

RESOLUTION

RESOLUTION AWARDING THE SALE OF \$22,000,000
GENERAL OBLIGATION BONDS (ROCK HAVEN PROJECT), SERIES 2011B,
PROVIDING THE FORM OF THE BONDS;
AND LEVYING A TAX IN CONNECTION THEREWITH

WHEREAS, on September 8, 2011, the County Board of Rock County, Wisconsin (the "County") adopted an Initial Resolution authorizing the issuance of general obligation bonds in an amount not to exceed \$29,300,000 for the purpose of paying the cost of constructing and equipping a replacement for the Rock Haven Nursing Home (the "Project");

WHEREAS, the County deems the Project to be within its powers to undertake and therefore to be a public purpose as defined in Section 67.04(2) of the Wisconsin Statutes;

WHEREAS, the County's financial advisor, Wisconsin Public Finance Professionals, LLC, Milwaukee, Wisconsin ("WPPF") discussed the tentative timetable and other details with respect to the proposed bond issue with the County's Finance Committee and the County directed WPPF to take the necessary steps to sell a portion of the proposed bond issue to finance a portion of the Project;

WHEREAS, an Official Notice of Sale has been prepared and distributed setting forth the details of and the bid requirements for the aforesaid general obligation bonds which provided that the general obligation bonds would be offered for public sale on October 27, 2011; and

WHEREAS, sealed bid proposals were received as summarized in Exhibit C attached hereto; and

WHEREAS, it has been determined that the bid proposal submitted by Morgan Stanley & Co. LLC, New York, New York, fully complies with the bid requirements set forth in the Official Notice of Sale and is deemed to be the most advantageous to the County. A copy of said bid is attached hereto as Exhibit A and incorporated herein by this reference.

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

Section 1. Award of the Bonds. The bid proposal of Morgan Stanley & Co. LLC (the "Purchaser") is hereby accepted, said proposal offering to purchase the TWENTY-TWO MILLION DOLLARS (\$22,000,000) Rock County General Obligation Bonds (Rock Haven Project), Series 2011B (the "Bonds") for the sum of TWENTY-TWO MILLION NINETY-NINE THOUSAND NINE HUNDRED NINETY DOLLARS (\$22,099,990), plus accrued interest to the date of delivery, resulting in a net interest cost of EIGHT MILLION SIX HUNDRED SEVENTY-FIVE THOUSAND SIX HUNDRED THIRTY-THREE DOLLARS AND NINETY-SIX CENTS (\$8,675,633.96) and a true interest rate of 3.540253%. The Bonds bear interest as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2013	\$ 345,000	2.000%
2014	620,000	2.000
2015	555,000	2.000

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2016	\$ 555,000	2.000%
2017	525,000	2.000
2018	525,000	2.000
2019	525,000	2.500
2020	1,150,000	3.000
2021	1,700,000	3.000
2022	3,100,000	3.000
2023	3,100,000	4.000
2024	3,100,000	4.000
2025	3,100,000	4.000
2026	3,100,000	4.000

Section 2. Designation of Purchaser as Agent. The County hereby designates the Purchaser as its agent for purposes of distributing the Final Official Statement relating to the Bonds to any participating underwriter in compliance with Rule 15c2-12 of the Securities and Exchange Commission.

Section 3. Terms of the Bonds. The Bonds shall be designated “General Obligation Bonds (Rock Haven Project), Series 2011B”; shall be dated November 16, 2011, shall be in the denomination of \$5,000 or any integral multiple thereof; and shall mature on September 1 of each year, in the years and principal amounts as set forth above. Interest is payable commencing on March 1, 2012 and semi-annually thereafter on September 1 and March 1 of each year.

Section 4. Redemption Provisions. At the option of the County, the Bonds maturing on September 1, 2022, and thereafter shall be subject to redemption prior to maturity on September 1, 2021 or on any date thereafter. Said Bonds shall be redeemable as a whole or in part, in inverse order of maturity and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

Section 5. 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 B and incorporated herein by this reference.

Section 6. 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 County are hereby irrevocably pledged and there is hereby levied upon all of the taxable property of the County a direct annual irrepealable tax in the years and amounts as follows:

<u>Levy Year</u>	<u>Amount</u>	<u>Levy Year</u>	<u>Amount</u>
2011	\$ 593,848.96	2019	\$1,824,500.00
2012	1,095,125.00	2020	2,340,000.00
2013	1,363,225.00	2021	3,689,000.00
2014	1,285,825.00	2022	3,596,000.00
2015	1,274,725.00	2023	3,472,000.00
2016	1,233,625.00	2024	3,348,000.00
2017	1,223,125.00	2025	3,224,000.00
2018	1,212,625.00		

The aforesaid direct annual irrevocable tax hereby levied shall be collected in addition to all other taxes and in the same manner and at the same time as other taxes of the County levied in said years are collected. So long as any part of the principal of or interest on the Bonds remains unpaid, the tax herein above levied shall be and continues irrevocable except that the amount of tax carried onto the tax roll may be reduced in any year by the amount of any surplus in the Debt Service Fund Account created herein.

Section 7. Debt Service Fund Account. There is hereby established in the County treasury a fund account separate and distinct from every other County fund or account designated "Debt Service Fund Account for \$22,000,000 Rock County General Obligation Bonds (Rock Haven Project), Series 2011B, dated November 16, 2011". There shall be deposited in said fund account any premium plus accrued interest paid on the Bonds at the time of delivery to the Purchaser, all money raised by taxation pursuant to Section 6 hereof and all other sums as may be necessary to pay interest on the Bonds when the same shall become due and to retire the Bonds at their respective maturity dates. Said fund account shall be used for the sole purpose of paying the principal of and interest on the Bonds and shall be maintained for such purpose until such indebtedness is fully paid or otherwise extinguished.

Section 8. Construction Fund. The proceeds of the Bonds (the "Bond Proceeds") herein provided for (other than any premium and accrued interest paid at the time of delivery which must be paid into the Debt Service Fund Account created above) shall be segregated in a special fund upon receipt and shall be used solely for the purposes for which borrowed or for the payment of the principal of and interest on the Bonds.

Section 9. Arbitrage Covenant. The County shall not take any action with respect to the Bond Proceeds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken on the date of the delivery of and payment for the Bonds (the "Closing"), would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code") and any income tax regulations promulgated thereunder (the "Regulations").

The Bond Proceeds may be temporarily invested in legal investments until needed, provided however, that the County hereby covenants and agrees that so long as the Bonds remain outstanding, moneys on deposit in any fund or account created or maintained in connection with the Bonds, whether such moneys were derived from the Bond Proceeds or from any other source, will not be used or invested in a manner which would cause the Bonds to be "arbitrage bonds" within the meaning of the Code or Regulations.

The County Clerk, or other officer of the County charged with responsibility for issuing the Bonds, shall provide an appropriate certificate of the County, for inclusion in the transcript of proceedings, setting forth the reasonable expectations of the County regarding the amount and use of the Bond Proceeds and the facts and estimates on which such expectations are based, all as of the Closing.

Section 10. Additional Tax Covenants; Exemption from Rebate. The County hereby further covenants and agrees that it will take all necessary steps and perform all obligations required by the Code and Regulations (whether prior to or subsequent to the issuance of the Bonds) to assure that the Bonds are obligations described in Section 103(a) of the Code, the

interest on which is excluded from gross income for federal income tax purposes, throughout their term. The County Clerk or other officer of the County charged with the responsibility of issuing the Bonds, shall provide an appropriate certificate of the County as of the Closing, for inclusion in the transcript of proceedings, certifying that it can and covenanting that it will comply with the provisions of the Code and Regulations.

Further, it is the intent of the County to take all reasonable and lawful actions to comply with any new tax laws enacted so that the Bonds will continue to be obligations described in Section 103(a) of the Code, the interest on which is excluded from gross income for federal income tax purposes.

The County anticipates that the Bonds will qualify for the construction expenditure exemption from the rebate requirements of the Code. The County Clerk or other officer of the County charged with the responsibility of issuing the Bonds, shall provide an appropriate certificate of the County as of the Closing, for inclusion in the transcript of proceedings, with respect to said exemption from the rebate requirements, and said County Clerk or other officer is hereby authorized to make any election on behalf of the County in order to comply with the rebate requirements of the Code. If, for any reason, the County did not qualify for any exemption from the rebate requirements of the Code, the County covenants that it would take all necessary steps to comply with such requirements.

Section 11. Persons Treated as Owners; Transfer of Bonds. The County 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 County 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 County Clerk shall 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 County Clerk shall record the name of each transferee in the registration book. No registration shall be made to bearer. The County Clerk shall cancel any Bond surrendered for transfer.

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

The 15th day of each calendar month next preceding each interest payment date shall be the record date 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 County maintained by the County Clerk at the close of business on the corresponding record date.

Section 12. 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 County has heretofore agreed to the applicable provisions

set forth in the DTC Blanket Issuer Letter of Representation and the County Clerk has executed such Letter of Representation and delivered it to the DTC on behalf of the County.

Section 13. Execution of the Bonds. The Bonds shall be issued in typewritten form, one Bond for each maturity, executed on behalf of the County by the manual or facsimile signatures of the County Board Chairperson and County Clerk (except that one of the foregoing signatures shall be manual), sealed with its official or corporate seal, if any, and delivered to the Purchaser upon payment to the County of the purchase price thereof, plus accrued interest to the date of delivery. In the event that either of the officers whose signatures appear on the Bonds shall cease to be such officers before the delivery of the Bonds, such signatures shall, nevertheless, be valid and sufficient for all purposes to the same extent as if they had remained in office until such delivery. The aforesaid officers are hereby authorized to do all acts and execute and deliver all documents as may be necessary and convenient to effectuate the Closing.

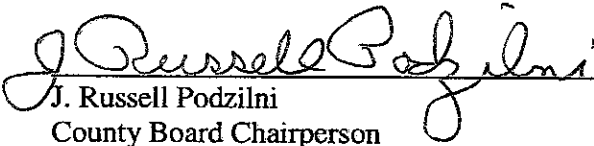
Section 14. Payment of the Bonds. The principal of and interest on the Bonds shall be paid by the County Treasurer or his or her agent in lawful money of the United States.

Section 15. Continuing Disclosure. The County hereby covenants and agrees that it will comply with and carry out all of the provisions of its Continuing Disclosure Certificate which the County will execute and deliver on the Closing Date. Any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the County to comply with its obligations under this Section.


Section 16. Financial Advisory Services. The Financial Advisory Services Agreement with Wisconsin Public Finance Professionals, LLC attached hereto as Exhibit D is hereby approved and the County officers indicated as signatories to the agreement are hereby authorized to execute the same.

Section 17. Conflicting Resolutions; Severability; Effective Date. All prior resolutions, rules or other actions of the County 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 this 27th day of October, 2011.


J. Russell Podzilni
County Board Chairperson

ATTEST:



Lorena R. Stottler
County Clerk

EXHIBIT A

BID FORM

Rock County Board of Supervisors
 c/o Wisconsin Public Finance
 Professionals, LLC, Financial Advisor
 1020 North Broadway, Suite G-9
 Milwaukee, WI 53202
 (414) 434-9644 – Office
 (414) 226-2014 – Fax

October 27, 2011

Re: \$22,000,000 General Obligation Bonds (Rock Haven Project), Series 2011B
 (Non-Bank Qualified)
 Dated: November 16, 2011

For all or none of the above Bonds, in accordance with the Official Notice of Sale, we will pay you \$22,099,990.00 no less than par nor more than \$22,100,000, plus accrued interest to date of delivery, for Bonds bearing interest rates and maturing on September 1, in the stated years as follows:

<u>Maturity</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Principal</u>	<u>Interest Rate</u>
09/01/13	\$ 345,000	2.00 %	09/01/20	\$1,150,000	3.00 %
09/01/14	620,000	2.00 %	09/01/21	1,700,000	3.00 %
09/01/15	555,000	2.00 %	09/01/22	3,100,000	3.00 %
09/01/16	555,000	2.00 %	09/01/23	3,100,000	4.00 %
09/01/17	525,000	2.00 %	09/01/24	3,100,000	4.00 %
09/01/18	525,000	2.00 %	09/01/25	3,100,000	4.00 %
09/01/19	525,000	2.50 %	09/01/26	3,100,000	4.00 %

This bid is for prompt acceptance. Submitted herewith is our Good Faith Deposit in the amount of \$440,000 in the form of certified or cashier's check (payable to County Treasurer), a wire transfer, or a financial surety bond which is to be held by you pending compliance with the terms of this bid. Said check or wire transfer is to be returned to us promptly if this bid is rejected.

(Account members are listed on the reverse side of this bid)

Respectively submitted,

William Avon *WAS*
 Account Manager

By Morgan Stanley & Co

We, the duly authorized officials of Rock County, do hereby accept and award the Bonds pursuant to the foregoing offer, in legal meeting this 27th day of October, 2011 at _____ p.m. central time.

 County Chairperson

 County Clerk

<p>NOT A PART OF BID Our calculation of total net interest cost using the above rates are:</p> <p>Gross Interest Cost \$ <u>8,775,623.96</u></p> <p>Less Premium <u>99,990.00</u></p> <p>Net Interest Cost \$ <u>8,675,633.96</u></p> <p>True Interest Rate <u>3.540253</u></p>	<p><input type="checkbox"/> CERTIFIED (CASHIER'S) CHECK <input type="checkbox"/> WIRE TRANSFER <input type="checkbox"/> FINANCIAL SURETY BOND</p> <p>Bank Name <u>First National Bank & Trust Co.</u> City <u>Beloit</u> State <u>WI</u> Check No. _____ Amount <u>\$440,000</u></p> <p>The above check was received for return to unsuccessful bidder for the above named Account Manager.</p> <p>By _____ Date _____</p>
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EXHIBIT B

REGISTERED
NO. R-___

UNITED STATES OF AMERICA
STATE OF WISCONSIN
ROCK COUNTY
GENERAL OBLIGATION BONDS
(ROCK HAVEN PROJECT), SERIES 2011B

MATURITY DATE: ORIGINAL DATE OF ISSUE: INTEREST RATE: CUSIP:
SEPTEMBER 1, 20__ NOVEMBER 16, 2011 .__% 772028__

DEPOSITORY OR ITS NOMINEE NAME: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS
(\$_____)

KNOW ALL MEN BY THESE PRESENTS, that Rock County, Wisconsin (the "County"), hereby acknowledges itself to owe and for value received promises to pay to the Depository or its Nominee Name (the "Depository") identified above (or to registered assigns), on the maturity date identified above, the principal amount identified above, and to pay interest thereon at the rate of interest per annum identified above, all subject to the provisions set forth herein regarding redemption prior to maturity. Interest is payable commencing on March 1, 2012 and semi-annually thereafter on September 1 and March 1 of each year until the aforesaid principal amount is paid in full. Both the principal of and interest on this Bond are payable in lawful money of the United States. The principal of this Bond shall be payable only upon presentation and surrender of the Bond at the office of the County Clerk or Treasurer. Interest payable on any interest payment date shall be paid by wire transfer to the Depository in whose name this Bond is registered on the County Clerk or Treasurer maintained by the County Clerk or Treasurer at the close of business on the 15th day of the calendar month next preceding the semi-annual interest payment date (the "Record Date").

For the prompt payment of this Bond together with interest hereon as aforesaid and for the levy of taxes sufficient for that purpose, the full faith, credit and resources of the County are hereby irrevocably pledged.

This Bond is one of an issue of Bonds aggregating the principal amount of \$22,000,000, all of which are of like tenor, except as to denomination, interest rate, maturity date and redemption provision, issued by the County pursuant to the provisions of Chapter 67, Wisconsin Statutes for the purpose of paying the cost of constructing and equipping a replacement for the Rock Haven Nursing Home, all as authorized by resolutions of the County Board duly adopted by said governing body at meetings held on September 8, 2011 and October 27, 2011. Said resolutions are recorded in the official minutes of the County Board for said dates.

At the option of the County, the Bonds maturing on September 1, 2022 and thereafter are subject to redemption prior to maturity on September 1, 2021 or on any date thereafter. Said Bonds are redeemable as a whole or in part, in inverse order of maturity and within each maturity by lot (as selected by the Depository), at the principal amount thereof, plus accrued interest to the date of redemption.

In the event the County exercises its option to redeem the Bonds prior to maturity, as long as the Bonds are in book-entry-only form, official notice of the redemption will be given by mailing a notice by registered or certified mail, or overnight express delivery, to the Depository not less than thirty (30) days nor more than sixty (60) days prior to the redemption date. If less than all the Bonds of a maturity are to be called for redemption, the Bonds of such maturity to be redeemed will be selected by lot. Such notice will include but not be limited to the following: the designation, date and maturities of the Bonds called for redemption, CUSIP numbers, and the date of redemption. Any notice mailed as provided herein shall be conclusively presumed to have been duly given, whether or not the Depository receives the notice. The Bonds shall cease to bear interest on the specified redemption date, provided that federal or other immediately available funds sufficient for such redemption are on deposit at the office of the Depository at that time. Upon such deposit of funds for redemption the Bonds shall no longer be deemed to be outstanding.

It is hereby certified and recited that all conditions, things and acts required by law to exist or to be done prior to and in connection with the issuance of this Bond have been done, have existed and have been performed in due form and time; that the aggregate indebtedness of the County, including this Bond and others issued simultaneously herewith, does not exceed any limitation imposed by law or the Constitution of the State of Wisconsin; and that a direct annual irrepealable tax has been levied sufficient to pay this Bond, together with the interest thereon, when and as payable.

This Bond is transferable only upon the books of the County kept for that purpose at the office of the County Clerk or Treasurer. In the event that the Depository does not continue to act as depository for the Bonds, and the County Board appoints another depository, new fully registered Bonds in the same aggregate principal amount shall be issued to the new depository upon surrender of the Bonds to the County Clerk or Treasurer, in exchange therefor and upon the payment of a charge sufficient to reimburse the County for any tax, fee or other governmental charge required to be paid with respect to such registration. The County Clerk or Treasurer shall not be obliged to make any transfer of the Bonds (i) after the Record Date, (ii) during the fifteen (15) calendar days preceding the date of any publication of notice of any proposed redemption of

the Bonds, or (iii) with respect to any particular Bond, after such Bond has been called for redemption. The County may treat and consider the Depository in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes whatsoever.

IN WITNESS WHEREOF, Rock County, Wisconsin, by its governing body, has caused this Bond to be executed for it and in its name by the signatures of its duly qualified County Board Chairperson and County Clerk; and to be sealed with its official or corporate seal, if any, all as of the 16th day of November, 2011.

ROCK COUNTY, WISCONSIN

By: _____
J. Russell Podzilni,
County Board Chairperson

(SEAL)

By: _____
Lorena R. Stottler,
County Clerk

ASSIGNMENT

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

(Name and Address of Assignee)

(Social Security or other Identifying Number of Assignee)

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

Dated: _____

Signature Guaranteed:

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

(Depository or its Nominee
Name)

(Authorized Officer)


NOTICE: The above-named
Depository or its Nominee Name must
correspond with the name as it appears upon
the face of the within Bond in every
particular, without alteration or enlargement
or any change whatever.

**Awarding the Sale of \$22,000,000 General Obligation Bonds (Rock Have Project), Series 2011B,
Providing the Form of the Bonds; and Levying a Tax in Connection Therewith**

Page 2

FISCAL NOTE:

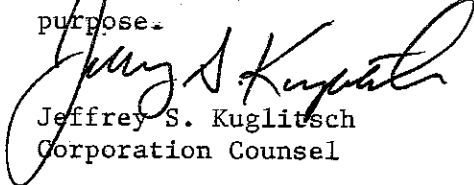
This resolution authorizes the issuance of \$22,000,000 in General Obligation Bonds to be redeemed over a 15 year period commencing March 1, 2012 (interest only) with the last principal payment scheduled for September 1, 2026. the proceeds are to be used for the replacement and equipping a new skilled nursing home, Rock Haven as well as debt issuance costs.



Jeffrey A. Smith
Finance Director

LEGAL NOTE:

Chapter 67, Wis. Stats. provides the authorization for the action proposed in this resolution which has been determined to be proper by counsel retained for this purpose.



Jeffrey S. Kuglitsch
Corporation Counsel

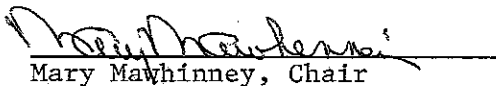
ADMINISTRATIVE NOTE:

Recommended.



Craig Knutson
County Administrator

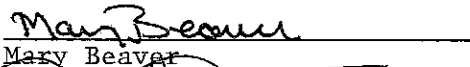
FINANCE COMMITTEE



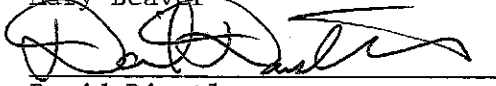
Mary Mawhinney, Chair



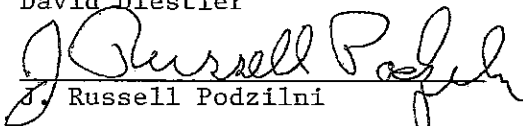
Sandra Kraft, Vice Chair



Mary Beaver



David Diestler



Russell Podzilni