

RESOLUTION NO. 2025-03

RESOLUTION AUTHORIZING THE ISSUANCE AND
ESTABLISHING PARAMETERS FOR THE SALE OF NOT TO
EXCEED \$7,500,000 GENERAL OBLIGATION REFUNDING BONDS

WHEREAS, the Village Board hereby finds and determines that it is necessary, desirable and in the best interest of the Village of Pewaukee, Waukesha County, Wisconsin (the "Village") to raise funds to pay the cost of refinancing certain outstanding obligations of the Village, specifically, the State Trust Fund Loan, dated September 26, 2023 (the "2023 Loan") (the "2023 Refunding"); and the Note Anticipation Notes, dated April 15, 2024 (the "2024 NANs") (the "2024 Refunding") (collectively, the "Refunded Obligations") (hereinafter the refinancing of the Refunded Obligations shall be referred to as the "Refunding") so long as the conditions set forth herein are satisfied;

WHEREAS, the Village Board deems it to be necessary, desirable and in the best interest of the Village to refund the 2023 Loan for the purpose of achieving debt service savings and to refund the 2024 NANs for the purpose of restructuring the Village's outstanding indebtedness;

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

WHEREAS, it is the finding of the Village Board that it is necessary, desirable and in the best interest of the Village to authorize the issuance of and to sell the general obligation refunding bonds (the "Bonds") to Robert W. Baird & Co. Incorporated (the "Purchaser");

WHEREAS, the Purchaser intends to submit a bond purchase proposal to the Village (the "Proposal") offering to purchase the Bonds in accordance with the terms and conditions to be set forth in the Proposal; and

WHEREAS, in order to facilitate the sale of the Bonds to the Purchaser in a timely manner, the Village Board hereby finds and determines that it is necessary, desirable and in the best interest of the Village to delegate to the President and Village Administrator (the "Authorized Officers") the authority to accept the Proposal on behalf of the Village so long as the Proposal meets the terms and conditions set forth in this Resolution by executing a certificate in substantially the form attached hereto as Exhibit A and incorporated herein by reference (the "Approving Certificate").

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

Section 1. Authorization and Sale of the Bonds; Parameters. For the purpose of paying costs of the Refunding, there shall be borrowed pursuant to Section 67.04, Wisconsin Statutes, the principal sum of not to exceed SEVEN MILLION FIVE HUNDRED THOUSAND DOLLARS (\$7,500,000) from the Purchaser upon the terms and subject to the conditions set forth in this Resolution. Subject to satisfaction of the condition set forth in Section 16 of this Resolution, the President and Village Clerk are hereby authorized, empowered and directed to

make, execute, issue and sell to the Purchaser for, on behalf of and in the name of the Village, Bonds aggregating the principal amount of not to exceed SEVEN MILLION FIVE HUNDRED THOUSAND DOLLARS (\$7,500,000). The purchase price to be paid to the Village for the Bonds shall not be less than 97.50% of the principal amount of the Bonds and the difference between the initial public offering price of the Bonds and the purchase price to be paid to the Village by the Purchaser shall not exceed 2.50% of the principal amount of the Bonds, with an amount not to exceed 1.00% of the principal amount of the Bonds representing the Purchaser's compensation and an amount not to exceed 1.50% of the principal amount of the Bonds representing costs of issuance, including bond insurance premium (if any), payable by the Purchaser or the Village.

Section 2. Terms of the Bonds. The Bonds shall be designated "General Obligation Refunding Bonds"; shall be issued in the aggregate principal amount of up to \$7,500,000; shall be dated as of their date of issuance; shall be in the denomination of \$5,000 or any integral multiple thereof; shall be numbered R-1 and upward; and mature or be subject to mandatory redemption on the dates and in the principal amounts set forth below, provided that the principal amount of each maturity or mandatory redemption amount may be increased or decreased by up to \$400,000 per maturity or mandatory redemption amount and that the aggregate principal amount of the Bonds shall not exceed \$7,500,000. Any maturity or mandatory redemption payment may be eliminated, at the option of the Village, if the amount of such maturity or mandatory redemption payment is less than or equal to \$400,000. The schedule below assumes the Bonds are issued in the aggregate principal amount of \$7,500,000.

<u>Date</u>	<u>Principal Amount</u>
03-01-2026	\$200,000
03-01-2027	300,000
03-01-2028	300,000
03-01-2029	300,000
03-01-2030	400,000
03-01-2031	400,000
03-01-2032	400,000
03-01-2033	400,000
03-01-2034	400,000
03-01-2035	400,000
03-01-2036	400,000
03-01-2037	400,000
03-01-2038	400,000
03-01-2039	400,000
03-01-2040	400,000
03-01-2041	400,000
03-01-2042	400,000
03-01-2043	400,000
03-01-2044	400,000
03-01-2045	400,000

Interest shall be payable semi-annually on March 1 and September 1 of each year commencing on March 1, 2026 or on such other date approved by the Authorized Officers in the

Approving Certificate. The true interest cost on the Bonds (computed taking the Purchaser's compensation into account) shall not exceed 5.15%. 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 net present value debt service savings achieved by the 2023 Refunding (the "Savings") shall be at least 2.00% of the principal amount refunded.

Section 2A. Designation of Maturities. For purposes of State law, the Bonds of the earliest maturities are designated as being issued for the 2023 Refunding, so that the Bonds of the earliest maturities are considered to be issued to discharge the 2023 Loan first. The balance of the Bonds are designated as being issued to finance the 2024 Refunding.

Section 3. Redemption Provisions. The Bonds shall be subject to optional redemption as set forth on the Approving Certificate. If the Proposal specifies that certain of the Bonds shall be subject to mandatory redemption, the terms of such mandatory redemption shall be set forth on an attachment to the Approving Certificate labeled as Schedule MRP. Upon the optional redemption of any of the Bonds subject to mandatory redemption, the principal amount of such Bonds so redeemed shall be credited against the mandatory redemption payments established in the Approving Certificate in such manner as the Village shall direct.

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 B 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 Village are hereby irrevocably pledged, and there is hereby levied upon all of the taxable property of the Village a direct annual irrepealable tax in the years 2025 through 2044 for the payments due in the years 2026 through 2045 in the amounts as are sufficient to meet the principal and interest payments when due.

(B) Tax Collection. So long as any part of the principal of or interest on the Bonds remains unpaid, the Village 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 Village and collected in addition to all other taxes and in the same manner and at the same time as other taxes of the Village 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 Village then available, which sums shall be replaced upon the collection of the taxes herein levied.

(D) Appropriation. To the extent necessary, the Village hereby appropriates amounts levied to pay debt service on the Refunded Obligations or other funds of the Village on hand a sum sufficient to be irrevocably deposited in the segregated Debt Service Fund Account created below and used to pay debt service on the Bonds coming due in 2025, if any, as set forth on the Schedule.

Section 6. Segregated Debt Service Fund Account.

(A) Creation and Deposits. There shall be and there hereby is established in the treasury of the Village, 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 Village 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 General Obligation Refunding Bonds - 2025" (the "Debt Service Fund Account") and such account shall be maintained until the indebtedness evidenced by the Bonds is fully paid or otherwise extinguished. There shall be deposited into the Debt Service Fund Account (i) all accrued interest received by the Village at the time of delivery of and payment for the Bonds; (ii) any premium not used for the Refunding which may be received by the Village 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 Village, 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 Village, unless the Village Board directs otherwise.

Section 7. Proceeds of the Bonds; Segregated Borrowed Money Fund. The proceeds of the Bonds (the "Bond Proceeds") (other than any 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 (the "Borrowed Money Fund") separate and distinct from all other funds of the Village and disbursed solely for the purpose or purposes for which borrowed. 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 or 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 purpose(s) 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 Village, 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 Village represents and covenants that the projects financed by the Bonds and by the Refunded Obligations and the ownership, management and use of the projects will not cause the Bonds or the Refunded Obligations to be "private activity bonds" within the meaning of Section 141 of the Code. The Village 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 Village 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 Village Clerk or other officer of the Village charged with the responsibility of issuing the Bonds shall provide an appropriate certificate of the Village certifying that the Village can and covenanting that it will comply with the provisions of the Code and Regulations.

(b) The Village 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 Village 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. Qualified Tax-Exempt Obligations. The portion of the Bonds allocated to the 2024 Refunding are hereby deemed designated (to the maximum extent permitted) as "qualified tax-exempt obligations" pursuant to the provisions of Section 265(b)(3)(D)(ii) of the Code, and the balance allocated to the 2024 Refunding, if any, is hereby designated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code. The portion of the Bonds allocated to the 2023 Refunding 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. In support of such designation, the Village Clerk or other officer or administrator of the Village charged with the responsibility for issuing the Bonds shall provide an appropriate certificate of the Village, all as of the Closing.

Section 11. Execution of the Bonds; Closing; Professional Services. The Bonds shall be issued in printed form, executed on behalf of the Village by the manual or facsimile signatures of the President and Village 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 Village 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 Village 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 Village hereby authorizes the officers and agents of the Village 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 Associated Trust Company, National Association, Green Bay, Wisconsin, which is hereby appointed as the Village's registrar and fiscal agent pursuant to the provisions of Section 67.10(2), Wisconsin Statutes (the "Fiscal Agent"). The Village hereby authorizes the President and Village Clerk or other appropriate officers of the Village to enter into a Fiscal Agency Agreement between the Village and the Fiscal Agent. Such contract may provide, among other things, for the performance by the Fiscal Agent of the functions listed in Wis. Stats. Sec. 67.10(2)(a) to (j), where applicable, with respect to the Bonds.

Section 13. Persons Treated as Owners; Transfer of Bonds. The Village 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 President and Village 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 Village shall cooperate in any such transfer, and the President and Village Clerk are authorized to execute any new Bond or Bonds necessary to effect any such transfer.

Section 14. Record Date. The 15th day of the 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 Village 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 Village agrees to the applicable provisions set forth in the Blanket Issuer Letter of Representations, which the Village Clerk or other authorized representative of the Village is authorized and directed to execute and deliver to DTC on behalf of the Village to the extent an effective Blanket Issuer Letter of Representations is not presently on file in the Village Clerk's office.

Section 16. Conditions on Issuance and Sale of the Bonds. The issuance of the Bonds and the sale of the Bonds to the Purchaser are subject to satisfaction of the approval by the Authorized Officers of the principal amount, definitive maturities, redemption provisions, interest rates and purchase price for the Bonds, which approval shall be evidenced by execution by the Authorized Officers of the Approving Certificate.

The Bonds shall not be issued, sold or delivered until this condition is satisfied. Upon satisfaction of this condition, the Authorized Officers are authorized to execute a Proposal with the Purchaser providing for the sale of the Bonds to the Purchaser.

In order for the Bonds to finance the 2023 Refunding, the Savings test described in Section 2 above must be met. To the extent the Savings test is not met, the Bonds will not be eligible to be issued to finance the 2023 Refunding, but assuming satisfaction of the above parameters would still be issued to finance the 2024 Refunding.

Section 17. Official Statement. The Village Board hereby directs the Authorized Officers to approve the Preliminary Official Statement with respect to the Bonds and deem 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 the Authorized Officers or other officers of the Village 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 Village official shall certify the Preliminary Official Statement and any addenda or final Official Statement. The Village Clerk shall cause copies of the Preliminary Official Statement and any addenda or final Official Statement to be distributed to the Purchaser.

Section 18. Undertaking to Provide Continuing Disclosure. The Village hereby covenants and agrees, for the benefit of the owners of the Bonds, to enter into a written undertaking (the "Undertaking") if 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 Village to comply with the provisions of the Undertaking shall not be an event of default with respect to the Bonds).

To the extent required under the Rule, the President and Village Clerk, or other officer of the Village 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 Village's Undertaking.

Section 19. Redemption of the 2023 Loan. Assuming satisfaction of the Savings test, the Village hereby calls the 2023 Loan for redemption within 90 days of the date of issuance and such date will be specified in the Approving Certificate. Any and all actions heretofore taken by the officers and agents of the Village to effectuate such redemption are hereby ratified and approved.

Section 20. Payment of the 2024 NANs. The 2024 NANs are being paid on their April 15, 2025 maturity date. The Village hereby directs the Village Clerk to take all actions necessary for the payment of the 2024 NANs. Any and all actions heretofore taken by the officers and agents of the Village to effectuate such payment are hereby ratified and approved.

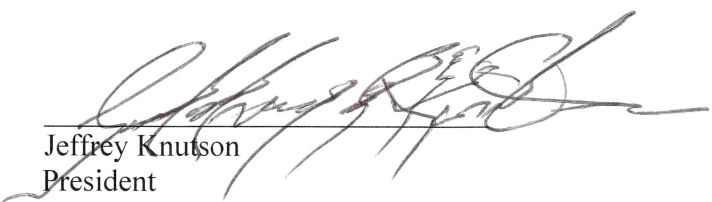
Section 21. Record Book. The Village Clerk shall provide and keep the transcript of proceedings as a separate record book (the "Record Book") and shall record a full and correct statement of every step or proceeding had or taken in the course of authorizing and issuing the Bonds in the Record Book.

Section 22. Bond Insurance. If the Purchaser determines to obtain municipal bond insurance with respect to the Bonds, the officers of the Village are authorized to take all actions necessary to obtain such municipal bond insurance. The President and Village Clerk are authorized to agree to such additional provisions as the bond insurer may reasonably request and which are acceptable to the President and Village 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

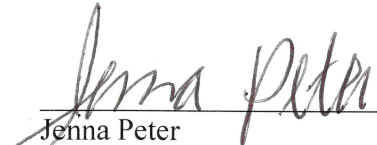
required by the bond insurer to the municipal bond insurance policy shall be made in the form of Bond provided herein.

Section 23. Conflicting Resolutions; Severability; Effective Date. All prior resolutions, rules or other actions of the Village Board 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 February 19, 2025.


Jeffrey Knutson
President

ATTEST:


Jenna Peter
Village Clerk

