached to the Preliminary Official Statement as Appendix C to provide continuing disclosure in accordance with SEC Rule 15c2-12.
9. The Purchaser shall pay the following expenses in connection with this issue:
 - a. Bond Counsel fee;
 - b. Bond insurance fee;
 - c. Rating fee (Moody's Investors Service, Inc.);
 - d. Printing and distribution of Official Statements.

Hutchinson, Shockey, Erley & Co.

Mr. Thomas G. Zepecki, Acting Mayor
Common Council Members
City of South Milwaukee
June 15, 2004
Page 3

This proposal is for your prompt acceptance.

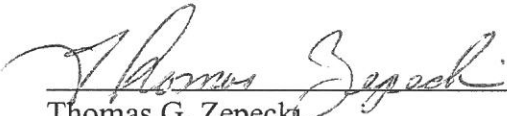


Jeffery G. Belongia
Senior Vice President
Hutchinson, Shockey, Erley & Co.

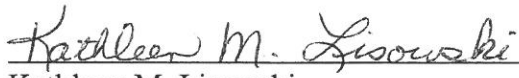
cc: Brian Lanser
Quarles & Brady LLP

Accepted this 15th day of June 2004.
City of South Milwaukee

By:



Thomas G. Zepecki
Acting Mayor



Kathleen M. Lisowski
City Clerk

CITY OF SOUTH MILWAUKEE
\$4,950,000 G O PROMISSORY NOTES
FINAL PRICING

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Debt Service Schedule

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Date	Principal	Coupon	Interest	Period Total	Fiscal Total
6/ 1/ 5	545,000.00	2.250000	155,884.90	700,884.90	
12/ 1/ 5			78,896.88	78,896.88	779,781.77
6/ 1/ 6	555,000.00	2.500000	78,896.88	633,896.88	
12/ 1/ 6			71,959.38	71,959.38	705,856.25
6/ 1/ 7	225,000.00	3.000000	71,959.38	296,959.38	
12/ 1/ 7			68,584.38	68,584.38	365,543.75
6/ 1/ 8	450,000.00	3.375000	68,584.38	518,584.38	
12/ 1/ 8			60,990.63	60,990.63	579,575.00
6/ 1/ 9	450,000.00	3.375000	60,990.63	510,990.63	
12/ 1/ 9			53,396.88	53,396.88	564,387.50
6/ 1/10	425,000.00	3.875000	53,396.88	478,396.88	
12/ 1/10			45,162.50	45,162.50	523,559.38
6/ 1/11	425,000.00	3.900000	45,162.50	470,162.50	
12/ 1/11			36,875.00	36,875.00	507,037.50
6/ 1/12	625,000.00	3.900000	36,875.00	661,875.00	
12/ 1/12			24,687.50	24,687.50	686,562.50
6/ 1/13	625,000.00	3.900000	24,687.50	649,687.50	
12/ 1/13			12,500.00	12,500.00	662,187.50
6/ 1/14	625,000.00	4.000000	12,500.00	637,500.00	
12/ 1/14					637,500.00
	-----		-----	-----	
	4,950,000.00		1,061,991.15	6,011,991.15	
ACCRUED					
	4,950,000.00		1,061,991.15	6,011,991.15	
	=====		=====	=====	

Dated 7/ 1/ 4 with Delivery of 7/ 1/ 4

Bond Years 28,367.500

Average Coupon 3.743690

Average Life 5.730808

N I C % 4.043328 % Using 98.2828283

T I C % 4.070860 % From Dated Date

Bond Insurance:
0.250000 % of (Total Debt Service Only) = 15,029.98

Prepared by HUTCHINSON, SHOCKEY, ERLEY & CO. -- Milwaukee, Wisconsin

Date: 06-15-2004 @ 10:41:05 Filename: SOMILW Key: 4.950

EXHIBIT B

DEBT SERVICE SCHEDULE AND IRREPEALABLE TAX LEVIES

(SEE ATTACHED)

CITY OF SOUTH MILWAUKEE
 \$4,950,000 G O PROMISSORY NOTES
 FINAL PRICING

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Debt Service Schedule

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Date	Principal	Coupon	Interest	Period Total	Fiscal Total
6/ 1/ 5	545,000.00	2.250000	155,884.90	700,884.90	
12/ 1/ 5			78,896.88	78,896.88	779,781.77
6/ 1/ 6	555,000.00	2.500000	78,896.88	633,896.88	
12/ 1/ 6			71,959.38	71,959.38	705,856.25
6/ 1/ 7	225,000.00	3.000000	71,959.38	296,959.38	
12/ 1/ 7			68,584.38	68,584.38	365,543.75
6/ 1/ 8	450,000.00	3.375000	68,584.38	518,584.38	
12/ 1/ 8			60,990.63	60,990.63	579,575.00
6/ 1/ 9	450,000.00	3.375000	60,990.63	510,990.63	
12/ 1/ 9			53,396.88	53,396.88	564,387.50
6/ 1/10	425,000.00	3.875000	53,396.88	478,396.88	
12/ 1/10			45,162.50	45,162.50	523,559.38
6/ 1/11	425,000.00	3.900000	45,162.50	470,162.50	
12/ 1/11			36,875.00	36,875.00	507,037.50
6/ 1/12	625,000.00	3.900000	36,875.00	661,875.00	
12/ 1/12			24,687.50	24,687.50	686,562.50
6/ 1/13	625,000.00	3.900000	24,687.50	649,687.50	
12/ 1/13			12,500.00	12,500.00	662,187.50
6/ 1/14	625,000.00	4.000000	12,500.00	637,500.00	
12/ 1/14					637,500.00
	4,950,000.00		1,061,991.15	6,011,991.15	
ACCRUED	4,950,000.00		1,061,991.15	6,011,991.15	

Dated 7/ 1/ 4 with Delivery of 7/ 1/ 4
 Bond Years 28,367.500
 Average Coupon 3.743690
 Average Life 5.730808
 N I C % 4.043328 % Using 98.2828283
 T I C % 4.070860 % From Dated Date

Bond Insurance:
 0.250000 % of (Total Debt Service Only) = 15,029.98

Prepared by HUTCHINSON, SHOCKEY, ERLEY & CO. -- Milwaukee, Wisconsin

Date: 06-15-2004 @ 10:41:05 Filename: SOMILW Key: 4.950

EXHIBIT C

UNITED STATES OF AMERICA
STATE OF WISCONSIN
COUNTY OF MILWAUKEE
CITY OF SOUTH MILWAUKEE

GENERAL OBLIGATION PROMISSORY NOTE

<u>Number</u>	<u>Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>Amount</u>	<u>CUSIP</u>
R-	%		July 1, 2004	\$	

FOR VALUE RECEIVED, the City of South Milwaukee, Milwaukee County, Wisconsin, promises to pay to _____, or registered assigns, the principal amount of _____ DOLLARS (\$ _____) on the maturity date specified above, together with interest thereon from July 1, 2004 or the most recent payment date to which interest has been paid, unless the date of registration of this Note is after the 15th day of the calendar month immediately preceding an interest payment date, in which case interest will be paid from such interest payment date, at the rate per annum specified above, such interest being payable on June 1 and December 1 of each year, with the first interest on this issue being payable on June 1, 2005.

Notes of this issue maturing in the years 2013 and 2014 shall be subject to call and prior payment at the option of the City in whole or from time to time in part on June 1, 2012 or any date thereafter at the price of par plus accrued interest to the date of redemption. Notice of such call shall be given by sending a notice thereof by registered or certified mail, facsimile transmission or overnight express delivery at least thirty (30) days prior to the date fixed for redemption to the registered owner of each Note to be redeemed at the address shown on the registration books.

Both principal hereof and interest hereon are hereby made payable to the registered owner in lawful money of the United States of America, and for the prompt payment of this Note with interest thereon as aforesaid, and the levying and collection of taxes sufficient for that purpose, the full faith, credit and resources of the City of South Milwaukee, Wisconsin, are hereby irrevocably pledged. The principal of this Note shall be payable only upon presentation and surrender of this Note at the

office of the City Treasurer. Interest hereon shall be payable by check or draft dated as of the applicable interest payment date and mailed from the office of the City Treasurer to the person in whose name this Note is registered at the close of business on the fifteenth day of the calendar month next preceding each interest payment date.

This Note is transferable only upon the books of the City kept for that purpose at the office of the City Clerk, 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 City Clerk duly executed by the registered owner or his duly authorized attorney. Thereupon a new Note or Notes of the same aggregate principal amount, series and maturity shall be issued to the transferee in exchange therefor. The City may deem and treat the person 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 interest hereof and for all other purposes. The Notes are issuable solely as negotiable, fully-registered Notes without coupons in authorized denominations of \$5,000 or any whole multiple thereof.

This Note is issued pursuant to the provisions of Section 67.12(12), Wisconsin Statutes, for public purposes, including paying part of the costs of capital improvement projects of the City; water and wastewater projects; and refunding obligations of the City, and is authorized by a resolution of the Common Council of the City, duly adopted by said Common Council at its meeting duly convened on June 15, 2004, which resolution is recorded in the official book of its minutes for said date.

This Note has been designated by the City as a "qualified tax-exempt obligation" for purposes of Section 265 of the Internal Revenue Code of 1986, as amended.

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 City, including this Note and others authorized simultaneously herewith, does not exceed any limitation imposed by law or the Constitution of the State of Wisconsin; and that the City has levied a direct, annual irrepealable tax sufficient to pay this Note, together with interest thereon when and as payable.

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 Common Council of the City of South Milwaukee, Milwaukee County, Wisconsin, has caused this Note to be signed on behalf of said City by its duly qualified and acting Mayor and City Clerk, and its corporate seal to be impressed hereon, all as of the date of original issue specified above.

(SEAL)

CITY OF SOUTH MILWAUKEE,
MILWAUKEE COUNTY, WISCONSIN

By _____
City Clerk

By _____
Mayor

(Form of Assignment)

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

(Please print or typewrite name and address, including zip code, of Assignee)

Please insert Social Security or other identifying number of Assignee

the within Note, and all rights thereunder, hereby irrevocably constituting and appointing

Attorney to transfer said Note on the books kept for the registration thereof with full power of substitution in the premises.

Dated:

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

Signature(s) guaranteed by:

EXHIBIT D

_____, 2004

The Depository Trust Company
Attn.: Supervisor, Call Notification Department
55 Water Street
50th Floor
New York, NY 10041-0099

Re: City of South Milwaukee, Wisconsin
General Obligation Promissory Notes
Date of Original Issue - August 15, 1996

Notice is hereby given that the Notes of the above-described issue which mature on the dates and bear interest at the rates set forth below, have been called for prior payment on July 19, 2004 at the price of par plus accrued interest to the redemption date.

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>CUSIP No.</u>	<u>Principal Amount</u>
04/01/05	4.70%	838855QJ6*	\$310,000
04/01/06	4.75	838855QK3*	330,000

The Notes to be redeemed should be presented for payment at the office of the City of South Milwaukee, 2424 15th Avenue, South Milwaukee, Wisconsin 53172. The City will deposit federal or other immediately available funds sufficient for such redemption at the office of The Depository Trust Company on or before July 19, 2004.

Such Notes will cease to bear interest on July 19, 2004.

BY ORDER OF THE COMMON COUNCIL
City of South Milwaukee
City Clerk

* Indicates a full call of CUSIP

cc: Mergent/FIS, Inc.
Xcitek

(General Obligation Promissory Notes)

Excerpts of Minutes of Meeting
of Common Council Held June 15, 2004

A duly-convened meeting of the Common Council of the City of South Milwaukee, Milwaukee County, Wisconsin, was held in open session on June 15, 2004 and called to order by the Acting Mayor at 7:00 P.M. The following Alderpersons were present:

Moran, Baumgartner, Stoner, Zepecki, Raduenz, Clark and Bartoshevich

The following Alderpersons were absent:

Navarro

The Acting Mayor opened the meeting by announcing that this was an open meeting of the Common Council. Notice of this meeting was given to the public at least 24 hours in advance of the meeting by forwarding the complete agenda to the official City newspaper, the Voice Graphic, and to all news media who have requested the same as well as posting. Copies of the complete agenda were available for inspection at the City Clerk's office. Anyone desiring information as to forthcoming meetings should contact the City Clerk's office.

(Here occurred matters not pertinent to the note issue.)