

**ABSTRACT/SYNOPSIS OF THE ESSENTIAL ELEMENTS OF THE OFFICIAL
ACTIONS OF THE COMMON COUNCIL OF THE CITY OF WHITEWATER,
WALWORTH AND JEFFERSON COUNTIES, WISCONSIN.**

January 19, 2010.

The regular meeting of the Common Council was called to order at 6:30 p.m. by Council President Singer. MEMBERS PRESENT: Olsen, Taylor (by phone until 7:50 pm), Winship, Binnie, Singer, Kienbaum, Stewart. MEMBERS ABSENT: None. LEGAL COUNSEL PRESENT: McDonell.

APPROVAL OF MINUTES. It was moved by Olsen and seconded by Winship to acknowledge receipt and filing of the following: Landmarks Commission minutes of 8/29/09, 11/4/09, 12/2/09; Indian Mounds Park Committee minutes of 12/1/09; Downtown Whitewater, Inc. Board of Directors minutes of 12/1/09; Seniors in the Park Senior Forum minutes of 11/9/09 & 12/7/09; Report of Manually-issued Checks for December, 2009; Park & Recreation Board minutes of 12/7/09; Irvin L. Young Memorial Library minutes of 11/9/09 & 12/14/09; Police and Fire Commission meeting minutes of 5/20/09; Plan and Architectural Review Commission minutes of 12/14/09; and corrected November 2009 Whitewater Police Department Monthly Report. AYES: Olsen, Taylor, Winship, Binnie, Singer, Kienbaum, Stewart. NOES: None. ABSENT: None.

REPORTS. City Manager Brunner stated that he has been working with the Department of Transportation and affected property owners regarding the extension of Starin Road. Approvals for the extension will be brought to the Council in February or March. Brunner stated that the first major tenant of the Innovation Center has been secured. CESA II of Milton will be entering into a 10-year lease for office space. CDA coordinator Nimm gave her quarterly report.

CITIZEN COMMENTS.: None.

COMMON COUNCIL ANNOUNCEMENTS. None.

PUBLIC HEARING FOR COMPREHENSIVE PLAN 2030 ADOPTION. The public hearing regarding adoption of the Comprehensive Plan was opened by Council President Singer. Planner Mark Roffers indicated that the plan was informed by results of the community-wide survey. The Plan Commission also held a Public Hearing on the plan. Roffers stated that there is a great deal of flexibility in the plan, and that amendments to the proposed plan can be considered as times change and circumstances warrant. Resident Tom Hinspater stated that he is a resident of the Mound Park Acres Subdivision and that he has concerns about the proposed zoning for the property across from Indian Mound Parkway. Hinspater indicated that any commercial zoning in that area will be anti-productive to redevelopment of the downtown. Hinspater also stated that the City is poised for growth on the east side of town. Hinspater stated that he is aware of several options presented to Council, but he is disappointed to see that all three options still have some commercial use listed for the Hoffmann property. Hinspater encouraged Council to propose residential use for that parcel. Jo Coulthart of 1680 Turtle Mound Lane expressed a desire that the Hoffmann property remain residential. She stated that

the downtown area will not become vibrant by putting commercial areas on the west side of the City. She asked that Council not spread commercial areas all around the City. Terri Parenteau of Ventura Lane indicated that commercial use of the property would destroy the flavor of the neighborhood. The neighborhood's proximity to schools brings people to the area. The area is currently a well-maintained neighborhood that will lose some appeal if the use is changed to commercial. Jim Allen of 215 E. Clay stated that the City developed Mound Park Acres and it is a great neighborhood. Allen stated that the Hoffmann land was always planned for residential development until it was recently changed through the South Side Neighborhood plan. Allen stated that until recently, he was not aware that the proposed use had ever changed from residential use. Eydie Strand, owner of Strand's on the Floor, stated that adding to the mix already existing on the west side would leave the east side infrastructure isolated again. She pointed out the large investment on the east side of town. Dave Saalsa of The Quiet Hut stated that planning for commercial development on the Hoffmann property is short sighted when the east side of town is all ready for development. He noted there are empty buildings downtown and that commercial development on the southwest portion of the City does not take care of the problems on the east side of the City or the downtown area. Jim Rodgers of Turtle Mound Lane indicated that he had always thought the Hoffmann property would be developed for residential use. He questioned why commercial development would occur in this area when there is already land available for commercial development.

Attorney Mitch Simon, who represents the owner of the property in question (John Hoffmann), indicated that in the early 1990s, when alignment of the bypass was orchestrated, Hoffmann was approached by the City and asked to cooperate in forcing the bypass farther to the south. As requested, Hoffmanns annexed their property to the City and donated land for a well site in an effort to get a decision to be one parcel. Their efforts were not successful. The Department of Transportation ("DOT") took Hoffmann's 300 acre parcel of land and divided it. The DOT documents identify the area as a "high noise impact" corridor. Simon continued by stating that Hoffmanns donated land for the City's well and for the Indian Mound Parkway extension. Simon explained that as a result of the bypass construction and alteration of the land due to the construction of the Indian Mound Parkway extension, a change in the drainage pattern has occurred, and the property owner now has drainage issues. Simon stated that if the drainage issues had not developed, the Technology Park would be located on the Hoffmann land. After the drainage issues were discovered, the City adopted the South Neighborhood Plan, which allowed some commercial use of the Hoffmann property. The area has developed into a high traffic area, allowing commercial development. After the DOT roadway dispute, the Hoffmanns entertained an offer from a developer to use the northwest quadrant area for a grocery store. The developers spoke to the City Manager about the store development, and the City Manager encouraged the developers to proceed. Simon noted that there was a perfectly fine support for commercial development at that time. Simon stated that the area the grocery store was considering was the area that ended up being recommended for commercial development through the Neighborhood Plan. Simon indicated that the area has bypass noise and plans for a future connector street to Highway 59. Simon argued that this is not a quiet, residential Street. Simon also stated that the commercial use designation in the Neighborhood Plan passed the Plan Commission last November and was certified to by the Common Council. Simon argued that the proposal has been going on for a year. Simon indicated that the commercial zoning designation for the parcel was less important to the City once they decided to

place the Technology Park in a different part of the City. Councilmember Winship stated that Simon's five-minute speaking time was up. Simon requested time to speak on his own behalf in addition to his client's, but was denied the opportunity.

Property owner David Kachel requested that the Council put their emphasis on helping the downtown merchants. He cited two offices he has had for rent in the downtown area that have been available for three years with no success in recruiting tenants. Kachel also stated that the merchants downtown are in need of support. West side resident Denae Trankowski agrees with her west-side neighbors; please develop the downtown area and east sides of town. She questioned what the purpose of Smart Growth is if it does not include an awareness of environmental concerns. The Public Hearing closed at 7:07 p.m.

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF \$1,240,000 SEWER SYSTEM REVENUE REFUNDING BONDS, SERIES 2010.

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF
\$1,240,000 SEWER SYSTEM REVENUE REFUNDING BONDS, SERIES 2010,
OF THE CITY OF WHITEWATER, WALWORTH AND JEFFERSON COUNTIES,
WISCONSIN,
AND PROVIDING FOR THE PAYMENT OF THE BONDS AND
OTHER DETAILS WITH RESPECT TO THE BONDS

WHEREAS, the City of Whitewater, Walworth and Jefferson Counties, Wisconsin ("City") now owns and operates and has for many years owned and operated its Sewer System, a public utility (the Sewer System and all properties of every nature in connection with such System now or hereafter owned by the City, including all improvements and extensions thereto, all real and personal property of every nature comprising part of and used or useful in connection therewith, and all appurtenances, contracts, leases, franchises and other intangibles, are hereinafter referred to collectively as the "System"); and

WHEREAS, under the provisions of Chapter 66, Wis. Stats., any municipality in the State of Wisconsin may, by action of its governing body, provide funds for extending, adding to and improving a public utility or to refund obligations issued to finance extensions, additions and improvements from the proceeds of bonds, which bonds are to be payable only from the income and revenues derived from the operation of such utility and are to be secured by a pledge of the revenues of the utility; and

WHEREAS, pursuant to a resolution adopted on July 16, 1996 (the "1996 Resolution"), the City issued its Sewer System Revenue Bonds, Series 1996, dated July 24, 1996 (the "1996 Bonds"), which bonds are payable from the income and revenues of the System; and

WHEREAS, pursuant to a resolution adopted on April 18, 2000 (the "2000 Resolution"), the City issued its Sewer System Revenue Refunding Bonds, Series 2000, dated May 1, 2000 (the "2000 Bonds"), which bonds are payable from the income and revenues of the System and are on a parity with the 1996 Bonds; and

WHEREAS, pursuant to a resolution adopted on November 17, 2009 (the "2009 Resolution"), the City issued its Sewer System Revenue Bonds, Series 2009, dated December 9, 2009 (the

"2009 Bonds"), which bonds are payable from the income and revenues of the System and are on a parity with the 1996 Bonds and the 2000 Bonds; and

WHEREAS, the City has determined that it is necessary and desirable to refund the outstanding 2000 Bonds (the "Refunded Obligations"); and

WHEREAS, it is desired to authorize and sell revenue bonds for such purpose payable solely from the revenues to be derived from the operation of the System, which bonds are to be authorized and issued pursuant to the provisions of Section 66.0621, Wis. Stats.; and

WHEREAS, other than the 1996 Bonds, the 2000 Bonds being refunded, and the 2009 Bonds, the City has no bonds or obligations outstanding which are payable from the income and revenues of the System; and

WHEREAS, the 1996 Resolution and the 2009 Resolution permit the issuance of bonds payable from revenues of the System on a parity with the 1996 Bonds and the 2009 Bonds upon certain conditions, and those conditions have been met; and

WHEREAS, the City has directed its financial advisor, Robert W. Baird & Co. Incorporated, Milwaukee, Wisconsin ("Baird") to take the steps necessary to sell its Sewer System Revenue Refunding Bonds, Series 2010 (the "Bonds"); and

WHEREAS, Baird, in consultation with the officials of the City, prepared an Official Notice of Sale (a copy of which is attached hereto as Exhibit A and incorporated herein by this reference) setting forth the details of and the bid requirements for the Bonds and indicating that the Bonds would be offered for public sale on January 19, 2010; and

WHEREAS, the City Clerk (in consultation with Baird) caused notice of the sale of the Bonds to be published and/or announced and caused the Official Notice of Sale to be distributed to potential bidders offering the Bonds for public sale; and

WHEREAS, the City has duly received bids for the Bonds as described on the Bid Tabulation attached hereto as Exhibit B and incorporated herein by this reference (the "Bid Tabulation"); and

WHEREAS, it has been determined that the bid proposal (the "Proposal") submitted by the financial institution listed first on the Bid Tabulation fully complies with the bid requirements set forth in the Official Notice of Sale and is deemed to be the most advantageous to the City. Baird has recommended that the City accept the Proposal. A copy of said Proposal submitted by such institution (the "Purchaser") is attached hereto as Exhibit C and incorporated herein by this reference;

NOW, THEREFORE, the City Council of the City of Whitewater, Walworth and Jefferson Counties, Wisconsin, do resolve that:

Section 1A. Ratification of the Official Notice of Sale and Offering Materials. The City Council of the City hereby ratifies and approves the details of the Bonds set forth in Exhibit A attached hereto as and for the details of the Bonds. The Official Notice of Sale and any other offering materials prepared and circulated by Baird are hereby ratified and approved in all respects. All actions taken by officers of the City and Baird in connection with the preparation

and distribution of the Official Notice of Sale and any other offering materials are hereby ratified and approved in all respects.

Section 1B. Authorization of Bonds. For the purpose above stated, the City shall borrow on the credit of the income and revenue of the System the sum of \$1,240,000. Negotiable, fully-registered bonds of the City, in the denomination of \$5,000, or any whole multiple thereof, shall be issued in evidence thereof. The Bonds shall be designated "Sewer System Revenue Refunding Bonds, Series 2010", shall be numbered from R-1 upward and shall be dated February 9, 2010. The Bonds shall bear interest at the rates per annum set forth in the Proposal and shall mature on May 1 of each year, in the years and principal amounts set forth in the Proposal and the debt service schedule attached hereto as Exhibit D and incorporated herein by this reference (the "Schedule").

Interest on the Bonds shall be payable on May 1 and November 1 of each year, commencing November 1, 2010. Interest shall be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board.

The Bonds shall not be subject to optional redemption.

The schedule of maturities is found to be such that the amount of annual debt service payments is reasonable in accordance with prudent municipal utility practices.

The City Council hereby determines that the refunding of the Refunded Obligations is advantageous and necessary to the City.

The Bonds shall be signed by the manual or facsimile signatures of the City Manager and City Clerk of the City (provided that, unless the City has contracted with a fiscal agent to authenticate the Bonds, at least one of such signatures shall be manual), and sealed with the corporate seal of the City.

The Bonds, together with interest thereon, shall be payable only out of the Special Redemption Fund hereinafter provided, and shall be a valid claim of the owner thereof only against the Special Redemption Fund and the revenues pledged to such Fund, and sufficient revenues are pledged to the Special Redemption Fund, and shall be used for no other purpose than to pay the principal of and interest on the outstanding 1996 Bonds and 2009 Bonds (collectively referred to herein as the "Prior Issues"), the Bonds and Parity Bonds as the same fall due.

Section 2. Form of Bonds. The Bonds shall be in substantially the form attached hereto as Exhibit E and incorporated herein by this reference.

Section 3. Definitions. In addition to the words defined elsewhere in this Resolution, the following words shall have the following meanings unless the context or use indicates another or different meaning or intent:

"Annual Debt Service Requirement" means the total amount of principal and interest due in any Fiscal Year on the Prior Issues, the Bonds and Parity Bonds.

"Bond Year" means the one-year period ending on a principal payment date or mandatory redemption date for the Bonds.

"Code" means the Internal Revenue Code of 1986, as amended.

"Current Expenses" or "Operation and Maintenance Expenses" means the reasonable and necessary costs of operating, maintaining, administering and repairing the System, including salaries, wages, costs of materials and supplies, insurance and audits, but excluding depreciation, debt service, tax equivalents and capital expenditures.

"DTC" means The Depository Trust Company, New York, New York, or any successor securities depository for the City with respect to the Bonds.

"Fiscal Year" means the fiscal year adopted by the City for the System, which is currently the calendar year.

"Gross Earnings" or "Revenues" means the gross earnings of the System, including earnings of the System derived from sewerage charges imposed by the City, all payments to the City under any wastewater treatment service agreements between the City and any contract users of the System, and any other monies received from any source including all rentals and fees and any special assessments levied and collected in connection with extension or improvement of the System.

"Net Revenues" means the Gross Earnings minus all Current Expenses of the System.

"Parity Bonds" means additional bonds issued on a parity as to pledge and lien with the Bonds in accordance with the provisions of Section 9 of this Resolution.

"Reserve Requirement" means an amount equal to the least of (a) 10% of the proceeds of the Bonds, (b) maximum annual debt service on the Bonds in any Bond Year and (c) 125% of average annual debt service on the Bonds. If Parity Bonds which are to be secured by the Reserve Account are issued, the Reserve Requirement shall mean the amount on deposit in the Reserve Account prior to the issuance of such Parity Bonds plus the amount permitted to be deposited therein from proceeds of the Parity Bonds pursuant to Section 148(d)(1) of the Code, but shall not exceed the lesser of (a) the maximum amount of principal and interest due in any Bond Year on the outstanding Bonds and Parity Bonds which are to be secured by the Reserve Account and (b) 125% of average annual debt service on such outstanding Bonds and Parity Bonds.

Section 4. Income and Revenue Funds. When the Bonds shall have been delivered in whole or in part, the Gross Earnings shall be set aside into the "Sewer System Revenue Fund" which shall be divided into the following separate and special funds, which were created and established by Resolution No. 90-3 adopted on November 20, 1990 (the "1990 Resolution") and are hereby continued and shall be used and applied as described below:

- Gross Earnings in amounts sufficient to provide for the reasonable and proper operation and maintenance of the System through the payment of Current Expenses shall be set aside into the Sewer System Operation and Maintenance Fund (the "Operation and Maintenance Fund").

- Gross Earnings in amounts sufficient to pay the principal of and interest on the Prior Issues, the Bonds and Parity Bonds and to meet the Reserve Requirement shall be set aside into the Sewer System Revenue Bond and Interest Special Redemption Fund (the "Special Redemption Fund"), to be applied to the payment of the principal of and interest on the Prior Issues, the Bonds and Parity Bonds and to meet the Reserve Requirement. The monies standing in the Special Redemption Fund are irrevocably pledged to the payment of principal of and interest on the Prior Issues, the Bonds and Parity Bonds; provided, however, that the Reserve Account

established within the Special Redemption Fund is not pledged to the payment of principal of or interest on the 1996 Bonds or the 2009 Bonds.

- Gross Earnings in amounts sufficient to provide a proper and adequate depreciation account for the System shall be set aside into the Sewer System Depreciation Fund (the "Depreciation Fund").

The Operation and Maintenance Fund and Depreciation Fund shall be deposited as received in public depositories to be selected by the City Council in the manner required by Chapter 34 of the Wisconsin Statutes and may be invested in legal investments subject to the provisions of Section 66.0603(1m), Wis. Stats.

Money in the Operation and Maintenance Fund shall be used to pay Current Expenses as the same come due; money not immediately required for Current Expenses shall be used to accumulate a reserve in the Operation and Maintenance Fund equal to estimated Current Expenses for one month. Any money then available and remaining in the Operation and Maintenance Fund may be transferred to the Surplus Fund, which fund is hereby continued.

Gross Earnings shall be deposited in the Depreciation Fund each month until such amount as the City Council may from time to time determine to constitute an adequate and reasonable depreciation account for the System (the "Depreciation Requirement") is accumulated therein. Money in the Depreciation Fund shall be available and shall be used, whenever necessary, to restore any deficiency in the Special Redemption Fund and for the maintenance of the Reserve Account therein. When the Special Redemption Fund is sufficient for its purpose, funds in the Depreciation Fund may be expended for repairs, replacements, new construction, extensions or additions to the System. Any money on deposit in the Depreciation Fund in excess of the Depreciation Requirement which is not required during the current Fiscal Year for the purposes of the Depreciation Fund, may be transferred to the Surplus Fund.

It is the express intent and determination of the City Council that the amount of Gross Earnings to be set aside and paid into the Special Redemption Fund (including the Reserve Account) shall in any event be sufficient to pay principal of and interest on the Prior Issues, the Bonds and Parity Bonds and to meet the Reserve Requirement, and the City Treasurer shall each Fiscal Year deposit at least sufficient Gross Earnings in the Special Redemption Fund to pay promptly all principal and interest falling due on the Prior Issues, the Bonds and Parity Bonds and to meet the Reserve Requirement.

The Gross Earnings so set aside for payment of the principal of and interest on the Prior Issues, the Bonds and Parity Bonds shall be set apart and shall be paid into the Special Redemption Fund not later than the 10th day of each month. The amount deposited each month shall be not less than one-sixth of the interest next coming due, plus one-twelfth of the principal next maturing.

The minimum amounts to be so deposited for debt service on the Bonds, in addition to all amounts to be deposited to pay debt service on the Prior Issues, are set forth on the Schedule.

The Special Redemption Fund shall be used for no purpose other than the payment of interest upon and principal of the Prior Issues, the Bonds and Parity Bonds promptly as the same become due and payable or to pay redemption premiums. All money in the Special Redemption Fund shall be deposited in a special account and invested in legal investments subject to Section

66.0603(1m), Wis. Stats., and the monthly payments required to be made to the Special Redemption Fund shall be made directly to such account.

The Reserve Account established by Section 4 of the 1990 Resolution shall be continued to secure the payment of principal of and interest on the Bonds. The Reserve Account is not pledged to the payment of the principal of and interest on the 1996 Bonds or the 2009 Bonds. The City covenants and agrees that upon the issuance of the Bonds an amount sufficient to make the amount on deposit in the Reserve Account equal to the Reserve Requirement shall be on deposit in the Reserve Account and shall be maintained therein. The amount on deposit in the Reserve Account shall be reduced from time to time to an amount equal to the Reserve Requirement at that time. Any amount withdrawn from the Reserve Account shall be transferred to the Special Redemption Fund and used to pay principal and interest on the Bonds.

The City covenants and agrees that at any time that the amount in the Reserve Account shall be less than the Reserve Requirement, those funds in the Special Redemption Fund, the Operation and Maintenance Fund, the Depreciation Fund and the Surplus Fund which are in excess of the minimum amounts required by the preceding paragraphs to be paid therein will be paid into the Reserve Account each month until the Reserve Requirement will again have accumulated in the Reserve Account. If for any reason there shall be insufficient funds on hand in the Special Redemption Fund to meet principal or interest becoming due on the Bonds or Parity Bonds secured by the Reserve Account, then all sums then held in the Reserve Account shall be used to pay the portion of interest or principal on such outstanding Bonds or Parity Bonds becoming due as to which there would otherwise be default, and thereupon the payments required by this paragraph shall again be made into the Reserve Account until an amount equal to the Reserve Requirement is on deposit in the Reserve Account.

Funds in the Special Redemption Fund in excess of the minimum amounts required to be paid therein plus reserve requirements may be transferred to the Surplus Fund.

Money in the Surplus Fund shall first be used when necessary to meet requirements of the Operation and Maintenance Fund including the one month reserve, the Special Redemption Fund including the Reserve Account, and the Depreciation Fund. Any money then remaining in the Surplus Fund at the end of any Fiscal Year may be used only as permitted and in the order specified in Section 66.0811(2), Wis. Stats. Money thereafter remaining in the Surplus Fund may be transferred to any of the funds or accounts provided for in this section.

Section 5. Service to the City. The reasonable cost and value of any service rendered to the City by the System, including reasonable health protection charges, shall be charged against the City and shall be paid by it in monthly installments as the service accrues, out of the current revenues of the City collected or in the process of collection, exclusive of the revenues derived from the System, to wit: out of the tax levy of the City made by it to raise money to meet its necessary current expenses. It is hereby found and determined that the amount of such reasonable cost and value shall be equal to the lesser of the maximum Annual Debt Service Requirement or such part thereof as may be necessary from year to year to pay the balance of an amount which, together with other Gross Earnings of the System, will produce in each Fiscal Year Net Revenues equivalent to not less than 1.20 times the Annual Debt Service Requirement. Such compensation for such service rendered to the City shall, in the manner provided hereinabove, be paid into the separate and special funds described in Section 4 of this Resolution. However, such payment is subject to (a) annual appropriation by the City Council,

(b) approval of the Wisconsin Public Service Commission, if necessary, and (c) applicable levy limits, if any; and neither this Resolution nor such payment shall be construed as constituting an obligation of the City to make any such appropriation over and above the reasonable cost and value of services rendered to the City or to make any subsequent payment over and above such reasonable cost and value.

Section 6. Operation of System; City Covenants. It is covenanted and agreed by the City with the owner or owners of the Bonds, and each of them, that:

It will faithfully and punctually perform all duties with reference to the System required by the Constitution and Statutes of the State of Wisconsin, including the making and collecting of reasonable and sufficient rates lawfully established for services rendered by the System, and will segregate the Gross Earnings of the System and apply them to the respective funds and accounts described hereinabove;

It will not sell, lease, or in any manner dispose of the System, including any part thereof or any additions, extensions, or improvements that may be made part thereto, except that the City shall have the right to sell, lease or otherwise dispose of any property of the System found by the City to be neither necessary nor useful in the operation of the System, provided the proceeds received from such sale, lease or disposal shall be paid into the Special Redemption Fund or applied to the acquisition or construction of capital facilities for use in the normal operation of the System, and such payment shall not reduce the amounts otherwise required to be paid into the Special Redemption Fund;

It will pay or cause to be paid all lawful taxes, assessments, governmental charges, and claims for labor, materials or supplies which if unpaid could become a lien upon the System or its Gross Earnings or could impair the security of the Bonds;

It will maintain in reasonably good condition and operate the System, and will establish, charge and collect such lawfully established rates and charges for the service rendered by the System, so that in each Fiscal Year Net Revenues shall not be less than 120% of the Annual Debt Service Requirement, and so that the Gross Earnings of the System herein agreed to be set aside to provide for the payment of the Prior Issues, the Bonds and Parity Bonds and the interest thereon as the same becomes due and payable, and to meet the Reserve Requirement, will be sufficient for those purposes; and

It will prepare a budget not less than sixty days prior to the end of each Fiscal Year and, in the event such budget indicates that the Net Revenues for each Fiscal Year will not exceed the Annual Debt Service Requirement for each corresponding Fiscal Year by the proportion stated hereunder, will take any and all steps permitted by law to increase rates so that the aforementioned proportion of Net Revenues to the Annual Debt Service Requirement shall be accomplished as promptly as possible.

Section 7. Books and Accounts; Inspection. The City will keep proper books and accounts relative to the System separate from all other records of the City and will cause such books and accounts to be audited annually by a recognized independent firm of certified public accountants including a balance sheet and a profit and loss statement of the System as certified by such accountants. Each such audit, in addition to whatever matters may be thought proper by the

accountants to be included therein shall include the following: (1) a statement in detail of the income and expenditures of the System for the Fiscal Year; (2) a balance sheet as of the end of such Fiscal Year; (3) the accountants' comment regarding the manner in which the City has carried out the requirements of this Resolution and the accountants' recommendations for any changes or improvements in the operation of the System; (4) the number of connections to the System at the end of the Fiscal Year, for each user classification (i.e., residential, commercial, public and industrial); (5) a list of the insurance policies in force at the end of the Fiscal Year setting out as to each policy the amount of the policy, the risks covered, the name of the insurer, and the expiration date of the policy; and (6) the volume of water used in computing the sewer service charge.

The owners of any of the Bonds shall have at all reasonable times the right to inspect the System and the records, accounts and data of the City relating thereto.

Section 8. Insurance. So long as any of the Bonds are outstanding the City will carry for the benefit of the owners of the Bonds: (a) adequate fire, lightning, vandalism, riot, strike, explosion, civil commotion, malicious damage, tornado and windstorm insurances on all portions of the System which are subject to loss through such casualties; (b) adequate insurance against loss of use and occupancy resulting from such casualties; (c) adequate public liability insurance and (d) insurance of the kinds and in the amounts normally carried by private companies engaged in the operation of similar systems. All money received for loss of use and occupancy shall be considered Gross Earnings of the System payable into the separate funds and accounts named in Section 4 of this Resolution. All money received for losses under any of such casualty policies, except those specified in (b) above, shall be used in repairing the damage or in replacing the property destroyed provided that if the City Council shall find it is inadvisable to repair such damage or replace such property and that the operation of the System has not been impaired thereby, such money, including proceeds from insurance under (b) above, shall be deposited in the Special Redemption Fund, but in that event such payments shall not reduce the amounts otherwise required to be paid into the Special Redemption Fund.

Section 9. Additional Bonds. The Bonds are issued on a parity with the Prior Issues. No bonds or obligations payable out of the Gross Earnings of the System may be issued in such manner as to enjoy priority over the Bonds. Additional obligations may be issued if their lien and pledge is junior and subordinate to that of the Bonds. Additional obligations may be issued on a parity with the Bonds as to the pledge of Gross Earnings of the System ("Parity Bonds") only if all of the following conditions are met:

a. The Net Revenues of the System for the Fiscal Year immediately preceding the issuance of such additional bonds must have been equal to at least 1.20 times the highest annual principal and interest requirements on all bonds outstanding payable from Gross Earnings of the System and on the Bonds then to be issued in any Fiscal Year. Should an increase in permanent rates and charges, including those made to the City, be properly ordered and made effective during the Fiscal Year immediately prior to the issuance of such additional bonds or during that part of the Fiscal Year of issuance prior to such issuance, then Gross Earnings for purposes of such computation shall include such additional Gross Earnings as an independent certified public accountant, consulting professional engineer or the Wisconsin Public Service Commission may certify would have accrued during the prior Fiscal Year had the new rates been in effect during that entire immediately prior Fiscal Year.

b. The payments required to be made into the funds enumerated in Section 4 of this Resolution (including the Reserve Account, but not the Surplus Fund) must have been made in full.

c. The additional bonds must have principal maturing on May 1 of each year and interest falling due on May 1 and November 1 of each year.

d. If the Parity Bonds are to be secured by the Reserve Account, the amount on deposit in the Reserve Account must be increased to an amount equal to the Reserve Requirement applicable upon the issuance of Parity Bonds as defined in Section 3 of this Resolution.

e. The proceeds of the additional bonds must be used only for the purpose of providing additions, extensions or improvements to the System, or to refund obligations issued for such purpose.

Section 10. Sale of Bonds. The bid of the Purchaser for the purchase price set forth in the Proposal be and it hereby is accepted and the City Manager and City Clerk are authorized and directed to execute an acceptance of the offer of said successful bidder on behalf of the City. The good faith deposit of the Purchaser shall be retained by the City Treasurer until the closing of the bond issue, and any good faith deposits submitted by unsuccessful bidders shall be promptly returned. The officers of the City are authorized and directed to do any and all acts necessary to conclude delivery of the Bonds to the Purchaser, upon receipt of the purchase price, as soon after adoption of this Resolution as is convenient.

Section 11. Application of Bond Proceeds. All accrued interest received from the sale of the Bonds shall be deposited into the Special Redemption Fund. The amount, if any, necessary to make the amount currently on deposit in the Reserve Account equal to the Reserve Requirement shall be deposited in the Reserve Account. The balance of the proceeds shall be deposited into a special fund and used to refund the Refunded Obligations and pay the expenses incurred in authorizing, issuing and delivering the Bonds. Any balance remaining after paying said costs shall be transferred to the Special Redemption Fund for use in payment of principal of and interest on the Bonds.

Section 12. Amendment to Resolution. After the issuance of any of the Bonds, no change or alteration of any kind in the provisions of this Resolution may be made until all of the Bonds have been paid in full as to both principal and interest, or discharged as herein provided, except:

a. The City may, from time to time, amend this Resolution without the consent of any of the owners of the Bonds, but only to cure any ambiguity, administrative conflict, formal defect, or omission or procedural inconsistency of this Resolution; and

b. This Resolution may be amended, in any respect, with the written consent of the owners of not less than two-thirds of the principal amount of the Bonds then outstanding, exclusive of Bonds held by the City; provided, however, that no amendment shall permit any change in the pledge of Gross Earnings derived from the System, or in the maturity of any Bond issued hereunder, or a reduction in the rate of interest on any Bond, or in the amount of the principal obligation thereof, or in the amount of the redemption premium payable in the case of redemption thereof, or change the terms upon which the Bonds may be redeemed or make any

other modification in the terms of the payment of such principal or interest without the written consent of the owner of each such Bond to which the change is applicable.

Section 13. Defeasance. When all Bonds have been discharged, all pledges, covenants and other rights granted to the owners thereof by this Resolution shall cease. The City may discharge all Bonds due on any date by depositing into a special account on or before that date a sum sufficient to pay the same in full; or if any Bonds should not be paid when due, it may nevertheless be discharged by depositing into a special account a sum sufficient to pay it in full with interest accrued from the due date to the date of such deposit. The City, at its option, may also discharge all Bonds called for redemption on any date when they are prepayable according to their terms, by depositing into a special account on or before that date a sum sufficient to pay them in full, with the required redemption premium, if any, provided that notice of redemption has been duly given as required by this Resolution. The City, at its option, may also discharge all Bonds of said issue at any time by irrevocably depositing in escrow with a suitable bank or trust company a sum of cash and/or bonds or securities issued or guaranteed as to principal and interest of the U.S. Government, or of a commission, board or other instrumentality of the U.S. Government, maturing on the dates and bearing interest at the rates required to provide funds sufficient to pay when due the interest to accrue on each of said Bonds to its maturity or, at the City's option, if said Bond is prepayable to any prior date upon which it may be called for redemption, and to pay and redeem the principal amount of each such Bond at maturity, or at the City's option, if said Bond is prepayable, at its earliest redemption date, with the premium required for such redemption, if any, provided that notice of the redemption of all prepayable Bonds on such date has been duly given or provided for.

Section 14. Investments and Arbitrage. Monies accumulated in any of the funds and accounts referred to in Sections 4 and 11 hereof which are not immediately needed for the respective purposes thereof, may be invested in legal investments subject to the provisions of Sec. 66.0603(1m), Wis. Stats., until needed. All income derived from such investments shall be credited to the fund or account from which the investment was made; provided, however, that at any time that the Reserve Requirement is on deposit in the Reserve Account, any income derived from investment of the Reserve Account shall be deposited into the Special Redemption Fund and used to pay principal and interest on the Bonds. A separate banking account is not required for each of the funds and accounts established under this Resolution; however, the monies in each fund or account shall be accounted for separately by the City and used only for the respective purposes thereof. The proceeds of the Bonds shall be used solely for the purposes for which they are issued but may be temporarily invested until needed in legal investments. No such investment shall be made in such a manner as would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code or the Regulations of the Commissioner of Internal Revenue thereunder (the "Regulations").

An officer of the City, charged with the responsibility for issuing the Bonds, shall, on the basis of the facts, estimates and circumstances in existence on the date of closing, make such certifications as are necessary to permit the conclusion that the Bonds are not "arbitrage bonds" under Section 148 of the Code or the Regulations.

Section 15. Resolution a Contract. The provisions of this Resolution shall constitute a contract between the City and the owner or owners of the Bonds, and after issuance of any of the Bonds no change or alteration of any kind in the provisions of this Resolution may be made,

except as provided in Section 12, until all of the Bonds have been paid in full as to both principal and interest. The owner or owners of any of the Bonds shall have the right in addition to all other rights, by mandamus or other suit or action in any court of competent jurisdiction, to enforce such owner's or owners' rights against the City, the governing body thereof, and any and all officers and agents thereof including, but without limitation, the right to require the City, its governing body and any other authorized body, to fix and collect rates and charges fully adequate to carry out all of the provisions and agreements contained in this Resolution.

Section 16. Utilization of The Depository Trust Company Book-Entry-Only System. In order to make the Bonds 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 17. Persons Treated as Owners; Transfer of Bonds. The City Clerk shall keep books for the registration and for the transfer of the Bonds. The person in whose name any Bond 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 Bond 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 Bond to the extent of the sum or sums so paid.

Any Bond may be transferred by the registered owner thereof by surrender of the Bond 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 City Manager and City Clerk shall execute and deliver in the name of the transferee or transferees a new Bond or Bonds 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 Bond surrendered for transfer.

The City shall cooperate in any such transfer, and the City Manager and City Clerk are authorized to execute any new Bond or Bonds 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 Bonds. Payment of interest on the Bonds on any interest payment date shall be made to the registered owners of the Bonds as they appear on the registration book of the City at the close of business on the corresponding record date.

Section 18. Compliance with Federal Tax Laws. (a) The City represents and covenants that the projects financed by the Bonds and the Refunded Obligations and their ownership, management and use will not cause the Bonds 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 Bonds 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 Bonds) if taking, permitting or omitting to take such action would cause any of the Bonds to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause interest on the Bonds 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 Bonds 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 Bonds provided that in meeting such requirements the City will do so only to the extent consistent with the proceedings authorizing the Bonds and the laws of Wisconsin and to the extent that there is a reasonable period of time in which to comply.

The foregoing covenants shall remain in full force and effect, notwithstanding the defeasance of the Bonds, until the date on which all of the Bonds have been paid in full.

Section 19. Designation as Qualified Tax-Exempt Obligations. The Bonds are hereby designated as "qualified tax-exempt obligations" pursuant to 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 20. Call of Refunded Obligations. The Refunded Obligations maturing in the years 2011 through 2016 are called for prior payment on May 1, 2010 at the price of par plus accrued interest to the date of redemption.

The City hereby directs the City Clerk to work with Baird to cause timely notice of redemption, in substantially the form attached hereto as Exhibit F and incorporated herein by this reference (the "Notice"), to be provided at the times, to the parties and in the manner set forth on the Notice. All actions heretofore taken by the officers and agents of the City to effectuate the redemption of the Refunded Obligations are hereby ratified and approved.

Section 21. Official Statement. The City Council hereby approves the Preliminary Official Statement with respect to the Bonds and deems the Preliminary Official Statement as "final" for purposes of SEC Rule 15c2-12. All actions taken by officers of the City in connection with the preparation of such Preliminary Official Statement and any addenda to it or Final Official Statement are hereby ratified and approved. In connection with the closing for the Bonds, the appropriate City official shall certify the Preliminary Official Statement and any addenda or Final Official Statement. The City Clerk shall cause copies of the Preliminary Official Statement and any addenda or Final Official Statement to be distributed to the Purchaser of the Bonds.

Section 22. Undertaking to Provide Continuing Disclosure. The City covenants and agrees, for the benefit of the holders of the Bonds, 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 Bonds or by the original purchaser(s) of the Bonds 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 Bonds).

The City Clerk, or other officer of the City charged with the responsibility for issuing the Bonds, 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 23. 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 the Bonds.

Section 24. Bond Insurance. If the Purchaser of the Bonds determines to obtain municipal bond insurance with respect to the Bonds, the officers of the City are authorized to take all actions necessary to obtain such municipal bond insurance. The City Manager and City Clerk are authorized to agree to such additional provisions as the bond insurer may reasonably request and which are acceptable to the City Manager and City Clerk including provisions regarding restrictions on investment of Bond 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 Bonds 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 Bond provided herein.

Section 25. Closing. The City Manager and City Clerk are hereby authorized and directed to execute and deliver the Bonds to the Purchaser thereof upon receipt of the purchase price. The City Manager and City Clerk may execute the Bonds by manual or facsimile signature, but, unless the City has contracted with the Fiscal Agent to authenticate the Bonds, at least one of said officers shall sign the Bonds manually.

The officers of the City hereby are directed and authorized to take all necessary steps to close the bond 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.

Section 26. Conflicting Ordinances or Resolutions. All ordinances and resolutions (other than the 1996 Resolution and the 2009 Resolution) or orders, or parts thereof heretofore enacted, adopted or entered, in conflict with the provisions of this Resolution, are hereby repealed and this Resolution shall be in effect from and after its passage. In case of any conflict between this Resolution and the 1996 Resolution or the 2009 Resolution, the 1996 Resolution or the 2009 Resolution shall control so long as any bonds of the Prior Issue authorized by such resolution are outstanding.

Resolution introduced by Councilmember Olsen who moved its adoption. Seconded by Councilmember Winship. AYES: Olsen, Winship, Binnie, Singer, Kienbaum, Stewart. NOES: None. ABSENT: Taylor

Kevin M. Brunner, City Manager

Michele R. Smith, City Clerk

RESOLUTION AWARDING THE SALE OF \$3,290,000 TAXABLE GENERAL OBLIGATION COMMUNITY DEVELOPMENT BONDS (BUILD AMERICA BONDS-DIRECT PAYMENT).

RESOLUTION AWARDING THE SALE OF
\$3,290,000 TAXABLE GENERAL OBLIGATION COMMUNITY DEVELOPMENT BONDS
(BUILD AMERICA BONDS - DIRECT PAYMENT)

WHEREAS, on December 15, 2009, the City Council of the City of Whitewater, Walworth and Jefferson Counties, Wisconsin (the "City") adopted an initial resolution (the "Initial Resolution") authorizing the issuance of general obligation bonds in an amount not to exceed \$3,290,000 for the public purpose of providing financial assistance to community development projects under Section 66.1105, Wisconsin Statutes, by paying the cost of the construction of public infrastructure improvements in the City's Tax Incremental District No. 4 and paying other project costs included in the project plan for the District (the "Project");

WHEREAS, pursuant to the provisions of Section 67.05, Wisconsin Statutes, within 15 days following the adoption of the Initial Resolution, the City Clerk caused a notice to electors to be published in the Whitewater Register, stating the purpose and maximum principal amount of the bond issue authorized by the Initial Resolution and describing the opportunity and procedure for submitting a petition requesting a referendum on the bond issue authorized by the Initial Resolution;

WHEREAS, no petition for referendum was filed with the City Clerk, and the time to file such a petition has expired;

WHEREAS, on December 15, 2009, the City Council of the City also adopted a resolution entitled: "Resolution Providing for the Sale of Not to Exceed \$3,290,000 Taxable General Obligation Community Development Bonds (Build America Bonds - Direct Payment)" providing, among other things, for the sale of not to exceed \$3,290,000 Taxable General Obligation Community Development Bonds (Build America Bonds - Direct Payment) (the "Bonds") to pay costs of the Project;

WHEREAS, pursuant to such resolution, the City has directed its financial advisor, Robert W. Baird & Co. Incorporated ("Baird") to take the steps necessary to sell the Bonds;

WHEREAS, Baird, in consultation with the officials of the City, prepared an Official Notice of Sale (a copy of which is attached hereto as Exhibit A and incorporated herein by this reference) setting forth the details of and the bid requirements for the Bonds and indicating that the Bonds would be offered for public sale on January 19, 2010;

WHEREAS, the City Clerk (in consultation with Baird) caused notice of the sale of the Bonds to be published and/or announced and caused the Official Notice of Sale to be distributed to potential bidders offering the Bonds for public sale;

WHEREAS, the City has duly received bids for the Bonds as described on the Bid Tabulation attached hereto as Exhibit B and incorporated herein by this reference (the "Bid Tabulation"); and

WHEREAS, it has been determined that the bid proposal (the "Proposal") submitted by the financial institution listed first on the Bid Tabulation fully complies with the bid requirements set forth in the Official Notice of Sale and is deemed to be the most advantageous

to the City. Baird has recommended that the City accept the Proposal. A copy of said Proposal submitted by such institution (the "Purchaser") is attached hereto as Exhibit C and incorporated herein by this reference;

WHEREAS, it is the finding of the City Council that it is desirable and in the best interest of the City to take the steps necessary to irrevocably designate the Bonds to be qualified "Build America Bonds" within the meaning of Subsection 54AA(g) of the Internal Revenue Code of 1986, as amended (the "Code") and the regulations promulgated thereunder by the U.S. Department of Treasury (the "Regulations") so that the City may claim refundable credits with respect to each interest payment on the Bonds, payable to the City by the Secretary of the United States Department of the Treasury ("Treasury"); and

WHEREAS, because the City Council will designate the Bonds to be qualified Build America Bonds, the interest on the Bonds will be includible in gross income for federal income tax purposes under Subsection 54AA(f)(1) of the Code.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City that:

Section 1A. Ratification of the Official Notice of Sale and Offering Materials. The City Council of the City hereby ratifies and approves the details of the Bonds set forth in Exhibit A attached hereto as and for the details of the Bonds. The Official Notice of Sale and any other offering materials prepared and circulated by Baird are hereby ratified and approved in all respects. All actions taken by officers of the City and Baird in connection with the preparation and distribution of the Official Notice of Sale and any other offering materials are hereby ratified and approved in all respects.

Section 1B. Award of the Bonds. The Proposal of the Purchaser offering to purchase the Bonds for the sum set forth on the Proposal, plus accrued interest to the date of delivery, is hereby accepted. The City Manager and City Clerk or other appropriate officers of the City are authorized and directed to execute an acceptance of the Proposal on behalf of the City. The good faith deposit of the Purchaser shall be retained by the City Treasurer and applied in accordance with the Official Notice of Sale. The Bonds bear interest at the rates set forth on the Proposal.

Section 2. Terms of the Bonds. The Bonds shall be designated "Taxable General Obligation Community Development Bonds (Build America Bonds - Direct Payment)"; shall be issued in the aggregate principal amount of \$3,290,000; shall be dated February 9, 2010; shall be in the denomination of \$5,000 or any integral multiple thereof; shall be numbered R-1 and upward; and shall bear interest at the rates per annum; and mature on December 1 of each year, in the years and principal amounts as set forth on the Pricing Summary attached hereto as Exhibit D-1 and incorporated herein by this reference. Interest is payable semi-annually on June 1 and December 1 of each year commencing on June 1, 2010. Interest shall be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board. The schedule of principal and interest payments due on the Bonds is set forth on the Debt Service Schedule attached hereto as Exhibit D-2 and incorporated herein by this reference (the "Schedule").

Section 3. Redemption Provisions. The Bonds maturing on December 1, 2021 and thereafter shall be subject to redemption prior to maturity, at the option of the City, on December 1, 2020 or on any date thereafter. Said Bonds shall be redeemable as a whole or in part, and if in part, from maturities selected by the City and within each maturity, by lot, at the principal amount thereof, plus accrued interest to the date of redemption. If the Proposal specifies that any of the Bonds are subject to mandatory redemption, the terms of such mandatory redemption are set forth on an attachment hereto as Exhibit MRP and incorporated herein by this reference.

Section 4. Form of the Bonds. The Bonds shall be issued in registered form and shall be executed and delivered in substantially the form attached hereto as Exhibit E 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 Bonds as the same becomes due, the full faith, credit and resources of the City are hereby irrevocably pledged, and there is hereby levied upon all of the taxable property of the City a direct annual irrepealable tax in the years 2010 through 2028 for the payments due in the years 2010 through 2029 in the amounts set forth on the Schedule. The amount of tax levied for the year 2010 shall be the total amount of debt service due on the Bonds in the years 2010 and 2011; 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 Bonds in the year 2010.

(B) Tax Collection. So long as any part of the principal of or interest on the Bonds remains unpaid, 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 Bonds, said tax shall be, from year to year, carried onto the tax roll of the City and collected in addition to all other taxes and in the same manner and at the same time as other taxes of the City 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 Bonds 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.

(D) Appropriation. The City hereby appropriates from proceeds of the Bonds or other funds of the City on hand a sum sufficient to be irrevocably deposited in the segregated Debt Service Fund Account created below and used to pay the interest on the Bonds coming due on June 1, 2010 and December 1, 2010 as set forth on the Schedule.

Section 6. Segregated Debt Service Fund 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. Debt service or 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 hereby is established a separate and distinct account designated as the "Debt Service Fund Account for \$3,290,000 Taxable General Obligation Community Development Bonds (Build America Bonds - Direct Payment), dated February 9, 2010" (the "Debt Service Fund Account") and such account shall be maintained until the indebtedness evidenced by the Bonds is fully paid or otherwise extinguished. The City Treasurer shall deposit in the Debt Service Fund Account (i) all accrued interest received by the City at the time of delivery of and payment for the Bonds; (ii) any premium which may be received by the City above the par value of the Bonds 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 Bonds when due; (iv) such other sums as may be necessary at any time to pay principal of and interest on the Bonds when due; (v) surplus monies in the Borrowed Money Fund as specified below; (vi) all Direct Payments (defined below) received by the City; and (vii) 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 Bonds until all such principal and interest has been paid in full and the Bonds canceled; provided (i) the funds to provide for each payment of principal of and interest on the Bonds 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 Bonds may be used to reduce the next succeeding tax levy, or may, at the option of the City, be invested by purchasing the Bonds 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 Code and any applicable Regulations.

(C) Remaining Monies. When all of the Bonds have been paid in full and canceled, and all Permitted Investments disposed of, any money remaining in the Debt Service Fund Account shall be transferred and deposited in the general fund of the City, unless the City Council directs otherwise.

Section 7. Proceeds of the Bonds; Segregated Borrowed Money Fund. The proceeds of the Bonds (the "Bond Proceeds") (other than any premium and accrued interest which must be paid at the time of the delivery of the Bonds into the Debt Service Fund Account created above) shall be deposited into a special fund separate and distinct from all other funds of the City and disbursed solely for the purposes for which borrowed or for the payment of the principal of and the interest on the Bonds. 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 purposes for which the Bonds 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 Fund Account.

Section 8. Qualified Build America Bond Designation; Irrevocable Election; Compliance with Federal Tax Laws. (a) The Bonds are hereby irrevocably designated qualified Build America Bonds within the meaning of Subsection 54AA(g) of the Code, and the City hereby irrevocably elects to apply Subsection 54AA(g) of the Code to the Bonds. The City represents that all Bond Proceeds, less costs of issuance financed with such Bond Proceeds (which costs shall be in an amount not to exceed 2% of such Bond Proceeds) plus all income from temporary Permitted Investments with respect to such Bond Proceeds ("Available Project Proceeds") shall be used only for capital expenditures. The City acknowledges that among the requirements for the Bonds to qualify and continue to qualify as qualified Build America Bonds is that the Bonds, but for their qualified Build America Bond designation, would be tax-exempt for federal income tax purposes, and hence that the requirements of the Code and Regulations regarding tax-exempt obligations apply to the Bonds. The City hereby covenants to comply with such requirements.

(b) The City thus further represents and covenants that the projects financed by the Bonds and their ownership, management and use will not cause the Bonds 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 qualified Build America Bond status of the Bonds 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 Bonds) if taking, permitting or omitting to take such action would cause any of the Bonds to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause the Bonds to lose their status as qualified Build America Bonds within the meaning of Subsection 54AA(g) of the Code and the Regulations. The City Clerk or other officer of the City charged with the responsibility of issuing the Bonds 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.

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

(d) 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 Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code or the Regulations and an officer of the City, charged with the responsibility for issuing the Bonds, shall certify as to facts, estimates, circumstances and reasonable expectations in existence on the date of delivery of the Bonds to the Purchaser which will permit the conclusion that the Bonds are not "arbitrage bonds," within the meaning of the Code or Regulations.

Section 9. Qualified Build America Bonds - Application for Direct Payments to the City.

The City shall claim available refundable credits from the Treasury with respect to each interest payment on the Bonds as provided under Subsection 54AA(g)(1) of the Code ("Direct Payments"). The Fiscal Agent (defined below) is hereby authorized and directed to take all necessary actions on behalf of the City to apply for the receipt by the City of such Direct Payments, including the timely filing of necessary Internal Revenue Service forms and information returns for that purpose and/or submitting requests electronically if and as the Treasury establishes an electronic platform in connection with its direct payment procedures. All Direct Payments received by the City shall be promptly deposited in the Debt Service Fund Account and used for no other purpose than as provided in Section 6 of this Resolution.

Section 10. Execution of the Bonds; Closing; Professional Services. The Bonds shall be issued in printed form, executed on behalf of the City by the manual or facsimile signatures of the City Manager and City Clerk, authenticated, if required, by the Fiscal Agent (defined below), sealed with its official or corporate seal, if any, or a facsimile thereof, and delivered to the Purchaser upon payment to the City of the purchase price thereof, plus accrued interest to the date of delivery (the "Closing"). The facsimile signature of either of the officers executing the Bonds may be imprinted on the Bonds in lieu of the manual signature of the officer but, unless the City has contracted with a fiscal agent to authenticate the Bonds, at least one of the signatures appearing on each Bond shall be a manual signature. In the event that either of the officers whose signatures appear on the Bonds 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 Bonds and all such documents, certificates and acknowledgements as may be necessary and convenient to effectuate the Closing. The City hereby authorizes the officers and agents of the City to enter into, on its behalf, agreements and contracts in conjunction with the Bonds, 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 Bonds is hereby ratified and approved in all respects.

Section 11. Payment of the Bonds; Fiscal Agent. The principal of and interest on the Bonds shall be paid by Associated Trust Company, National Association, Green Bay, Wisconsin, which is hereby appointed as the City's registrar and fiscal agent pursuant to the provisions of Section 67.10(2), Wisconsin Statutes (the "Fiscal Agent"). The Fiscal Agency Agreement between the City and the Fiscal Agent shall be substantially in the form attached hereto as Exhibit F and incorporated herein by this reference.

Section 12. Persons Treated as Owners; Transfer of Bonds. The City shall cause books for the registration and for the transfer of the Bonds to be kept by the Fiscal Agent. The person in whose name any Bond 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 Bond 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 Bond to the extent of the sum or sums so paid.

Any Bond may be transferred by the registered owner thereof by surrender of the Bond 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 City Manager and City Clerk shall execute and deliver in the name of the transferee or transferees a new Bond or Bonds 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 Bond surrendered for transfer.

The City shall cooperate in any such transfer, and the City Manager and City Clerk are authorized to execute any new Bond or Bonds necessary to effect any such transfer.

Section 13. Record Date. The fifteenth day of each calendar month next preceding each interest payment date shall be the record date for the Bonds (the "Record Date"). Payment of interest on the Bonds on any interest payment date shall be made to the registered owners of the Bonds as they appear on the registration book of the City at the close of business on the Record Date.

Section 14. Utilization of The Depository Trust Company Book-Entry-Only System. In order to make the Bonds eligible for the services provided by The Depository Trust Company, New York, New York ("DTC"), 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 15. Official Statement. The City Council hereby approves the Preliminary Official Statement with respect to the Bonds and deems the Preliminary Official Statement as "final" as of its date for purposes of SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934 (the "Rule"). All actions taken by officers of the City in connection with the preparation of such Preliminary Official Statement and any addenda to it or Final Official Statement are hereby ratified and approved. In connection with the Closing, the appropriate City official shall certify the Preliminary Official Statement and any addenda or Final Official Statement. The City Clerk shall cause copies of the Preliminary Official Statement and any addenda or Final Official Statement to be distributed to the Purchaser.

Section 16. Undertaking to Provide Continuing Disclosure. The City hereby covenants and agrees, for the benefit of the owners of the Bonds, to enter into a written undertaking (the "Undertaking") required by 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 owners of the Bonds or by the Purchaser on behalf of such owners (provided that the rights of the owners and the Purchaser 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 Bonds).

The City Clerk, or other officer of the City charged with the responsibility for issuing the Bonds, 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 17. Record Book. The City 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 Bonds in the Record Book.

Section 18. Bond Insurance. If the Purchaser of the Bonds determines to obtain municipal bond insurance with respect to the Bonds, the officers of the City are authorized to take all actions necessary to obtain such municipal bond insurance. The City Manager and City Clerk are authorized to agree to such additional provisions as the bond insurer may reasonably request and which are acceptable to the City Manager and City Clerk including provisions regarding restrictions on investment of Bond 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 Bonds by the bond insurer and notices to be given to the bond insurer. In addition, any reference required by the bond insurer to the municipal bond insurance policy shall be made in the form of Bond provided herein.

Section 19. Conflicting Resolutions; Severability; Effective Date. All prior resolutions, rules or other actions of the City Council or any parts thereof in conflict with the provisions hereof shall be, and the same are, hereby rescinded insofar as the same may so conflict. In the event that any one or more provisions hereof shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions hereof. The foregoing shall take effect immediately upon adoption and approval in the manner provided by law.

Adopted, approved and recorded January 19, 2010.

Resolution introduced by Councilmember Olsen who moved its adoption. Seconded by Councilmember Winship. AYES: Olsen, Winship, Binnie, Singer, Kienbaum, Stewart. NOES: None. ABSENT: Taylor

Kevin M. Brunner, City Manager

Michele R. Smith, City Clerk

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF \$2,140,000 GENERAL OBLIGATION REFUNDING BONDS.

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF
\$2,135,000 GENERAL OBLIGATION REFUNDING BONDS

WHEREAS, the City Council of the City of Whitewater, Walworth and Jefferson Counties, Wisconsin (the "City") hereby finds and determines that it is necessary, desirable and in the best interest of the City to raise funds for the purpose of paying the cost of refunding obligations of the City, including interest on them, specifically; State Trust Fund Loans dated December 5, 2005, November 8, 2006 and February 7, 2008 and Promissory Notes dated August 1, 2006 and November 3, 2008 (collectively, the "Refunded Obligations") (hereinafter the refinancing of the Refunded Obligations shall be referred to as the "Refunding"), and there are insufficient funds on hand to pay said cost;

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

WHEREAS, cities are authorized by the provisions of Section 67.04, Wisconsin Statutes, to borrow money and issue general obligation refunding bonds to refinance their outstanding obligations;

WHEREAS, the City has directed its financial advisor, Robert W. Baird & Co. Incorporated ("Baird") to take the steps necessary to sell its General Obligation Refunding Bonds (the "Bonds");

WHEREAS, Baird, in consultation with the officials of the City, prepared an Official Notice of Sale (a copy of which is attached hereto as Exhibit A and incorporated herein by this reference) setting forth the details of and the bid requirements for the Bonds and indicating that the Bonds would be offered for public sale on January 19, 2010;

WHEREAS, the City Clerk (in consultation with Baird) caused notice of the sale of the Bonds to be published and/or announced and caused the Official Notice of Sale to be distributed to potential bidders offering the Bonds for public sale;

WHEREAS, the City has duly received bids for the Bonds as described on the Bid Tabulation attached hereto as Exhibit B and incorporated herein by this reference (the "Bid Tabulation"); and

WHEREAS, it has been determined that the bid proposal (the "Proposal") submitted by the financial institution listed first on the Bid Tabulation fully complies with the bid requirements set forth in the Official Notice of Sale and is deemed to be the most advantageous to the City. Baird has recommended that the City accept the Proposal. A copy of said Proposal submitted by such institution (the "Purchaser") is attached hereto as Exhibit C and incorporated herein by this reference.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City that:

Section 1A. Ratification of the Official Notice of Sale and Offering Materials. The City Council of the City hereby ratifies and approves the details of the Bonds set forth in Exhibit A attached hereto as and for the details of the Bonds. The Official Notice of Sale and any other offering materials prepared and circulated by Baird are hereby ratified and approved in all respects. All actions taken by officers of the City and Baird in connection with the preparation and distribution of the Official Notice of Sale, and any other offering materials are hereby ratified and approved in all respects.

Section 1B. Authorization of the Bonds. For the purpose of paying the cost of the Refunding, there shall be borrowed, pursuant to Section 67.04, Wisconsin Statutes, through the issuance of the Bonds, the sum of TWO MILLION ONE HUNDRED THIRTY-FIVE THOUSAND DOLLARS (\$2,135,000).

Section 1C. Award of the Bonds. The Proposal of the Purchaser offering to purchase the Bonds for the sum set forth on the Proposal, plus accrued interest to the date of delivery, is hereby accepted. The City Manager and City Clerk or other appropriate officers of the City are authorized and directed to execute an acceptance of the Proposal on behalf of the City. The good faith deposit of the Purchaser shall be retained by the City Treasurer and applied in accordance with the Official Notice of Sale. The Bonds bear interest at the rates set forth on the Proposal.

Section 2. Terms of the Bonds. The Bonds shall be designated "General Obligation Refunding Bonds"; shall be issued in the aggregate principal amount of \$2,135,000; shall be dated February 9, 2010; shall be in the denomination of \$5,000 or any integral multiple thereof; shall be numbered R-1 and upward; and shall bear interest at the rates per annum; and mature on December 1 of each year, in the years and principal amounts as set forth on the Pricing Summary attached hereto as Exhibit D-1 and incorporated herein by this reference. Interest is payable semi-annually on June 1 and December 1 of each year commencing on June 1, 2010. Interest shall be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board. The schedule of principal and interest payments due on the Bonds is set forth on the Debt Service Schedule attached hereto as Exhibit D-2 and incorporated herein by this reference (the "Schedule").

Section 3. Redemption Provisions. The Bonds shall not be subject to optional redemption.

Section 4. Form of the Bonds. The Bonds shall be issued in registered form and shall be executed and delivered in substantially the form attached hereto as Exhibit E 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 Bonds as the same becomes due, the full faith, credit and resources of the City are hereby irrevocably pledged, and there is hereby levied upon all of the taxable property of the City a direct annual irrepealable tax in the years 2010 through 2016 for the payments due in the years 2010 through 2017 in the amounts set forth on the Schedule. The amount of tax levied for the year 2010 shall be the total amount of debt service due on the Bonds in the years 2010 and 2011; 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 Bonds in the year 2010.

(B) Tax Collection. So long as any part of the principal of or interest on the Bonds remains unpaid, 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 Bonds, said tax shall be, from year to year, carried onto the tax roll of the City and collected in addition to all other taxes and in the same manner and at the same time as other taxes of the City 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 Bonds 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.

(D) Appropriation. The City hereby appropriates from amounts levied to pay debt service on the Refunded Obligations or other funds of the City on hand a sum sufficient to be irrevocably deposited in the segregated Debt Service Fund Account created below and used to pay the debt service on the Bonds coming due on June 1, 2010 and December 1, 2010 as set forth on the Schedule.

Section 6. Segregated Debt Service Fund 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. Debt service or 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 hereby is established a separate and distinct account designated as the "Debt Service Fund Account for \$2,135,000 General Obligation Refunding Bonds, dated February 9, 2010" (the "Debt Service Fund Account") and such account shall be maintained until the indebtedness evidenced by the Bonds is fully paid or otherwise extinguished. The City Treasurer shall deposit in the Debt Service Fund Account (i) all accrued interest received by the City at the time of delivery of and payment for the Bonds; (ii) any excess premium not used for the Refunding which may be received by the City above the par value of the Bonds 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 Bonds when due; (iv) such other sums as may be necessary at any time to pay principal of and interest on the Bonds 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 Bonds until all such principal and interest has been paid in full and the Bonds canceled; provided (i) the funds to provide for each payment of principal of and interest on the Bonds 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 Bonds may be used to reduce the next succeeding tax levy, or may, at the option of the City, be invested by purchasing the Bonds as permitted by and subject to Section 67.11(2)(a), Wisconsin Statutes, or in permitted municipal investments under the pertinent provisions of the Wisconsin Statutes ("Permitted Investments"), which investments shall continue to be a part of the Debt Service Fund Account. Any investment of the Debt Service Fund Account shall at all times conform with the provisions

of the Internal Revenue Code of 1986, as amended (the "Code") and any applicable Treasury Regulations (the "Regulations").

(C) Remaining Monies. When all of the Bonds have been paid in full and canceled, and all Permitted Investments disposed of, any money remaining in the Debt Service Fund Account shall be transferred and deposited in the general fund of the City, unless the City Council directs otherwise.

Section 7. Proceeds of the Bonds; Segregated Borrowed Money Fund. The proceeds of the Bonds (the "Bond Proceeds") (other than any excess premium not used for the Refunding and accrued interest which must be paid at the time of the delivery of the Bonds into the Debt Service Fund Account created above) shall be deposited into a special fund separate and distinct from all other funds of the City and disbursed solely for the purpose for which borrowed or for the payment of the principal of and the interest on the Bonds. Monies in the Borrowed Money Fund may be temporarily invested in Permitted Investments. Any monies, including any income from Permitted Investments, remaining in the Borrowed Money Fund after the purpose for which the Bonds have been issued has been accomplished, and, at any time, any monies as are not needed and which obviously thereafter cannot be needed for such purpose shall be deposited in the Debt Service Fund Account.

Section 8. No Arbitrage. All investments made pursuant to this Resolution shall be Permitted Investments, but no such investment shall be made in such a manner as would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code or the Regulations and an officer of the City, charged with the responsibility for issuing the Bonds, shall certify as to facts, estimates, circumstances and reasonable expectations in existence on the date of delivery of the Bonds to the Purchaser which will permit the conclusion that the Bonds are not "arbitrage bonds," within the meaning of the Code or Regulations.

Section 9. Compliance with Federal Tax Laws. (a) The City represents and covenants that the projects financed by the Bonds and by the Refunded Obligations and their ownership, management and use will not cause the Bonds 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 Bonds 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 Bonds) if taking, permitting or omitting to take such action would cause any of the Bonds to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause interest on the Bonds 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 Bonds 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 Bonds provided that in meeting such requirements the City will do so only to the extent

consistent with the proceedings authorizing the Bonds 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 Bonds are hereby designated as "qualified tax-exempt obligations" for purposes of Section 265 of the Code, relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

Section 11. Execution of the Bonds; Closing; Professional Services. The Bonds shall be issued in printed form, executed on behalf of the City by the manual or facsimile signatures of the City Manager and City Clerk, authenticated, if required, by the Fiscal Agent (defined below), sealed with its official or corporate seal, if any, or a facsimile thereof, and delivered to the Purchaser upon payment to the City of the purchase price thereof, plus accrued interest to the date of delivery (the "Closing"). The facsimile signature of either of the officers executing the Bonds may be imprinted on the Bonds in lieu of the manual signature of the officer but, unless the City has contracted with a fiscal agent to authenticate the Bonds, at least one of the signatures appearing on each Bond shall be a manual signature. In the event that either of the officers whose signatures appear on the Bonds 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 Bonds and all such documents, certificates and acknowledgements as may be necessary and convenient to effectuate the Closing. The City hereby authorizes the officers and agents of the City to enter into, on its behalf, agreements and contracts in conjunction with the Bonds, 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 Bonds is hereby ratified and approved in all respects.

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

Section 13. Persons Treated as Owners; Transfer of Bonds. The City shall cause books for the registration and for the transfer of the Bonds to be kept by the Fiscal Agent. The person in whose name any Bond 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 Bond 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 Bond to the extent of the sum or sums so paid.

Any Bond may be transferred by the registered owner thereof by surrender of the Bond 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 City Manager and City Clerk shall execute and deliver in the name of the transferee or transferees a new Bond or Bonds 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 Bond surrendered for transfer.

The City shall cooperate in any such transfer, and the City Manager and City Clerk are authorized to execute any new Bond or Bonds necessary to effect any such transfer.

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

Section 15. Utilization of The Depository Trust Company Book-Entry-Only System. In order to make the Bonds eligible for the services provided by The Depository Trust Company, New York, New York ("DTC"), 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 16. Official Statement. The City Council hereby approves the Preliminary Official Statement with respect to the Bonds and deems the Preliminary Official Statement as "final" as of its date for purposes of SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934 (the "Rule"). All actions taken by officers of the City in connection with the preparation of such Preliminary Official Statement and any addenda to it or Final Official Statement are hereby ratified and approved. In connection with the Closing, the appropriate City official shall certify the Preliminary Official Statement and any addenda or Final Official Statement. The City Clerk shall cause copies of the Preliminary Official Statement and any addenda or Final Official Statement to be distributed to the Purchaser.

Section 17. Undertaking to Provide Continuing Disclosure. The City hereby covenants and agrees, for the benefit of the owners of the Bonds, to enter into a written undertaking (the "Undertaking") required by 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 owners of the Bonds or by the Purchaser on behalf of such owners (provided that the rights of the owners and the Purchaser 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 Bonds).

The City Clerk, or other officer of the City charged with the responsibility for issuing the Bonds, 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 18. Prepayment of the Refunded Obligations. The Refunded Obligations shall be prepaid on February 19, 2010 at the principal amount thereof plus accrued interest to the prepayment date.

The City hereby directs the City Clerk to take all actions necessary for the prepayment of the Refunded Obligations on their prepayment date. All actions heretofore taken by the officers

and agents of the City to effectuate the prepayment of the Refunded Obligations are hereby ratified and approved.

Section 19. Record Book. The City 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 Bonds in the Record Book.

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

Section 21. Conflicting Resolutions; Severability; Effective Date. All prior resolutions, rules or other actions of the City Council or any parts thereof in conflict with the provisions hereof shall be, and the same are, hereby rescinded insofar as the same may so conflict. In the event that any one or more provisions hereof shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions hereof. The foregoing shall take effect immediately upon adoption and approval in the manner provided by law.

Adopted, approved and recorded January 19, 2010.

Resolution introduced by Councilmember Olsen who moved its adoption. Seconded by Councilmember Winship. AYES: Olsen, Winship, Binnie, Singer, Kienbaum, Stewart. NOES: None. ABSENT: Taylor

Kevin M. Brunner, City Manager

Michele R. Smith, City Clerk

**FIRST READING OF ORDINANCE ADOPTING CITY OF WHITEWATER
COMPREHENSIVE PLAN 2030.**

Roffers indicated that several options to the plan relating to the Southwest corner of the City were placed on councilmembers' desks earlier in the evening. Councilmember Binnie indicated that he serves as the Plan Commission representative. He stated that the Plan Commission heard some concerns about the commercial designation of the Hoffmann property at the public hearing. However, due to the time pressure to adopt the Comprehensive Plan, he felt that the Commission may not have thoroughly considered those concerns. Binnie expressed the opinion that there have been a couple of major changes in the landscape since the South Neighborhood Plan was developed. For one, the Technology Park location changed, and a primary reason for commercial having been slated for the property in question was that consultants had advised that it was important to have some services adjacent to a tech park. In addition, economic changes have influenced decisions and required that the City

be more realistic about their expectations. Binnie indicated that development on the east side is important in light of our investment in infrastructure. Binnie stated that the reality is that our community is small, and that projections do not show us growing dramatically over the next several years. Binnie suggested that the Elkhorn Road area needs to be our focus, as was supported through the citizen survey recently completed. Councilmember Kienbaum reminded Council that a proposal for development of the Hoffmann property would have to be brought before Council prior to being rezoned. City Planning consultant Mark Roffers indicated that the single family residential would not allow commercial usage of the property. Roffers agreed that any proposed zoning changes would have to come before the Common Council prior to development. Roffers stated that Option C, "Future Neighborhood," would allow for businesses such as a dental office. Roffers explained that descriptions are purposely written broad. Councilmember Taylor requested the definition of the largest possible business that could be developed in the "future neighborhood" zone.

It was moved by Olsen and seconded by Winship to approve the Ordinance adopting the Comprehensive Plan as proposed.

It was then moved by Olsen and seconded by Winship to amend the approval to propose the Southwest quadrant between Walworth Avenue and the bypass as "future neighborhood" (the same designation as it was prior to adoption of the Neighborhood Plan, and as identified in Option "C" presented to the Council at their meeting.

It was then moved by Stewart and seconded by Olsen to amend the proposed plan to redesignate the former Middle School property at the corner of Center and Summit Streets as "future neighborhood." VOTE ON AMENDMENT: AYES: Olsen, Taylor, Kienbaum, Stewart. NOES: Winship, Binnie, Singer. Amendment carries (and designation for former Franklin Middle School property is changed to "future neighborhood.") AYES: Olsen, Taylor, Winship, Binnie, Singer, Kienbaum, Stewart. NOES: None. ABSENT: None.

A vote was taken on the final now-amended motion, to approve the comprehensive plan with changes as follows: Redesignate the property known as the former Franklin Middle School site at the intersection of Center and Summit Streets as "future neighborhood" and redesignate the Hoffmann property near Walworth Ave. and Indian Mound Parkway as "future neighborhood", as identified in Option "C" of the options presented. AYES: Olsen, Taylor, Winship, Binnie, Singer, Kienbaum, Stewart. NOES: None. ABSENT: None.

AN ORDINANCE CREATING CHAPTER 1.31, ADOPTING THE COMPREHENSIVE PLAN OF THE CITY OF WHITEWATER, WISCONSIN.

The Common Council of the City of Whitewater, Wisconsin, do ordain as follows:

SECTION 1: Whitewater Municipal Code Chapter 1.31 is hereby created to read as follows:

1.31.010 General Provisions.

- (1) Pursuant to sections 62.23(21) and (3) and 66.1001 of Wisconsin Statutes, the City of Whitewater, is authorized to prepare and adopt a comprehensive plan as defined in sections 66.1001(1)(a) and 66.1001(2) of Wisconsin Statutes.
- (2) The Common Council of the City of Whitewater has adopted and followed written procedures designed to foster public participation in every stage of the preparation of its comprehensive plan as required by section 66.1001(4)(a) of Wisconsin Statutes.
- (3) The Plan and Architectural Review Commission of the City of Whitewater, by a majority vote of the entire Commission recorded in its official minutes, has adopted a resolution recommending to the Common Council the adoption of the document entitled "CITY OF WHITEWATER 2030 COMPREHENSIVE PLAN," containing all of the elements specified in section 66.1001(2) of the Wisconsin Statutes.
- (4) The City of Whitewater has held at least one public hearing on this ordinance, in compliance with the requirements of section 66.1001(4)(d) of Wisconsin Statutes and provided other opportunities for public involvement per its adopted public participation strategy and procedures.

1.31.020 Adoption of Comprehensive Plan.

- (1) The Common Council of the City of Whitewater, Wisconsin, do, by enactment of this ordinance, formally adopt the document entitled "CITY OF WHITEWATER 2030 COMPREHENSIVE PLAN," pursuant to section 66.1001(4)(c) of Wisconsin Statutes.

Ordinance introduced by Councilmember Olsen who moved its adoption. Seconded by Councilmember Winship. AYES: Olsen, Taylor, Winship, Binnie, Singer, Kienbaum, Stewart. NOES: None. ABSENT: None. FIRST READING APPROVED: January 19, 2010.

Kevin M. Brunner, City Manager

Michele R. Smith, City Clerk

SECOND READING OF AMENDMENT TO OPEN BURNING ORDINANCE.

AN ORDINANCE AMENDING SUBSECTION 8.32.010 CONCERNING BURNING REGULATIONS

The Common Council of the City of Whitewater, Walworth and Jefferson Counties, Wisconsin, do hereby ordain as follows:

SECTION 1: Whitewater Municipal Code Chapter 8.32, Subsection 8.32.010 (b) is hereby amended to read as follows:

(b) A substance that is burned outdoors for any purpose including outdoor recreation or for cooking in a grill, broiler, rotisserie, or any other appliance shall be attended to at all times.

(1) All outdoor fires shall be no closer than fifteen feet from any structure or side lot line and ten feet from any rear lot line. There shall be no outdoor fires in front yards or street yards.

(2) All open flame devices, cooking appliances, including grills, or decorative fireplaces shall be placed on a noncombustible surface and no closer than five feet to any building structure when in use.

Ordinance introduced by Councilmember Olsen. Seconded by Councilmember Winship.
AYES: Olsen, Winship, Binnie, Singer, Kienbaum, Stewart, Taylor (by phone). NOES: None.
ABSENT: None. SECOND READING APPROVED: January 19, 2010.

Kevin M. Brunner, City Manager

Michele R. Smith, City Clerk

SECOND READING OF ORDINANCE AUTHORIZING VEHICLE ACCIDENT SITE RESPONSE CHARGES.

ORDINANCE CREATING SECTION 2.24.096 AUTHORIZING VEHICLE ACCIDENT SITE RESPONSE CHARGES

The Common Council of the City of Whitewater, Walworth and Jefferson Counties, Wisconsin, do hereby ordain as follows:

Section 1: Whitewater Municipal Code, Section 2.24.096, is hereby created to read as follows:

2.24.096

(a) Purpose of Section. This section is enacted because the City of Whitewater Fire Department responds to the scene of motor vehicle accidents and provides services at the scene in addition to emergency medical services, to preserve the health and property of persons and the public. In order for the Fire Department to provide such services, it is necessary to charge the owners of the vehicles involved in the accident, and their insurance companies, for the services provided.

(b) Charges Authorized. The City of Whitewater Fire Department is hereby authorized to charge fees to the owner and/or operator of a motor vehicle (and their insurance companies) when the City of Whitewater Fire Department provides services to their vehicle, or to the accident scene, as a direct result of their vehicle's involvement. This may include but is not limited to: car fires, disconnecting the battery, fluid clean-ups, flush-downs, stabilization, site clean-up and extractions. This fee shall be charged in addition to the emergency medical services charges that are incurred.

Ordinance introduced by Councilmember Olsen. Seconded by Councilmember Winship.
AYES: Olsen, Winship, Binnie, Singer, Kienbaum, Stewart, Taylor (by phone). NOES: None.
ABSENT: None. SECOND READING APPROVED: January 19, 2010.

Kevin M. Brunner, City Manager

Michele R. Smith, City Clerk

SECOND READING OF ORDINANCE AMENDING CHAPTER 11 RELATING TO PARKING RESTRICTIONS ON NORTH STREET.

ORDINANCE AMENDING CHAPTER 11.16.150 OF THE CITY OF WHITEWATER MUNICIPAL CODE ENTITLED “STREET INDEX OF PARKING RESTRICTIONS.

The Common Council of the City of Whitewater, Walworth and Jefferson Counties, Wisconsin, does hereby ordain as follows:

SECTION 1: Chapter 11.16.150 entitled “Street Index of Parking Restrictions” shall be amended as follows:

The following is hereby *deleted* from the Street Index of Parking Restrictions:

| | | | |
|--------------|---|-----------|---------------------------------------|
| North Street | South side; from east curblin of First Street; east 125 feet | 11.16.070 | Two-hour parking |
| North Street | South side; from west curblin of N. First Street, west 140 feet | 11.16.070 | Two-hour parking |
| North Street | South side; from N. First, east to N. Jefferson | 11.16.090 | No parking from 2:00 a.m. – 5:00 a.m. |

The following is hereby *added* to the chart entitled Street Index of Parking Restrictions:

| | | | |
|--------------|--|-----------|---------------------------------------|
| North Street | Both sides; from George Street to Jefferson Street | 11.16.090 | No parking from 2:00 a.m. – 5:00 a.m. |
|--------------|--|-----------|---------------------------------------|

SECTION 2: This ordinance shall take effect upon passage and publication as provided by law.

Ordinance introduced by Councilmember Olsen. Seconded by Councilmember Winship.
 AYES: Olsen, Winship, Binnie, Singer, Kienbaum, Stewart, Taylor (by phone). NOES: None.
 ABSENT: None. SECOND READING APPROVED: January 19, 2010.

Kevin M. Brunner, City Manager

Michele R. Smith, City Clerk

APPROVAL OF POLICE DEPARTMENT ELECTRONIC RECORD SHARING AGREEMENT WITH UWW CAMPUS POLICE. Police Chief Coan requested approval of an Agreement between the University and the City relating to sharing of Police-related records.

It was moved by Councilmember Olsen to approve the Agreement between the City and the UWW Police regarding electronic record sharing. Seconded by Councilmember Winship. AYES: Olsen, Winship, Binnie, Singer, Kienbaum, Stewart. NOES: None. ABSENT: Taylor.

APPROVAL OF AMENDMENT TO MEMORANDUM OF UNDERSTANDING WITH UW-WHITewater REGARDING EMERGENCY COMMUNICATION SERVICES. In light of the fact that the State's Payment for Municipal Services amount has fallen below 80% of the cost of the services for 2010, the University has agreed to make a separate payment to subsidize the costs. The University will continue to make such payment based on a formula noted in the Agreement. It was moved by Olsen and seconded by Winship to approve the Amendment to the Memorandum of Understanding for provision of Emergency dispatch and communication services between the City the Whitewater Police Department and the UW-Whitewater Police Department. AYES: Olsen, Winship, Binnie, Singer, Kienbaum, Stewart. NOES: None. ABSENT: Taylor.

APPROVAL OF PURCHASE OF 2010 SQUAD CAR . It was moved by Olsen and seconded by Winship to approve the purchase of a new Ford Crown Victoria for use by the Police Department. AYES: Olsen, Winship, Binnie, Singer, Kienbaum, Stewart, Taylor (by phone). NOES: None. ABSENT: None.

APPROVAL OF CHANGE OF AGENT FOR "CLASS C" WINE LICENSE FOR THE CRAZY LEUCA CHICKS,LLC (THE GUILD ON THE TRIANGLE). The Guild on the Triangle business has requested a change of alcohol license agent for their business. It was moved by Olsen and seconded by Winship to approve a change of agent (to Jennifer Preiss) for the Class C Wine License for the Crazy Leuca Chicks, LLC.for a "Class C" wine license of Crazy Leuca Chicks, LLC. AYES: Olsen, Winship, Binnie, Singer, Kienbaum, Stewart, Taylor (by phone). NOES: None. ABSENT: None.

APPROVAL OF PURCHASE OF PLAYGROUND EQUIPMENT FOR EAST GATE PARK PLAYGROUND FROM LEE RECREATION LLC. It was moved by Olsen and seconded by Stewart to approve the purchase of playground equipment for East Gate Park playground from Lee Recreation LLC of Cambridge, Wisconsin, in the sum of \$19,527. AYES: Olsen, Winship, Binnie, Singer, Kienbaum, Stewart. NOES: None. ABSENT: Taylor.

APPROVAL OF MEMORANDUM OF UNDERSTANDING BETWEEN CITY AND DOWNTOWN WHITEWATER, INC. City Manager Brunner and the Downtown Whitewater ("DTWW") Board have drafted a Memorandum of Understanding between the City and DTWW. The agreement sets forth expectations the City has of the organization, as well as requiring that DTWW raise sufficient funds each year to at least double the amount of public funds contributed by the City. The DTWW Director will be required to submit quarterly reports to the Common Council, as well as supply an annual Financial Report. It was moved by Binnie and seconded by Winship to approve the Memorandum of Understanding between the City of Whitewater and Downtown Whitewater, Inc. AYES: Olsen, Winship, Binnie, Singer, Kienbaum, Stewart. NOES: None. ABSENT: Taylor.

It was moved by Councilmember Binnie to make the City's contribution contingent upon a report being given to the Common Council relating to fundraising prior to the payment scheduled for 2010. Seconded by Winship. AYES: Olsen, Winship, Binnie, Singer, Kienbaum, Stewart. NOES: None. ABSENT: Taylor.

DISCUSSION AND POSSIBLE DIRECTION REGARDING CITY RESIDENCY AS A CONDITION OF EMPLOYMENT FOR CERTAIN POSITIONS. Councilmember Olsen requested that the employee handbook be amended to require certain management positions to live within the City limits. City Manager Brunner stated that the requirement would assist in preservation of neighborhoods, an issue very important to many of the citizenry. Brunner agreed that it was a good public policy. Further information will be forthcoming.

REQUEST FOR EXEMPTION FROM HAVING TO USE CITY OF WHITEWATER E-MAIL ADDRESS. Councilmember Stewart requested exemption from the requirement to have his e-mail sent to his City e-mail address. Stewart feels it is much more convenient to use his personal e-mail address, agrees that he will respond to e-mails from the City account, thereby creating a record on the City server. Several councilmembers expressed disagreement with the request. It was moved by Taylor and seconded by Olsen to allow Councilmember Stewart to use his personal e-mail address on the City's website, instead of the City's e-mail address. . AYES: Olsen, Taylor, Kienbaum, Stewart. NOES: Winship, Binnie, Singer. ABSENT: None.

REVIEW AND APPROVAL OF ASSISTANT TO CITY MANAGER POSITION AND HIRING PROCESS. City Manager Brunner stated that hiring of the Assistant to the City Manager position will commence January 25th, with the posting of the job announcement with various governmental publications. Applications are due to the City by February 19th, with interviews to be conducted the week of March 8. Employment for the successful candidate will begin in early April. Based on this schedule, the current Human Resources/Special Projects manager position would end on Friday, April 2, with the Assistant to the City Manager position starting shortly thereafter. It was moved by Singer and seconded by Binnie to approve the hiring process for the position of Assistant to the City Manager. AYES: Olsen, Winship, Binnie, Singer, Kienbaum, Stewart. NOES: None. ABSENT: Taylor.

APPROVAL OF CONTRACT WITH STRAND ASSOCIATES FOR ENGINEERING SERVICES FOR STARIN ROAD EXTENSION AND TECHNOLOGY PARK IMPROVEMENT PROJECTS. Presented for approval was a contract with Strand Associates for engineering services necessary for development of the Technology Park. It was moved by Winship and seconded by Stewart to approve a contract with Strand for engineering services for the Starin Road extension project and Technology Park improvement projects. AYES: Olsen, Winship, Binnie, Singer, Kienbaum, Stewart. NOES: None. ABSENT: Taylor.

COUNCILMEMBER REQUESTS FOR FUTURE AGENDA ITEMS. None.

ADJOURN. It was moved by Olsen and seconded by Winship to adjourn the meeting at 8:52 pm. AYES: Olsen, Stewart, Winship, Binnie, Singer, Kienbaum. NOES: None. ABSENT: Taylor.

Respectfully Submitted,

Michele R. Smith, City Clerk