

**VILLAGE BOARD
OF THE
VILLAGE OF FONTANA-ON-GENEVA LAKE, WISCONSIN**

May 19, 2005

Resolution No. 051905-01

**Resolution Providing for the Sale and Issuance of
\$5,090,000 Redevelopment Revenue Obligation, Series 2005,
the Payment of said Revenue Obligation,
and Other Related Details and Covenants**

WHEREAS, the Village of Fontana-on-Geneva Lake, Wisconsin (the “**Municipality**”) has established Tax Increment Finance District Number 1, Village of Fontana (the “**TIF District**”), to permit certain costs incurred by the Municipality for redevelopment of the TIF District (the “**Project Costs**”) to be reimbursed from property tax increments; and

WHEREAS, the Municipality has established the Community Development Authority of the Village of Fontana-on-Geneva Lake, Wisconsin (the “**Authority**”) to carry out redevelopment projects in designated redevelopment areas; and

WHEREAS, the Municipality is authorized, by Section 66.1105 (9)(a) of the Wisconsin Statutes, as amended, to pay the Project Costs from the proceeds of bonds issued under Section 66.0621 of the Wisconsin Statutes, as amended; and

WHEREAS, Section 66.0621 permits the Municipality to issue revenue obligations to provide for purchasing, acquiring, leasing, constructing, extending, adding to, improving, conducting, controlling, operating, or managing a public utility, which obligations shall not be considered an indebtedness of the Municipality; and

WHEREAS, for the purposes of financing under Section 66.0621, the term “public utility” means any revenue producing facility or enterprise owned by the Municipality and operated for a public purpose and includes any necessary public works project undertaken by the Municipality; and

WHEREAS, the Municipality is authorized, by Section 66.1333 (13) of the Wisconsin Statutes, as amended, to assist any redevelopment project by furnishing services or facilities, providing property, lending, or contributing funds or entering into cooperation agreements; and

WHEREAS, the Municipality proposes to enter into a cooperation agreement with the Authority to sell to the Authority its revenue obligation, to purchase from and contribute to the Authority certain property, and to lease back the same property; and

WHEREAS, the Municipality will also approve the issuance of its Redevelopment Revenue Obligation, Series 2005, for the purposes described in the Cooperation Agreement; and

WHEREAS, the Cooperation Agreement provides for the issuance of additional similar revenue obligations from time to time;

NOW, THEREFORE, be it resolved by the Village Board of the Municipality, as follows:

Section 1. Definitions.

The following terms shall have the following meanings in this Resolution unless the text expressly or by necessary implication requires otherwise:

“**Authority**” means the Community Development Authority of the Village of Fontana-on-Geneva Lake, Wisconsin.

“**Bonds**” means the \$5,090,000 principal amount of the Authority’s Redevelopment Lease Revenue Bonds, Series 2005 to be issued under an Indenture of Trust, dated as of their initial date of delivery, between the Authority and the Trustee.

“**Continuing Disclosure Agreement**” shall mean collectively the Master Agreement on Continuing Disclosure, dated July 15, 1999, executed by the Village, the Addendum Describing Annual Report for Redevelopment Lease Revenue Bonds, dated June 1, 2005, executed by the Village, and the Supplemental Agreement on Continuing Disclosure, to be dated the date of issuance of the Bonds, executed by the Village.

“**Conveyance**” means collectively the Quit Claim Deed, dated as of the date of initial delivery of the Bonds, and all additional deeds in substantially the same form as that dated as of the date of initial delivery of the Bonds, for the contribution of the Municipal Development Property from the Municipality to the Authority.

“**Cooperation Agreement**” means the Cooperation Agreement, dated as of June 1, 2005, between the Municipality and the Authority.

“**Improvement Area**” means the Improvement Area described in Exhibit C to the Cooperation Agreement.

“**Lease**” means the Lease, dated as of June 1, 2005, between the Municipality and the Authority, as may be amended from time to time.

“**Municipal Development**” means the development undertakings of the Municipality described in Exhibit A to the Cooperation Agreement.

“**Municipal Development Costs**” means costs incurred or to be incurred by the Municipality for the Municipal Development.

“**Municipal Development Property**” means all right, title, and interest of the Municipality in, to and under all real property and real property improvements purchased,

constructed, installed, or improved by the Municipality with proceeds of its Municipal Revenue Obligations.

“**Municipal Revenue Obligation**” means the \$5,090,000 Redevelopment Revenue Obligation, Series 2005 authorized to be issued by this Resolution.

“**Municipality**” means the Village of Fontana-on-Geneva Lake, Walworth County, Wisconsin.

“**Official Statement**” means the Authority’s Official Statement, dated May 19, 2005, relating to the Bonds.

“**Private Development**” means any private development or redevelopment of the Improvement Area described in Exhibit C to the Cooperation Agreement.

“**Project**” means collectively, various expenditures with respect to the Redevelopment Plan, including improvements to West Main and Mill Streets, landscape and lighting improvements, and construction of a tourism industry enhancement; and the prepayment of the Municipality’s \$1,500,000 Promissory Note, dated February 7, 2005, issued to Walworth State Bank, the proceeds of which were used to finance various expenditures with respect to the Redevelopment Plan, including the purchase of property and infrastructure improvements within the TIF District.

“**Redevelopment Act**” means Section 66.1333 of the Wisconsin Statutes, as amended.

“**Redevelopment Area**” means Redevelopment Project Area No. 1 as described in the Redevelopment Plan.

“**Redevelopment Plan**” means the Redevelopment Plan for the Redevelopment Area No. 1, adopted by the Village Board of the Municipality on April 1, 2002.

“**Register**” means the books of the Municipality kept by the Registrar to evidence the registration and transfer of the Municipal Revenue Obligation.

“**Registrar**” means the Treasurer of the Municipality, or a successor designated as Registrar hereunder.

“**Report**” means the Report dated May 19, 2005 as to the terms, conditions, and other material provisions of the Municipal Development Property sold by the Village to the Authority and of the Lease of such Municipal Development Property by the Authority to the Village.

“**Revenues**” means (i) revenues derived from all gifts, contributions, grants, and other forms of public or private aid received or to be received by the Municipality specifically for the purpose of assisting in the redevelopment of the Improvement Area, (ii) to the extent so designated by the Municipality, revenues derived from any and all agreements between the Municipality and private developers pursuant to which all or a portion of the Private

Development will be undertaken, and (iii) moneys appropriated from time to time for such purpose by the Village Board in its sole and absolute discretion.

“**Special Redemption Fund**” means the fund established pursuant to Section 11 hereof.

“**TIF Act**” means Section 66.1103 of the Wisconsin Statutes, as amended.

“**TIF District**” means the Municipality’s Tax Increment Finance District Number 1 identified as such in the TIF Project Plan, as amended.

“**TIF Project Plan**” means the project plan for the TIF District, adopted by the Village Board of the Municipality on September 26, 2001, and amended on October 4, 2004, as may be further amended from time to time.

“**Trustee**” means Associated Trust Company, National Association.

“**Village Board**” means the Village Board of the Municipality.

Section 2. Findings and Determinations.

The Municipality hereby finds and determines that:

(a) The Private Development is consistent with the public purposes, plans, and objectives respectively set forth in the TIF Project Plan and the Redevelopment Plan;

(b) The Municipal Development has acted as an inducement for the Private Development, thereby making more likely accomplishment of the public purpose objectives set forth in the TIF Project Plan and the TIF Act; and

(c) The Municipal Development, and the acquisition, construction, and improvements it comprises, are expected to take more than three years to complete. Therefore, the financing of the Project as herein provided is consistent with prudent municipal utility management.

Section 3. Execution and Delivery of the Cooperation Agreement, the Report, the Conveyance, and the Lease.

It is hereby found and declared that the rental payments under the Lease constitute reasonable payments for the use of the property subject to the Lease.

The terms and provisions of the Cooperation Agreement, the Report, the Conveyance, and the Lease are hereby approved. The Village President and the Clerk are hereby authorized, for and in the name of the Municipality, to execute, affix with the official seal of the Municipality, and deliver the Cooperation Agreement, the Report, the Conveyance, and the Lease in the forms thereof presented to this body, or with such insertions therein and corrections and revisions thereto as shall be approved by the Village President and the Clerk consistent with this Resolution, their execution thereof to constitute conclusive evidence of their approval of such insertions, corrections, and revisions.

Section 4. Authorization, Purpose and Terms of Obligations.

For the purpose of providing for the Project in fulfillment of the Cooperation Agreement, there shall be issued a negotiable fully registered bond of the Municipality. The bond shall be designated “Redevelopment Revenue Obligation, Series 2005” and shall be issued in the aggregate principal amount of \$5,090,000 (the “**Series 2005 Obligation**” or the “**Municipal Revenue Obligation**”). The Municipal Revenue Obligation as originally issued shall be dated as of the date of its initial delivery and shall also bear the date of their authentication by the Registrar; and shall be in the denomination of the entire principal amount. The Municipal Revenue Obligation shall be numbered in any manner at the discretion of the Registrar. The entire principal amount of the Municipal Revenue Obligation shall become due on June 1, 2025; *provided* that the principal of the Municipal Revenue Obligation shall be retired in advance of final maturity in the amounts and on the date specified in the table below:

SERIES 2005 OBLIGATION

<u>Due (June 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2008	\$100,000	2.900%
2009	150,000	3.000
2010	175,000	3.150
2011	200,000	3.350
2012	200,000	3.500
2013	200,000	3.600
2014	200,000	3.750
2015	250,000	3.900
2016	350,000	4.000
2017	315,000	4.150
2018	300,000	4.200
2019	300,000	4.250
2020	230,000	4.300
2020	70,000	4.375
2021	150,000	4.350
2021	200,000	4.375
2022	400,000	4.375
2023	400,000	4.450
2024	400,000	4.450
2025	500,000	4.450

It is hereby found and declared that the above schedule of installments of the Municipal Revenue Obligation is conducive to prudent municipal utility management.

Section 5. Interest; Payment Provisions.

The Municipal Revenue Obligation shall bear interest from the date of its issuance and sale of the Municipal Revenue Obligation or from the most recent interest payment date to which interest has been paid or duly provided for, in amounts equal to, and payable on the same

days as, the interest payable from time to time on the Bonds. Principal of and interest on the Municipal Revenue Obligation shall be paid by check or draft of the Municipality to the person in whose name the Municipal Revenue Obligation is registered at the close of business on the 15th day of the calendar month immediately preceding the interest payment date.

Section 6. Execution; Authentication.

The Municipal Revenue Obligation shall be executed on behalf of the Municipality with the facsimile or manual signature of the President and with the facsimile or manual signature of the Clerk and sealed with the corporate seal of the Municipality or a printed facsimile thereof. In case any officer whose signature shall appear on the Municipal Revenue Obligation shall cease to be such officer before the delivery of the Municipal Revenue Obligation, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

The Municipal Revenue Obligation shall have thereon a certificate of authentication substantially in the form set forth in Exhibit A, duly executed by the Registrar as authenticating agent of the Municipality and showing the date of authentication. The Municipal Revenue Obligation shall not be valid or obligatory for any purpose or be entitled to any security or benefit under this Resolution unless and until such certificate of authentication shall have been duly executed by the Registrar by manual signature, and such certificate of authentication upon the Municipal Revenue Obligation shall be conclusive evidence that the Municipal Revenue Obligation have been authenticated and delivered under this Resolution. The certificate of authentication on the Municipal Revenue Obligations shall be deemed to have been executed by the Registrar if signed by an authorized officer of the Registrar.

Section 7. Registration of Municipal Revenue Obligation; Person Treated as Owner.

The Municipality shall cause the Register to be kept at the principal office of the Registrar, which is hereby constituted and appointed the registrar of the Municipality with respect to the Municipal Revenue Obligation herein authorized. Upon surrender for transfer of the Municipal Revenue Obligation at the principal office of the Registrar duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Registrar duly executed by, the registered owner or his attorney duly authorized in writing, the Municipality shall execute and the Registrar shall authenticate, date, and deliver in the name of the transferee or transferees a new fully registered Municipal Revenue Obligation of the same denomination, for a like principal amount and like installments. The execution by the Municipality of any fully registered Municipal Revenue Obligation shall constitute full and due authorization of such Municipal Revenue Obligation and the Registrar shall thereby be authorized to authenticate, date and deliver such Municipal Revenue Obligation. The Registrar shall not be required to transfer or exchange the Municipal Revenue Obligation during the period of fifteen days immediately preceding any interest payment date on such Municipal Revenue Obligation, nor to transfer or exchange a Municipal Revenue Obligation after notice calling the Municipal Revenue Obligation for prepayment has been mailed nor during the period of fifteen days immediately preceding mailing of a notice of prepayment of a Municipal Revenue Obligation under Section 8 of this Resolution.

The person in whose name a Municipal Revenue Obligation shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of, premium (if any) or interest on a Municipal Revenue Obligation shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon a Municipal Revenue Obligation to the extent of the sum or sums so paid.

No service charge shall be made for any transfer or exchange of a Municipal Revenue Obligation, but the Municipality or the Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of a Municipal Revenue Obligation except in the case of the issuance of a new Municipal Revenue Obligation for the unredeemed portion of a Municipal Revenue Obligation surrendered for redemption.

Section 8. Prepayment.

The principal of the Municipal Revenue Obligation may be prepaid, in whole or in part, on any date; provided, that the Municipal Revenue Obligation cannot be prepaid without the consent of the Authority except in connection with the prepayment of a like principal amount of Bonds. At least forty-five days prior to the redemption date, the Municipality shall notify the Registrar of any such prepayment.

Section 9. Prepayment Procedure.

Notice of the call for any prepayment under Section 8 of this Resolution shall be given by the Registrar on behalf of the Municipality by mailing the prepayment notice by first-class mail, at least 30 days and not more than 60 days prior to the date fixed for prepayment to the registered owner of the Municipal Revenue Obligation at the address shown on the Register or at such other address as is furnished in writing by such registered owner to the Registrar.

All notices of redemption shall state:

- (a) the complete name of the Municipality and the Municipal Revenue Obligation issue,
- (b) the redemption date and the date of mailing of the notice,
- (c) the redemption price,
- (d) if less than all of the principal amount outstanding of the Municipal Revenue Obligation is to be redeemed, complete identification, including interest rate and maturity date (and in the case of partial redemption, the respective principal amounts) of the installments of the Municipal Revenue Obligation to be redeemed,
- (e) that on the redemption date the redemption price will become due and payable upon each such installment of the Municipal Revenue Obligation called for redemption, and that interest thereon shall cease to accrue from and after said date, and

(f) the place where the Municipal Revenue Obligation is to be surrendered for payment of the redemption price including a contact person and telephone number, which place of payment shall be the principal office of the Registrar.

Prior to any redemption date, the Municipality shall deposit with the Registrar an amount of money sufficient to pay the redemption price of all installments of the Municipal Revenue Obligation which are to be redeemed on that date.

Notice of redemption having been given as aforesaid, the portion of the Municipal Revenue Obligation so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Municipality shall default in the payment of the redemption price) such portions of the Municipal Revenue Obligation shall cease to bear interest. Upon surrender of the Municipal Revenue Obligation for redemption in accordance with said notice, such portion of the Municipal Revenue Obligation shall be paid by the Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of the Municipal Revenue Obligation, there shall be prepared for the registered owner a new Municipal Revenue Obligation of the same installments in the amount of the unpaid principal. If the Municipal Revenue Obligation has been redeemed and is held by the Registrar, it shall be cancelled and destroyed by the Registrar and shall not be reissued.

Section 10. Special Redemption Fund.

The Municipality hereby creates a separate special fund in the treasury of the Municipality to be identified as the Redevelopment Revenue Obligation, Series 2005 Special Redemption Fund into which shall be paid the Revenues, which shall be set aside for payment of the principal of and interest due on the Municipal Revenue Obligation. The Municipal Revenue Obligation, together with interest thereon, shall be payable only out of the Special Redemption Fund, and shall be a valid claim of the owners thereof only against the Special Redemption Fund and from the Revenues pledged to such fund; and sufficient Revenues are hereby pledged to the Special Redemption Fund and shall be used for no purpose other than to pay the principal of and interest on the Municipal Revenue Obligation, and similar revenue obligations issued by the Municipality in connection with the issuance of bonds payable on a parity basis with the Bonds, as the same falls due.

Section 11. Form of Municipal Revenue Obligation.

The Municipal Revenue Obligation, the certificate of authentication to be endorsed thereon, and the form of assignment are all to be in substantially the forms attached hereto as Exhibit A with necessary and appropriate variations, omissions, and insertions as permitted or required by this Resolution.

Section 12. Covenants Regarding Revenues.

The Municipality hereby covenants and agrees with every owner (from time to time) of the Municipal Revenue Obligation that it will use good-faith efforts to obtain Revenues sufficient to pay the principal of and interest on the Municipal Revenue Obligation.

Section 13. Lien.

The Municipal Revenue Obligation shall be secured by a pledge of the Special Redemption Fund and the Revenues.

Section 14. Discharge and Satisfaction of Municipal Revenue Obligation.

The Municipality may fully discharge and satisfy covenants, liens, and pledges entered into, created, or imposed pursuant to this Resolution with respect to Municipal Revenue Obligation in any one or more of the following ways:

(a) By paying the Municipal Revenue Obligation when the same shall become due and payable or upon prior redemption in the manner herein provided;

(b) By depositing with a corporate trustee selected by the Municipality, in trust for such purpose, at or before the date of maturity or redemption, money in the amount necessary to pay or redeem such Municipal Revenue Obligation, and to pay interest thereon to maturity or the date of redemption; or

(c) By depositing with a corporate trustee selected by the Municipality, in trust for such purpose, at or before the date of maturity or redemption, moneys or direct obligations of, or obligations the principal and interest on which are fully guaranteed by, the United States of America, in such amount as, together with the income or increment to accrue thereon without consideration of any reinvestment thereof, will be fully sufficient to pay or redeem (when redeemable) and discharge the indebtedness of the Municipal Revenue Obligation at or before its maturity date; provided, that if the Municipal Revenue Obligation is to be redeemed prior to its maturity, notice of such redemption shall have been duly given or satisfactory arrangements shall have been made for the giving thereof.

Upon such payment or deposit of money in the amount and manner provided by this section, all liability of the Municipality with respect to the Municipal Revenue Obligation shall cease, determine and be completely discharged, and the holders thereof shall be entitled only to payment out of the money so deposited.

Section 15. Amendment of Resolution.

This Resolution may be amended from time to time if such amendment shall have been consented to by the owner of the Municipal Revenue Obligation; but this Resolution may not be so amended in such manner as to make any change in the maturity or interest rate of the Municipal Revenue Obligation, or modify the terms of payment of principal of or interest on the Municipal Revenue Obligation or impose any conditions with respect to such payment.

Any consent given by the owner of the Municipal Revenue Obligation pursuant to the provisions of this section shall be irrevocable for a period of six months from the date of the instrument evidencing such consent and shall be conclusive and binding upon any future owner of the same Municipal Revenue Obligation during such period. The consent may be revoked at

any time after six months from the date of such instrument by the owner or by a successor in title by filing notice of such revocation with the Clerk.

The fact and date of the execution of any instrument under the provisions of this section may be proved by the certificate of any officer in any jurisdiction who by the laws thereof is authorized to take acknowledgments of deeds within such jurisdiction, that the person signing such instrument acknowledged before him the execution thereof, or may be proved by an affidavit of a witness to such execution sworn to before such officer.

The ownership of the Municipal Revenue Obligation by any person executing such instrument and the date of his owning the same may be proved by an affidavit by such person or by a certificate executed by an officer of a bank or trust company showing that on the date therein mentioned such person had on deposit with such bank or trust company the Municipal Revenue Obligation.

Section 16. Parity Obligations; No Priority Obligations.

The Municipality may issue additional obligations payable from the Special Redemption Fund and having a lien on the Revenues on a parity basis with the Municipal Revenue Obligation on the terms and subject to the conditions set forth in the Cooperation Agreement. The Municipality will issue no bonds or obligations of any kind or nature payable from or enjoying a lien on the Special Redemption Fund or the Revenues having a priority over the Municipal Revenue Obligation.

Section 17. Sale of Municipal Revenue Obligation.

The sale of \$5,090,000 Redevelopment Revenue Obligation, Series 2005, to the Authority, at a price equal to the principal amount thereof, plus accrued interest thereon, if any, is hereby confirmed. The Municipal Revenue Obligation shall be delivered to the Authority by the Treasurer of the Municipality as soon as it can be prepared and authenticated, upon payment of the purchase price in immediately available funds.

Section 18. Disposition of Proceeds.

The underwriter's discount on the Bonds shall be deemed to have been paid to the Municipality as part of the purchase price of the Municipal Revenue Obligation and paid by the Municipality as a cost of financing the Municipal Development. The accrued interest, if any, included in the purchase price of the Municipal Revenue Obligation shall be deemed to have been paid to the Municipality as part of the purchase price of the Municipal Revenue Obligation and deposited by the Municipality with the Trustee (as assignee of the Authority's interest in the Municipal Revenue Obligations) to provide for the payment of interest on the Municipal Revenue Obligation. The remaining proceeds from the sale of the Municipal Revenue Obligation shall be disbursed only for the Project and the Refunding, and in compliance with Section 24 hereof, and not otherwise.

Section 19. Approval of Bonds; Execution of Official Statement; and Bond Purchase Agreement.

The terms of the Bonds and the issuance and sale thereof pursuant to the Bond Purchase Agreement, dated the date of the adoption of this resolution, between the Authority, the Municipality, and Robert W. Baird & Co. Incorporated (the “**Underwriter**”), are hereby approved so long as the Bond Purchase Agreement is not inconsistent with this Resolution or the proposal previously submitted to the Municipality by the Underwriter. The portions of the Official Statement relating to the Municipality (particularly the information under the headings “THE VILLAGE” and “NO LITIGATION” and in APPENDICES A and B) are hereby approved. The President and Clerk are hereby authorized and directed to execute and deliver the Official Statement, and the Bond Purchase Agreement.

Section 20. Resolution Shall be a Contract.

The provisions of this Resolution shall constitute a contract between the Municipality and the owner of the Municipal Revenue Obligation, and after the issuance of the Municipal Revenue Obligation, except as provided in Section 15, no change or alteration of any kind in the provisions of this Resolution may be made until the Municipal Revenue Obligation shall have been paid in full as to both principal and interest.

Section 21. Continuing Disclosure.

The Municipality hereby authorizes and directs the appropriate officers of the Municipality to execute the Continuing Disclosure Agreement or such portion thereof as is required in connection with the issuance of the Bonds and the Municipal Revenue Obligation. The Municipality hereby covenants and agrees to comply with and carry out all of the provisions of the Continuing Disclosure Agreement.

Section 22. Notice of Sale.

Notice of the sale of the Municipal Revenue Obligation, in the form attached hereto as Exhibit B, shall be published forthwith in the Municipality’s official newspaper. The Clerk shall obtain proof, in affidavit form, of such publication and compare the Notice as printed with Exhibit B to ascertain that no mistake has been made therein.

Section 23. General Authorizations.

The Village President and the Clerk and the appropriate deputies and officials of the Municipality in accordance with their assigned responsibilities are hereby each authorized to execute, deliver, publish, file, and record such other documents, instruments, notices, and records (including, without limitation, a declaration of official intent under Treas. Reg. § 1.141-4(c)(3)(v)) and to take such other actions as shall be necessary or desirable to accomplish the purposes of this Resolution and to comply with and perform the obligations of the Municipality under the Municipal Revenue Obligation.

In the event that said officers shall be unable by reason of death, disability, absence, or vacancy of office to perform in timely fashion any of the duties specified herein

(such as the execution of the Municipal Revenue Obligation), such duties shall be performed by the officer or official succeeding to such duties in accordance with law and the rules of the Municipality.

Section 24. Tax Covenant.

The Municipality covenants for the benefit of the Authority and the owners from time to time of the Bonds that it shall not take or omit to take any action, the taking or omission of which could adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes. Without limiting the generality of the foregoing, the Municipality agrees that (i) it will not permit any “private business use” (as defined in Section 141(b)(6) of the Internal Revenue Code of 1986, as amended) of the proceeds of the Municipal Revenue Obligation, and (ii) it shall keep records of all investment earnings on the proceeds of the Municipal Revenue Obligation and make such records available to the Authority and to the Trustee.

Section 25. Severability of Invalid Provisions.

If any section, paragraph, or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining sections, paragraphs, and provisions of this Resolution.

Section 26. Effective Date; Conformity.

This Resolution shall be effective immediately upon its passage and approval. To the extent that any prior resolutions of this body are inconsistent with the provisions hereof, this Resolution shall control and such prior resolutions shall be deemed amended to such extent as may be necessary to bring them in conformity with this Resolution.

Adopted: May 19, 2005

Thomas W. Whowell
President

Dennis L. Martin
Clerk

EXHIBIT A

FORM OF MUNICIPAL REVENUE OBLIGATION

REGISTERED No. R-1	United States of America State of Wisconsin County of Walworth Village of Fontana-on-Geneva Lake	\$5,090,000
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REDEVELOPMENT REVENUE OBLIGATION, SERIES 2005

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Issue Date</u>
See Text	June 1, 2025	June __, 2005

REGISTERED OWNER: COMMUNITY DEVELOPMENT AUTHORITY OF THE
VILLAGE OF FONTANA-ON-GENEVA LAKE, WISCONSIN

PRINCIPAL AMOUNT: FIVE MILLION NINETY THOUSAND DOLLARS (\$5,090,000)

THE VILLAGE OF FONTANA-ON-GENEVA LAKE, WALWORTH COUNTY, WISCONSIN (the “**Municipality**”), for value received, hereby acknowledges itself to owe and promises to pay to the Registered Owner hereinabove identified, or registered assigns as hereinafter provided, on the Maturity Date, solely from the revenues hereinafter specified, the Principal Amount and from the same source to pay interest in the amounts and on the dates hereinafter provided; provided, however, that the principal of this Revenue Obligation shall be retired in advance of the final maturity in the amount and on the dates specified in the table below:

<u>Due (June 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2008	\$100,000	2.900%
2009	150,000	3.000
2010	175,000	3.150
2011	200,000	3.350
2012	200,000	3.500
2013	200,000	3.600
2014	200,000	3.750
2015	250,000	3.900
2016	350,000	4.000
2017	315,000	4.150
2018	300,000	4.200
2019	300,000	4.250
2020	230,000	4.300

<u>Due (June 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2020	\$ 70,000	4.375%
2021	150,000	4.350
2021	200,000	4.375
2022	400,000	4.375
2023	400,000	4.450
2024	400,000	4.450
2025	500,000	4.450

This Revenue Obligation shall bear interest in amounts equal to, and payable on the same days as, the interest payable from time to time on the Redevelopment Lease Revenue Bonds, Series 2005 (the “**Bonds**”) issued by the Community Development Authority of the Village of Fontana-on-Geneva Lake, Wisconsin, in like original principal amount and on the same date as this Revenue Obligation.

Payment of each installment of principal and interest shall be made to the registered owner hereof who shall appear on the registration books of the Municipality maintained by the Treasurer of the Municipality, who serves as registrar and paying agent (the “**Registrar**”), at the close of business on the 15th day of the calendar month immediately preceding the interest payment date and shall be paid by check or draft of the Registrar mailed to such registered owner at his address as it appears on such registration books or at such other address as may be furnished in writing by such registered owner to the Registrar.

This Revenue Obligation has been issued to provide for the financing and refinancing of additions and improvements to the redevelopment project utility owned and operated by the Municipality pursuant to Article XI, Section 3 of the Wisconsin Constitution and Section 66.0621, Wisconsin Statutes and acts supplementary thereto, and is payable only from the income and revenues herein described, which income and revenues have been set aside as a special fund for that purpose and identified as the “**Special Redemption Fund.**” This Revenue Obligation is issued pursuant to a resolution adopted on May 19, 2005 by the Village Board of the Municipality, and does not constitute an indebtedness of the Municipality within the meaning of any constitutional or statutory limitation or provision. Reference is hereby made to said resolution for a more complete statement of the revenues from which and conditions under which this Revenue Obligation is payable, a statement of the conditions on which additional obligations may hereafter be issued on a parity with this Revenue Obligation, and the general covenants and provisions pursuant to which this Revenue Obligation has been issued.

The principal of this Revenue Obligation may be prepaid, in whole or in part, on any date; provided that no such prepayment shall be made without the Authority’s consent except in connection with the prepayment of a like principal amount of Bonds.

Notice of any intended prepayment shall be sent by registered or certified mail, return receipt requested, not less than thirty days nor more than sixty days prior to the date fixed for redemption to the registered owner of this Revenue Obligation at the address shown on the registration books of the Municipality maintained by the Registrar or at such other address as is

furnished in writing by such registered owner to the Registrar. When so called for redemption, this Revenue Obligation, or the portion hereof being so called for redemption, will cease to bear interest on the specified redemption date, provided funds for redemption are on deposit at the place of payment at that time, and shall not be deemed to be outstanding.

This Revenue Obligation is transferable by the registered owner hereof in person or by his attorney duly authorized in writing at the principal office of the Registrar in Fontana, Wisconsin, but only in the manner, subject to the limitations and upon payment of the charges provided in the authorizing resolution, and upon surrender and cancellation of this Revenue Obligation. Upon such transfer a new Revenue Obligation of the same maturity and for the same aggregate principal amount will be issued to the transferee in exchange therefor.

This Revenue Obligation is issuable in fully registered form only in the denomination of the entire principal amount outstanding of the issue.

The Municipality and the Registrar may deem and treat the registered owner as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof, premium, if any, hereon and interest due hereon and for all other purposes and neither the Municipality nor the Registrar shall be affected by any notice to the contrary.

It is hereby certified, recited, and declared that all acts, conditions, and things required to be done, exist, happen, and be performed precedent to and in the issuance of this Revenue Obligation have been done, do exist, have happened, and have been performed in due time, form and manner as required by the constitution and statutes of the State of Wisconsin.

This Revenue Obligation shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Registrar.

IN WITNESS WHEREOF the Village of Fontana-on-Geneva Lake, Walworth County, Wisconsin, by its Village Board, has caused this Revenue Obligation to be executed with the duly authorized facsimile signature of its President and with the duly authorized facsimile signature of its Clerk and its official seal or a facsimile thereof to be impressed or reproduced hereon, as of the _____ day of June, 2005.

VILLAGE OF FONTANA-ON-GENEVA LAKE,
WALWORTH COUNTY, WISCONSIN

By _____
President

[SEAL]

By _____
Clerk

CERTIFICATE OF AUTHENTICATION

Date of Authentication: June __, 2005

This Revenue Obligation is that described in the within-mentioned Resolution and is the Redevelopment Revenue Obligation, Series 2005, of the Village of Fontana-on-Geneva Lake, Wisconsin.

Treasurer, as Registrar

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned Community Development Authority of the Village of Fontana-on-Geneva Lake, Wisconsin, hereby assigns, without recourse, all its right, title, and interest in and to the above \$5,090,000 Village of Fontana-on-Geneva Lake, Walworth County, Wisconsin Redevelopment Revenue Obligation, Series 2005, to Associated Trust Company, National Association, and to its successor or successors, as trustee, under that certain Indenture of Trust, dated as of June 1, 2005, by and between the undersigned and said Trustee, securing the \$5,090,000 Community Development Authority of the Village of Fontana-on-Geneva Lake, Wisconsin Redevelopment Lease Revenue Bonds, Series 2005, and any additional bonds issued under said Indenture.

Dated as of June __, 2005.

COMMUNITY DEVELOPMENT AUTHORITY OF
THE VILLAGE OF FONTANA-ON-GENEVA
LAKE, WISCONSIN

By _____
Its Chairperson

EXHIBIT B

NOTICE TO THE ELECTORS OF THE
VILLAGE OF FONTANA-ON-GENEVA LAKE, WISCONSIN
RELATING TO SALE OF REVENUE OBLIGATION

On May 19, 2005, a resolution was offered, read, approved, and adopted whereby the Village of Fontana-on-Geneva Lake, Walworth County, Wisconsin entered into a contract to sell a redevelopment revenue obligation in the face amount of \$5,090,000, under Section 66.0621 of the Wisconsin Statutes, as amended, and enter into a related lease financing. It is anticipated that the closing for the redevelopment revenue obligation and related lease financing will be held on or about June 7, 2005. A copy of all proceedings had to date with respect to the authorization and sale of said revenue obligation and entering into the lease financing is on file and may be examined in the office of the Village Clerk, 175 Valley View Drive, Fontana, Wisconsin 53125.

This notice is given pursuant to Section 893.77, Wisconsin Statutes, which provides that an action or proceeding to contest the validity of the revenue obligation or the lease financing, for other than constitutional reasons, must be commenced within 30 days after the date of publication of this notice.

Publication Date: May 26, 2005

/s/ Dennis L. Martin
Village Clerk

CERTIFICATIONS BY CLERK

I, Dennis L. Martin, hereby certify that I am the duly qualified and acting Clerk of the Village of Fontana-on-Geneva Lake, Walworth County, Wisconsin (the “**Municipality**”), and as such I have in my possession, or have access to, the complete corporate records of said Municipality and of its Village Board (the “**Governing Body**”) and that attached hereto is a true, correct, and complete copy of the resolution (the “**Resolution**”) entitled:

**Resolution Providing for the Sale and Issuance of
\$5,090,000 Redevelopment Revenue Obligation, Series 2005,
the Payment of said Revenue Obligation,
and Other Related Details and Covenants**

I do hereby further certify as follows:

1. **Meeting Date.** On the 19th day of May, 2005, a meeting of the Governing Body was held commencing at 4:00 p.m.
2. **Posting.** On the 18th day of May, 2005 (and not less than 24 hours prior to the meeting), I posted or caused to be posted at the Municipality’s offices in Fontana-on-Geneva Lake, Wisconsin a notice setting forth the time, date, place, and subject matter (including specific reference to the Resolution) of said meeting.
3. **Notification of Media.** On the 18th day of May, 2005 (and not less than 24 hours prior to the meeting), I communicated or caused to be communicated, the time, date, place, and subject matter (including specific reference to the Resolution) of said meeting to those news media who have filed a written request for such notice.
4. **Open Meeting Law Compliance.** Said meeting was a regular meeting of the Governing Body which was held in open session in compliance with Subchapter V of Chapter 19 of the Wisconsin Statutes and any other applicable local rules and state statutes.
5. **Members Present.** Said meeting was duly called to order by the President (the “**Presiding Officer**”), who chaired the meeting. Upon roll I noted and recorded that there were 7 members of the Governing Body present at the meeting, such number being a quorum of the Governing Body.
6. **Consideration of and Roll Call Vote on Resolution.** Various matters and business were taken up during the course of the meeting without intervention of any closed session. One of the matters taken up was the Resolution. A proper quorum of the Governing Body was present for the consideration of the Resolution, and each member of the Governing Body had received a copy of the Resolution. All rules of the Governing Body that interfered with the consideration of the Resolution, if any, were suspended by a two-thirds vote of the Governing Body. The Resolution was then introduced, moved, and seconded, and after due consideration, upon roll call, 7 of the Governing Body members voted Aye, 0 voted Nay, and 0 Abstained.

7. **Adoption of Resolution.** The Resolution was supported by the affirmative vote of a majority of a quorum of Governing Body members in attendance. The Presiding Officer then declared that the Resolution was adopted, and I so recorded it.

8. **Publication of Exhibit B to Resolution.** I have caused Exhibit B to the Resolution to be published in the form and place specified in the Resolution.

IN WITNESS WHEREOF, I have signed my name and affixed the seal of the Municipality hereto on this 19th day of May, 2005.

[Seal]

Clerk