

FEDERAL TAX COMPLIANCE CERTIFICATE



203H (8/06)

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Village of Fontana-on-Geneva Lake, Wisconsin
(The "Municipality")

\$ 179,000.00 Promissory Note

Dated December 7, 2007 (the "Obligations")

The Municipality represents and covenants as follows:


1. None of the proceeds of the Obligations will be used, either directly or indirectly, (a) to make or finance loans to persons other than state and local governments or (b) in any trade or business carried on by any person other than a governmental unit. No payment of the principal or interest on the Obligations will be made (directly or indirectly, to the Municipality or any other party) from trade or business use of the proceeds or will be otherwise secured by or derived from property used in a trade or business or payments in respect of such property. No part of the projects financed by the Obligations (the "Projects") is or will be owned by persons other than the Municipality. There are and will be no leases, management or incentive payment contracts, take-or-pay or other output contracts or similar arrangements between the Municipality and any nongovernmental person with respect to the Projects. (1)
2. The Municipality has designated the Obligations as "qualified tax-exempt obligations" for purposes of Section 265 of the Internal Revenue Code of 1986, relating to the ability of financial institutions to deduct, for federal income tax purposes, interest expense allocable to carrying or acquiring municipal obligations. The aggregate principal amount of tax-exempt governmental obligations issued by the Municipality and all subordinate entities in the current calendar year (including obligations issued on behalf of 501(c)(3) corporations) will not exceed \$10,000,000. (2) (3) (4)
3. The payment of principal or interest with respect to the Obligations will not be guaranteed, either directly or indirectly, in whole or in part, by the United States or any agency or instrumentality thereof. None of the proceeds of the Obligations will be (i) used in making loans the payment of principal or interest with respect to which are to be guaranteed, in whole or in part, by the United States or any agency or instrumentality thereof, or (ii) invested directly or indirectly in federally insured deposits or accounts, except for proceeds invested during permitted temporary periods or in the debt service fund for the Obligations or as otherwise permitted under Section 149(b)(3) of the Internal Revenue Code of 1986, as amended.
4. Any expenditures already paid by the Municipality for which the Municipality is to be reimbursed with proceeds of the Obligations (a) were paid no more than 60 days before the date on which the Municipality adopted the resolution authorizing the issuance of Obligations to finance the projects or stating its intention to reimburse itself from the proceeds of the Obligations for any expenditures relating to the Projects which it paid from other funds of the Municipality prior to receipt of the proceeds of the Obligations ("Original Expenditure"); or (b) are preliminary expenditures relating to the Projects (such as architectural, engineering, surveying, soil testing and similar costs but not including land acquisition, site preparation and similar costs incident to the commencement of construction) which are in an amount which is less than 20% of the issue price of the portion of the Obligations which relates to those Projects; or (c) are in an amount that does not exceed the lesser of \$100,000 or five percent of the face value of the issue. If (a) is true, a written allocation that evidences the Municipality's use of the proceeds to reimburse an Original Expenditure has been or will be made not later than 18 months (5) after the date of the Original Expenditure is paid, or the date the project is placed in service or abandoned, whichever is later. (6)

IN WITNESS WHEREOF, we have executed this certificate in our official capacities to be effective this 7th day of


December, 2007 (7)


Ronald Pollitt

President


Dennis Martin

Village Clerk


Peggy Pollitt

Treasurer

- (1) The purpose of this certification is to demonstrate that the Obligations are not "private activity bonds." If they are, they are subject to additional requirements and restrictions, if they can be issued on a tax-exempt basis at all. Lenders are advised to obtain legal assistance before proceeding with a loan in such a case. Common examples of arrangements which can result in private activity bond status are the sale or lease of property to private parties, reserved capacity arrangements or other special arrangements regarding sewage treatment facilities, leases or management contracts with respect to hospitals, airports or similar enterprises, or development agreements in tax increment projects.
- (2) Subordinate entities include entities deriving their issuing authority from the Municipality or subject to substantial control by the Municipality. (e.g., a municipal water or sewerage commission or housing authority).
- (3) Private activity bonds (such as "industrial development bonds") do not count toward the \$10,000,000 limitation; however, obligations issued on behalf of 501(c)(3) corporations (commonly hospitals or nursing homes) do count toward the \$10,000,000 limit.
- (4) If this certification cannot be made, lenders will not be entitled to deduct, for federal income tax purposes, interest expense that is allocable to carrying or acquiring the Obligations.
- (5) This time limitation is extended to 3 years if the aggregate face amount of all tax-exempt bonds or notes issued by the Municipality during the calendar year in which the Obligations are incurred is reasonably expected not to exceed \$5,000,000.
- (6) The purpose of this certification is to demonstrate that the Municipality has complied with the federal reimbursement regulations under Section 1.150-2 of the Internal Revenue Code Regulations, as amended. These regulations limit the ability of a municipality to use the proceeds of a tax-exempt borrowing to reimburse itself for expenditures previously made on a project. Generally, these rules apply to construction or acquisition financing; special reimbursement rules apply for refundings. If the Municipality cannot make the certifications contained in this paragraph, consult your attorney.
- (7) This certificate should be dated the date that payment for the Obligations is actually received.

PROMISSORY NOTE

No. _____

Village of Fontana-on-Geneva Lake
(NAME)\$ 179,000.00Dated December 7, 2007

1. **Promise to Pay and Payment Schedule.** For value received, the Village of Fontana-on-Geneva Lake, Walworth County, Wisconsin ("Village"), promises to pay to Walworth State Bank, or registered assigns, ("Lender") the sum of One Hundred Seventy Nine Thousand and xx/100 Dollars (\$ 179,000.00), payable with interest at the rate of Four and One Half percent (4.50%) per annum as follows:

[Check (a), (b), (c) or (d); only one shall apply.]

- (a) ☐ **Single Payment.** In one payment on n/a, PLUS interest payable as set forth below.
- (b) ☒ **Installments of Principal and Interest.** In 10 equal payments of \$ 22,626.38 due on 12-07-08 and on ☒ the same day(s) of each Twelfth month thereafter ☐ every 7th day thereafter ☐ every 14th day thereafter, PLUS a final payment of the unpaid balance and accrued interest due on December 7, 2017. All payments include principal and interest.
- (c) ☐ **Installments of Principal.** In n/a equal payments of principal of \$ n/a due on n/a and on ☐ the same day(s) of each n/a month thereafter ☐ every 7th day thereafter ☐ every 14th day thereafter, PLUS a final payment of the unpaid principal due on n/a, PLUS interest payable as set forth below.
- (d) ☐ **Other.** n/a

Principal and interest on this note shall be payable only to the Lender in lawful money of the United States of America at the office of the Lender. The final installment of principal on this note shall be payable only upon presentation and surrender of this note to the Village Treasurer.

2. **Interest Payment.** Interest is payable on n/a, and on ☐ the same day of each n/a month thereafter, ☐ every 7th day thereafter, ☐ every 14th day thereafter, and at maturity, or, if box 1(b) is checked, at the times so indicated. Interest is computed for the actual number of days principal is unpaid on the basis of ☐ a 360 day year ☒ a 365 day year.

3. **Prepayment.** Full or partial prepayment of this note ☐ is not permitted ☒ is permitted on any principal or interest payment date without penalty on or after December 8, 2007. All prepayments shall be applied first upon the unpaid interest and then applied upon the unpaid principal in inverse order of maturity.

4. **Other Charges.** If any payment (other than the final payment) is not made on or before the 10th day after its due date, Lender may collect a delinquency charge of na % of the unpaid amount. Unpaid principal and interest bear interest after maturity until paid (whether by acceleration or lapse of time) at the rate ☒ which would otherwise be applicable plus 2.00 percentage points ☐ of na % per year, computed on the basis of ☐ a 360 day year ☒ a 365 day year. Village agrees to pay a charge of \$25.00 for each check presented for payment under this note which is returned unsatisfied.

5. **Security.** For the prompt payment of this note with interest and the levying and collection of taxes sufficient for that purpose, the full faith, credit and resources of the Village are hereby irrevocably pledged.

6. **Transferability.** This note is transferable only upon the records of the Village kept for that purpose at the office of the Village Clerk, by the Lender in person or its legal representative duly authorized in writing, upon presentation of a written instrument of transfer satisfactory to the Village Clerk and upon such transfer being similarly noted hereon. The Village 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.

7. **Terms and Purposes; Authorization.** This note issued under the terms of and for purposes specified in Section 67.12(12), Wisconsin Statutes; and is authorized by a resolution of the Village Board duly adopted by the Board at its open meeting duly convened on December 3, 2007 which resolution is recorded in the official book of its minutes pertaining to said date.

8. **Internal Revenue Code.** This note has been designated by the Village as a "qualified tax-exempt obligation" for purposes of Section 265 of the Internal Revenue Code of 1986, as amended. (1)

9. **Certifications and Recitations of Village.** It is hereby certified and recited that all conditions, things and acts required by law to exist, to be 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, does not exceed any limitation imposed by law, and that the Village has levied a direct annual irrepealable tax sufficient to pay this note together with interest thereon when and as payable.

THIS NOTE CONTAINS ADDITIONAL PROVISIONS ON REVERSE SIDE

Village of Fontana-on-Geneva Lake

(Impress official or corporate seal, if any)

Walworth

County, Wisconsin

By

Ronald Pollitt

PRESIDENT

By

Dennis Martin

VILLAGE CLERK

(1) Delete this paragraph if the Village will be issuing more than \$10,000,000 of tax-exempt obligations in the calendar year. In that case, lenders will not be entitled to deduct, for federal income tax purposes, interest expense that is allocable to carrying or acquiring the note.

NOTE: Official or corporate seal, if any, to be affixed.

(SEE REVERSE FOR REGISTRATION PROVISIONS)

CERTIFICATE

STATE OF WISCONSIN

County of Walworth

} ss.

I, Dennis Martin
 hereby certify to Walworth State Bank
 (NAME OF LENDER) and any other owner or owners of the note(s) as follows:

1. That I am the duly qualified and acting Clerk of the Village of Fontana-on-Geneva Lake, Walworth
 County, Wisconsin (hereinafter called the "Village") and that I was such at all of the times mentioned in this certificate.

2. That the following are all members-elect of the governing body of the Village, and were duly qualified and acting as such at all times mentioned in this certificate:

<u>William Turner</u>	<u>Pat Kenney</u>
<u>Ron Pollitt</u>	<u>George Spadoni</u>
<u>Arvid Petersen</u>	<u>Robert Youngquist</u>
<u>Merilyce O'Connell</u>	

3. That the following named persons, whose authentic signatures are hereto subscribed, are the duly qualified and acting officers of the Village presently holding the offices set forth opposite their respective names below:

NAME	OFFICE	MANUAL SIGNATURE
<u>Ronald Pollitt</u>	President	<u>Ronald Pollitt</u>
<u>Dennis Martin</u>	Village Clerk	<u>Dennis Martin</u>
<u>Peggy Pollitt</u>	Village Treasurer	<u>Peggy Z. Pollitt</u>

4. That there is no controversy or litigation pending or threatened affecting the corporate existence of the Village, its boundaries, the right or title to office of any of its officers, or in any manner affecting the due authorization or validity of the borrowings by the Village.

5. That at a duly-convened meeting of the Village Board of the Village, which is the governing body, held in open session at Walworth State Bank, Wisconsin, at 6:00 o'clock, P.M., on the 3rd day of December, 2007 at which 6 of the members-elect were present in person, a resolution authorizing the Village to borrow the sum of One Hundred Seventy Nine and xx/1 Dollars (\$179,000.00) from Walworth State Bank, Wisconsin pursuant to Section 67.12(12), Wisconsin Statutes, was duly adopted by the affirmative vote of 6 of the members present at the meeting; that said resolution has been duly recorded in the minutes and proceedings of said meeting and is in full force and effect on the date of this certificate; and that a true and correct copy of said resolution is attached hereto, marked Exhibit A and made a part hereof.

6. That there is attached hereto, marked Exhibit B and made a part hereof, a certificate of the Treasurer of the Village certifying that the aggregate indebtedness and obligations of all kinds of the Village outstanding on the date affixed to said certificate, including the note issue in support of which this certificate is executed, total \$ 17,347,702.00 (1); that I know said officer and saw him/her execute said certificate; and that the matters stated therein are true and complete.

8. That the value of all of the taxable property in the Village, as equalized for state purposes by the Wisconsin Department of Revenue, is \$ 1,222,875,600.00 (2).

IN WITNESS WHEREOF, I have executed this certificate in my official capacity to be effective this 7th day of December, 2007 (3).

Dennis Martin
 VILLAGE CLERK Dennis Martin

Approved as correct:

Ronald Pollitt
 PRESIDENT Ronald Pollitt

Peggy Z. Pollitt
 VILLAGE TREASURER Peggy Pollitt

(1) This aggregate indebtedness must not exceed the restrictions described in paragraph (8) of instruction sheet.

(2) See Certificate of Full Equalized Value (WBA 203E)

(3) This certificate should be dated on the date payment for the note is actually received.

ARBITRAGE CERTIFICATE (1)

 Village of Fontana-on-Geneva Lake, Wisconsin ("the "Municipality") \$ 179,000.00 Promissory Note

 Dated December 7, 2007 (the "Obligation")

The undersigned financial officer of the Municipality certifies that no notice of the Commissioner of Internal Revenue has been published to the effect that the Arbitrage Certificates of the Municipality may not be relied upon nor has the Municipality been advised that such a listing is contemplated, and further certifies and reasonably expects that:

1. In the case of a construction or acquisition financing:

- (a) The Municipality has or will enter into contracts within 6 months from the date hereof for the project (the "Project") to be financed by the Obligation, which contracts will cause it to be obligated to pay amounts equal to at least 5% of the total cost of the Project. Such contracts are not subject to contingencies within the Municipality's or a related party's control.
- (b) Work on the Project will proceed with due diligence to completion and the allocation of the proceeds of the Obligation to expenditures on the Project will proceed with due diligence.
- (c) 100% of the proceeds of the Obligation will be expended for Project costs within 3 years from the date hereof.
- (d) The Project will not be sold or otherwise disposed of in whole or in part, prior to the last maturity of the Obligation.
- (e) The Municipality has general taxing powers, all of the net proceeds of the Obligation are to be used for local government activities of the Municipality and the aggregate face amount of all tax-exempt obligations issued by the Municipality and all subordinate entities(2) of the Municipality in the current calendar year will not exceed \$5,000,000(3). Therefore, the rebate requirements of federal arbitrage law are not applicable to the Municipality and the Obligation.(4)
- (f) None of the proceeds of the Obligation are being invested in investments having a substantially guaranteed yield for a period of four years or more.

2. In the case of a refunding:

- (a) The obligations being refunded will be discharged within 30 days of the date hereof;
- (b) There are no remaining original or investment proceeds of the obligations being refunded, so that there are no "transferred proceeds" with respect to the Obligation.
- (c) All of the proceeds of the Obligation will be expended within six months of the date hereof.(4)
- (d) The Municipality expected on the date the obligations being refunded were issued that at least 85% of the spendable proceeds of the refunded obligations would be used to carry out the governmental purposes of those obligations within a three-year period beginning on such date, and not more than 50% of the proceeds of the refunded obligations were invested in investments having a substantially guaranteed yield for four years or more.

3. The principal amount of the Obligation, together with investment earnings thereon, will not exceed the amount necessary for the Project or refunding.

4. The only sinking fund with respect to the Obligation is the Debt Service Account created by the resolution authorizing the Obligation. The Municipality does not expect to create or establish any other sinking fund with respect to the Obligation.

5. The Obligation will be repaid through debt service payments made from the Debt Service Account. At least once a year, the amounts in the Debt Service Account will be depleted to an amount not in excess of the greater of the earnings on the Debt Service Account for the immediately preceding bond year or 1/12th of the debt service on the Obligation for the immediately preceding bond year. All amounts used to pay debt service during a year will be expended within thirteen months of receipt, and any amount received from investment of money in the Debt Service Account will be expended within one year from the date of the receipt.

To the best of my knowledge and belief, there are no other facts, estimates or circumstances that would materially change the foregoing expectations.

 IN WITNESS WHEREOF, I have executed this certificate on December 7, 2007

TREASURER

Peggy Politt

On the basis of the foregoing, in my opinion, the Obligation is not an arbitrage bond as defined in Section 148, Internal Revenue Code of 1986, as amended, and applicable income tax regulations, including Regulations Sections 1.148-1 through 1.148-11.

ATTORNEY FOR VILLAGE

(SEE REVERSE SIDE FOR INSTRUCTIONS ON THE USE OF THIS ARBITRAGE CERTIFICATE)

- (1) Only required if face amount exceeds \$1,000,000.
- (2) Subordinate entities include entities deriving their issuing authority from the Municipality or subject to substantial control by the Municipality (e.g. a municipal water or sewerage commission or housing authority).
- (3) Private activity bonds (such as "industrial development bonds") do not count toward the \$5,000,000 limitation.
- (4) If this certification cannot be made, lenders and municipalities should obtain legal assistance before proceeding with the loan, because failure to comply with the rebate requirement could result in loss of tax exemption for the Obligation.

* This certificate should be dated on the date the proceeds of the Obligation are actually received.

Information Return for Tax-Exempt Governmental Obligations

► Under Internal Revenue Code section 149(e)

► See separate instructions.

Caution: If the issue price is under \$100,000, use Form 8038-GC.

OMB No. 1545-0720

Part I Reporting Authority

If Amended Return, check here ☐

1 Issuer's name Village of Fontana-on-Geneva Lake	2 Issuer's employer identification number 39 : 6006265
3 Number and street (or P.O. box if mail is not delivered to street address) P.O. Box 200	Room/suite
5 City, town, or post office, state, and ZIP code Fontana, WI 53125	4 Report number 3
7 Name of issue Village of Fontana	6 Date of issue 2007-01
9 Name and title of officer or legal representative whom the IRS may call for more information Kelly Hayden	8 CUSIP number
10 Telephone number of officer or legal representative (262) 275-6139	

Part II Type of Issue (check applicable box(es) and enter the issue price) See instructions and attach schedule

11 <input type="checkbox"/> Education	11
12 <input type="checkbox"/> Health and hospital	12
13 <input type="checkbox"/> Transportation	13
14 <input type="checkbox"/> Public safety	14
15 <input type="checkbox"/> Environment (including sewage bonds)	15
16 <input type="checkbox"/> Housing	16
17 <input type="checkbox"/> Utilities	17
18 <input checked="" type="checkbox"/> Other. Describe ►	18 \$179,000.00
19 If obligations are TANs or RANs, check box <input type="checkbox"/> If obligations are BANs, check box <input type="checkbox"/>	
20 If obligations are in the form of a lease or installment sale, check box <input type="checkbox"/>	

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	12-07-2017	\$ 179,000.00	\$ 179,000.00	7.175705 years	4.50 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22 Proceeds used for accrued interest	22
23 Issue price of entire issue (enter amount from line 21, column (b))	23 \$179,000.00
24 Proceeds used for bond issuance costs (including underwriters' discount)	24
25 Proceeds used for credit enhancement	25
26 Proceeds allocated to reasonably required reserve or replacement fund	26
27 Proceeds used to currently refund prior issues	27
28 Proceeds used to advance refund prior issues	28
29 Total (add lines 24 through 28)	29
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30 179,000.00

Part V Description of Refunded Bonds (Complete this part only for refunding bonds.)

31 Enter the remaining weighted average maturity of the bonds to be currently refunded	years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded	years
33 Enter the last date on which the refunded bonds will be called	
34 Enter the date(s) the refunded bonds were issued	

Part VI Miscellaneous

35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35 179,000.00
36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (see instructions)	36a
b Enter the final maturity date of the guaranteed investment contract	37a
37 Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units	
b If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the name of the issuer	
38 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box	<input type="checkbox"/>
39 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box	<input type="checkbox"/>
40 If the issuer has identified a hedge, check box	<input type="checkbox"/>

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

Sign Here

Kelly E. Hayden
Signature of issuer's authorized representative

12/6/07
Date

Kelly E. Hayden, Administrator
Type or print name and title

EXHIBIT A
RESOLUTION 12-03-07-02(Adopted at an Open Meeting held December 3, 2007)

WHEREAS, the Village of Fontana-on-Geneva Lake, Walworth County, Wisconsin ("Village"), is presently in need of funds aggregating One Hundred Seventy Nine Thousand and xx/100 (\$ 179,000.00) for public purpose(s) of: (1)

; and

WHEREAS, the Village Board deems it necessary and in the best interests of the Village that, pursuant to the provisions of Section 67.12(12), Wisconsin Statutes, the sum of One Hundred Seventy Nine Thousand and xx/100 Dollars (\$ 179,000.00) be borrowed for such purpose(s) upon the terms and conditions hereinafter set forth:

NOW, THEREFORE, BE IT RESOLVED, that for the purpose(s) hereinabove set forth the Village, by its President, and Clerk, pursuant to Section 67.12(12), Wisconsin Statutes, borrow from Walworth State Bank

("Lender"), the sum of \$ One Hundred Seventy Nine Thousand, and, to evidence such indebtedness, said President and Clerk shall make, execute and deliver to the Lender for and on behalf of the Village the promissory note of the Village to be dated December 7, 2007, in said principal amount with interest at the rate of Four and One Half percent (4.50 %) per annum and payable as follows:

[Check (a), (b), (c) or (d); only one shall apply.]

- (a) ☐ Single Payment. In one payment on n/a, PLUS interest payable as set forth below.
- (b) ☒ Installments of Principal and Interest. (2) In 10 equal payments of \$ 22,626.38 due on 12-07-08, and on ☒ the same day(s) of each Twelfth month thereafter ☐ every 7th day thereafter ☐ every 14th day thereafter, PLUS a final payment of the unpaid balance and accrued interest due on December 7, 2017. All payments include principal and interest.
- (c) ☐ Installments of Principal. In n/a equal payments of principal of \$ n/a due on n/a, and on ☐ the same day(s) of each n/a month thereafter ☐ every 7th day thereafter ☐ every 14th day thereafter, PLUS a final payment of the unpaid principal due on n/a, PLUS interest payable as set forth below.
- (d) ☐ Other. n/a

Interest is payable on n/a, and on ☐ the same day of each n/a month thereafter, ☐ every 7th day thereafter, ☐ every 14th day thereafter, and at maturity, or, if box (b) is checked, at the times so indicated. Interest is computed for the actual number of days principal is unpaid on the basis of ☐ a 360 day year ☐ a 365 day year. (2)

Said interest to be payable on the dates set forth above on the outstanding principal balance, with ☐ no prepayment privileges ☒ prepayment privileges on any principal or interest payment date on or after December 8, 2007

A copy of the promissory note shall be attached to this resolution.

(1) Here describe each purpose in detail. If the purpose is meeting general and current municipal expenses or refinancing obligation of the Village, so specify.
 (2) Section 67.12(12), Wisconsin Statutes, does not place any restrictions on the basis of interest rate calculations.

EXHIBIT B — CERTIFICATE RESPECTING
INDEBTEDNESS AND RECEIPT OF LOAN PROCEEDS

STATE OF WISCONSIN

County of Walworth

} ss.


The undersigned Treasurer of the Village of Fontana-on-Geneva Lake, Walworth County, Wisconsin, hereby certifies that the total aggregate indebtedness and obligations of said Village, howsoever incurred, outstanding on the date hereof, including the Promissory Note dated December 7, 2007, in support of which this certificate is executed, is \$ 17,347,702.00.

determined as follows: (1)

See Attached Schedule

The undersigned further certifies that the lender of the borrowed funds evidenced by said note has paid the entire principal amount of said note, plus accrued interest (if any), in accordance with the terms of the resolution authorizing said note.

IN WITNESS WHEREOF, I have executed this certificate in my official capacity this 7th day of December, 2007. (2)


VILLAGE TREASURER Peggy Pollitt

(1) Here set forth in detail each item of outstanding indebtedness of the Village, including this note issue.

(2) This certificate should be dated on the date payment for the note is actually received and should be received by the lender simultaneously with its disbursement of funds.

Village of Fontana Debt Schedule - 2007

As of 12/5/07

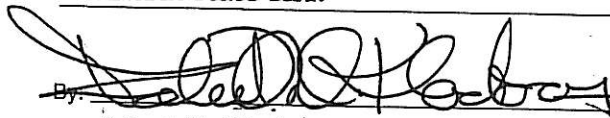
Year	Interest Rate %		Original Amount Borrowed	Village General			Total Amount Outstanding
				Fund	Utility Fund	Community Development Authority	
1999	4.9	1999b Refunding Bond-Depository Trust	2,995,000	747,000	253,000		1,000,000
1998	3.16	State WI Clean Water Fund	1,060,036		594,737		594,737
1999	2.64	State WI Safe Drinking Water	1,664,500		1,081,947		1,081,947
2002	3.9	2002 Refunding Bond-Depository Trust	2,390,000	453,009	181,991		635,000
2002	3.1	2002-03 Village Rd Projects-Depository Trust	1,000,000	650,000			650,000
2003	3.1	Refinance VanDiggelen/AirPaks-Walworth State Bank	107,000	21,400			21,400
2004	4.1	2004 GO -Walworth State Bank - Road projects	700,000	232,946	257,054		490,000
2006	4	2006 GO Bond - Hwy 67, Main Lift, Street Project	6,710,000	299,937	1,209,813	5,200,250	6,710,000
2005	4.25	State Pool Loan - Main Lift Station and Hillcrest Ave.	1,000,000	295,554	600,064		895,618
Totals				2,699,846	4,178,606	5,200,250	12,078,702
2005	2.9	CDA Lease Revenue Bond-Mill & Main Sts, Beach House	5,090,000			5,090,000	5,090,000
Grand Totals			22,716,536	2,699,846	4,178,606	10,290,250	17,168,702



INVESTMENT REPRESENTATION*
(To be prepared and executed by a bank officer
for retention in bank files)

The undersigned officer of Walworth State Bank Walworth, (1) Wisconsin hereby certifies with respect to the purchase of a \$ 179,000.00 Promissory Note dated December 7, 2007 issued by the Village of Fontana-on-Geneva Lake, Wisconsin, that it is purchasing said note for investment purposes and will not resell said note, except to another bank or banks which will also make this certification.

Dated: December 7, 2007 (2)

Walworth State Bank (1)

By: Robert W. Klockars
Title: Executive Vice President

- (1) Name of bank.
(2) Date that loan is closed.

*Section 551.21 of the Wisconsin Statutes, and the regulations thereunder, require that municipal obligations be registered with the Wisconsin Department of Financial Institutions unless there is a basis for an exemption from such registration. In most transactions in which these WBA forms are employed, it is expected that an exemption will apply as the result of the sale of the note(s) to a bank which will resell the note(s), if at all, only to another bank or banks. To document the applicability of this exemption, the bank should sign the investment representation set forth above.

NOTE: If this representation cannot be made, other bases of exemption may be available. However, legal assistance should be obtained before proceeding with the loan in such a case.