

# SternBrothers&Co.

INVESTMENT BANKING SINCE 1917

September 1, 2009

Honorable Don Merkes, Mayor  
City of Menasha  
140 Main Street  
Menasha, WI 54952

Dear Mayor Merkes:

Stern Brothers & Co. ("Stern Brothers") will continue providing service as outlined below and from time to time as requested by the Mayor and Common Council of the City of Menasha, Wisconsin ("the City"), with respect to the work-out and restructuring of the City's Menasha Steam Utility ("the Utility") and Municipal Utility ("MU") revenue and the Steam Plant related general obligation debt.

Stern Brothers will provide services based upon the following terms and conditions and only at the specific request of the Mayor or Common Counsel:

1. Assist the City in analyzing transaction and credit-related documentation relating to the work-out and restructuring all of the City's debt obligations and obligations related to Menasha Utilities and the Menasha Steam Utility;
2. Assist the City in analyzing plans and terms for the work-out and restructuring at the direction of the City;
3. Work with the City to provide it's selected underwriter with financial information we have previously developed that assists in the City's work-out and restructuring;
4. At the City's request, advise the City of current capital markets conditions, along with other economic data and news that could impact the marketability, interest rates or terms of the work-out and restructuring;

**Fee Structure:** Stern Brothers' will charge a rate of \$300/hour for Charles Forrest, \$300/hour for Brian Tournier, \$140/hour for Ben Forrest and \$140/hour for Jennifer Nitzband plus any previously approved out-of-pocket expenses. We will bill on a fifteen minute cycle and prorate the hourly charge based on actual time expended. We will minimize the number of joint hours worked and have Ben Forrest or Jennifer Nitzband perform routine work in order to keep your expenses as low as possible. We will invoice on a monthly basis and include a detailed breakdown of actual time worked and expenses incurred.

**Termination Provisions:** This engagement is subject to termination by either Stern Brothers or by the City upon 30 days written notice. In the event Stern Brothers or the City gives the other 30 days written notice of termination or withdrawal of the financing arrangements hereunder, expenses are to be allocated as set forth in the Fee Structure paragraph above.

**SternBrothers&Co.**  
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If you are in accord with and prepared to proceed on the foregoing basis, kindly indicate by signing below and returning the enclosed copy of this letter to us within 14 days.

Sincerely,

Charles T. Forrest  
Senior Vice President  
Stern Brothers & Co.

Brian J. Tournier  
Vice President  
Stern Brothers & Co.

Accepted and Approved

Date: \_\_\_\_\_, 2009

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On behalf of the City of Menasha, Wisconsin