

Resolution No. 2006-27

RESOLUTION BY THE FINANCE AND
HUMAN RESOURCES COMMITTEE AUTHORIZING THE ISSUANCE AND SALE OF
\$2,065,000 GENERAL OBLIGATION PROMISSORY NOTES BY RACINE COUNTY

To the Honorable Members of the Racine County Board of Supervisors:

WHEREAS, Racine County, Wisconsin (sometimes hereinafter called the "County") is presently in need of the sum of Two Million Sixty-Five Thousand Dollars (\$2,065,000) for the public purpose of financing capital projects included in the County's 2006 budget, including nursing home improvements and equipment, park improvements, construction of highway and bridge improvements, acquisition of highway equipment, and improvements and equipment for the courthouse and other County facilities; and

WHEREAS, the County Board of Supervisors deems it necessary and in the best interest of the County that the monies needed for such purpose be borrowed by issuing general obligation promissory notes pursuant to the provisions of Section 67.12(12), Wis. Stats., upon the terms and conditions hereinafter provided; and

WHEREAS, the County has directed its financial advisor, Robert W. Baird & Co. ("Baird") to take the steps necessary to sell its \$2,065,000 General Obligation Promissory Notes (the "Notes") for the purposes set forth above; and

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

WHEREAS, Baird (in consultation with the County) caused notice of the sale of the Notes to be publicized and caused the Official Notice of Sale to be distributed to potential bidders; and

WHEREAS, the County has duly received bids for the Notes as described on the bid tabulation attached hereto as Exhibit B and incorporated herein by this reference; and

WHEREAS, it has been determined that the best bid received was that submitted by the bidder (the "Purchaser") whose bid is attached hereto as Exhibit C and incorporated herein by this reference (the "Proposal");

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

Section 1. Award. The bid of the Purchaser for the purchase price set forth in the Proposal be and it hereby is accepted and the Chairperson and County Clerk are authorized and directed to execute an acceptance of the offer of said successful bidder on behalf of the County. The good faith deposit of the Purchaser shall be retained by the County Treasurer until the closing of the note issue, and any good faith deposits submitted by unsuccessful bidders shall be promptly returned.

Section 2. The Notes. The Chairperson and County Clerk shall make, execute and deliver the Notes to the Purchaser, for and on behalf of the County. The Notes shall be negotiable, general obligation promissory notes of the County, registered as to both principal and interest, in the denomination of Five Thousand Dollars (\$5,000) each or whole multiples thereof, numbered from R-1 upward and dated July 18, 2006. The Notes shall bear interest at the rates per annum set forth in the Proposal and shall mature on March 1 of each year, in the years and principal amounts set forth in the debt service schedule attached hereto as Exhibit D and incorporated herein by this reference (the "Schedule").

Interest on the Notes shall be payable on March 1 and September 1 of each year, commencing September 1, 2006.

Notes maturing in the years 2014 through 2016 shall be subject to call and prior payment at the option of the County in whole or from time to time in part on March 1, 2013 or on any date thereafter at the price of par plus accrued interest to the date of redemption. The amounts and maturities of the Notes to be redeemed shall be selected by the County. If less than the entire principal amount of any maturity is to be redeemed, the Notes of that maturity which are to be redeemed shall be selected by lot.

Section 3. Form of Notes. The Notes shall be in substantially the form attached hereto as Exhibit E and incorporated herein by this reference.

Section 4. Tax Provisions.

(A) Direct, Annual Irrepealable Tax. For the purpose of paying the principal of and interest on the Notes as the same become due, the full faith, credit and resources of the County are hereby irrevocably pledged and there be and there hereby is levied on all the taxable property in the County a direct, annual, irrepealable tax in the years 2006 through 2015 for payment of principal of and interest on the Notes in the years 2006 through 2016 in the amounts set forth in the Schedule. The amount of tax levied for the year 2006 shall be the total amount of debt service due on the Notes in the years 2006 and 2007; provided that the amount of such tax carried onto the tax rolls shall be abated by any amounts appropriated pursuant to subsection (D) below which are applied to payment of principal of or interest on the Notes in the year 2006.

(B) Tax Collection. The County 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 Notes, said tax shall be, from year to year, carried into the tax rolls of the County and collected as other taxes are collected, provided that the amount of tax carried into said tax rolls may be reduced in any year by the amount of any surplus money in the Debt Service Account created in Section 5(A) hereof.

(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 Notes when due, the requisite amounts shall be paid from other funds of the County then available, which sums shall be replaced upon the collection of the taxes herein levied.

(D) Appropriation. There be and there hereby is appropriated from proceeds of the Notes or other funds of the County on hand a sum sufficient to be deposited in the Debt Service Account to meet payments with respect to debt service due on September 1, 2006.

Section 5. Debt Service Fund and Account.

(A) Creation and Deposits. Within the debt service fund previously established in the treasury of the County, there be and there hereby is established a separate and distinct account designated as the "Debt Service Account for \$2,065,000 'General Obligation Promissory Notes' dated July 18, 2006" (the "Debt Service Account") and such account shall be maintained

until the indebtedness evidenced by the Notes is fully paid or otherwise extinguished. The County Treasurer shall deposit in such Debt Service Account (i) all accrued interest received by the County at the time of delivery of and payment for the Notes; (ii) the taxes herein levied for the specific purpose of meeting principal of and interest on the Notes when due; (iii) such other sums as may be necessary at any time to pay principal of and interest on the Notes when due; (iv) any premium which may be received by the County above the par value of the Notes and accrued interest thereon; (v) surplus monies in the Borrowed Money Fund as specified in Section 6 hereof; and (vi) such further deposits as may be required by Sec. 67.11, Wis. Stats.

(B) Use and Investment. No money shall be withdrawn from the Debt Service Account and appropriated for any purpose other than the payment of principal of and interest on the Notes until all such principal and interest has been paid in full and canceled; provided (i) the funds to provide for each payment of principal of and interest on the Notes 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 Notes may be used to reduce the next succeeding tax levy, or may, at the option of the County, be invested by purchasing the Notes as permitted by and subject to Section 67.11(2)(a), Wis. Stats., in interest-bearing obligations of the United States of America, in other obligations of the County or in other investments permitted by law, which investments shall continue to be a part of the Debt Service Account.

(C) Remaining Monies. When all of the Notes have been paid in full and canceled, and all permitted investments disposed of, any money remaining in the Debt Service Account shall be deposited in the general fund of the County, unless the County Board of Supervisors directs otherwise.

Section 6. Proceeds of the Notes. All monies received by the County upon the delivery of the Notes to the purchaser thereof, except for accrued interest and premium, if any, shall be deposited by the County Treasurer into a special fund (the "Borrowed Money Fund") which shall be maintained separate and distinct from all other funds of the County and shall be used for no purpose other than the purposes for which the Notes are issued. In no event shall monies in the Borrowed Money Fund be used to fund operating expenses of the general fund of the County or of any special revenue fund of the County that is

supported by property taxes. Monies in the Borrowed Money Fund may be temporarily invested as provided in Section 66.0603(1m), Wis. Stats. Any monies, including any income from permitted investments, remaining in the Borrowed Money Fund after the purposes for which the Notes have been issued have been accomplished, and, at any time, any monies as are not needed and which obviously thereafter cannot be needed for such purposes shall be deposited in the Debt Service Account.

Section 7. No Arbitrage. All investments permitted by this resolution shall be legal investments, but no such investment shall be made in such a manner as would cause the Notes to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), or the Regulations of the Commissioner of Internal Revenue thereunder (the "Regulations"); and an officer of the County, charged with the responsibility for issuing the Notes, shall certify as to facts, estimates, circumstances and reasonable expectations in existence on the date of closing which will permit the conclusion that the Notes are not "arbitrage bonds," within the meaning of the Code or Regulations.

Section 8. Persons Treated as Owners; Transfer of Notes. The County Clerk shall keep books for the registration and for the transfer of the Notes. The person in whose name any Note 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 Note 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 Note to the extent of the sum or sums so paid.

Any Note may be transferred by the registered owner thereof by surrender of the Note 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 Chairperson and County Clerk shall execute and deliver in the name of the transferee or transferees a new Note or Notes 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 Note surrendered for transfer.

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

The fifteenth day of each calendar month next preceding each interest payment date shall be the record dates for the Notes. Payment of interest on the Notes on any interest payment date shall be made to the registered owners of the Notes as they appear on the registration book of the County at the close of business on the corresponding record date.

Section 9. Compliance with Federal Tax Laws. (a) The County represents and covenants that the projects financed by the Notes and their ownership, management and use will not cause the Notes to be "private activity bonds" within the meaning of Section 141 of the Code. The County 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 Notes including, if applicable, the rebate requirements of Section 148(f) of the Code. The County 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 Notes) if taking, permitting or omitting to take such action would cause any of the Notes to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause interest on the Notes to be included in the gross income of the recipients thereof for federal income tax purposes. The County Clerk or other officer of the County charged with the responsibility of issuing the Notes shall provide an appropriate certificate of the County certifying that the County can and covenanting that it will comply with the provisions of the Code and Regulations.

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

Section 10. Utilization of The Depository Trust Company Book-Entry-Only System. In order to make the Notes eligible for the services provided by The Depository Trust Company, New York, New York, the County agrees to the applicable provisions set forth in the Blanket Issuer Letter of Representations previously executed on behalf of the County and on file in the County Clerk's office.

Section 11. Undertaking to Provide Continuing Disclosure. The County covenants and agrees, for the benefit of the holders of the Notes, to enter into a written undertaking (the "Undertaking") required by SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934 (the "Rule") to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events in accordance with the Rule. The Undertaking shall be enforceable by the holders of the Notes or by the original purchaser(s) of the Notes on behalf of such holders (provided that the rights of the holders and the purchaser(s) to enforce the Undertaking shall be limited to a right to obtain specific performance of the obligations thereunder and any failure by the County to comply with the provisions of the Undertaking shall not be an event of default with respect to the Notes).

The County Clerk, or other officer of the County charged with the responsibility for issuing the Notes, shall provide a Continuing Disclosure Certificate for inclusion in the transcript of proceedings, setting forth the details and terms of the County's Undertaking.

Section 12. Records. The County Clerk shall provide and keep a separate record book and shall record a full and correct statement of every step or proceeding had or taken in the course of authorizing and issuing these Notes.

Section 13. Bond Insurance. If the purchaser of the Notes determines to obtain municipal bond insurance with respect to the Notes, the officers of the County are authorized to take all actions necessary to obtain such municipal bond insurance. The Chairperson and County Clerk are authorized to agree to such additional provisions as the bond insurer may reasonably request and which are acceptable to the Chairperson and County Clerk including provisions regarding restrictions on investment of Note 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 Notes by the bond insurer and notices to be given to the bond insurer. In addition, appropriate reference to the municipal bond insurance policy shall be made in the form of Note provided herein.

Section 14. Ratification of the Official Notice of Sale and Offering Materials. The County Board of Supervisors of the County hereby ratifies and approves the details of the Notes set forth in Exhibit A attached hereto as and for the details of the Notes. The Official Notice of Sale and other offering materials

prepared and circulated by Baird are hereby ratified and approved in all respects. All actions taken by officers of the County and Baird in connection with the preparation and distribution of the Official Notice of Sale are hereby ratified and approved in all respects.

Section 15. Closing. The Chairperson and County Clerk of the County are hereby authorized and directed to execute and deliver the Notes to the purchaser thereof upon receipt of the borrowed funds, accrued interest to date of delivery and premium, if any. The Chairperson and County Clerk may execute the Notes by manual or facsimile signature, but at least one of said officers shall sign the Notes manually.

The officers of the County are hereby directed and authorized to take all steps necessary or convenient to close this issue as soon as practicable hereafter, in accordance with the terms of sale thereof; and said officers are hereby authorized and directed to execute and deliver such documents, certificates and acknowledgments as may be necessary or convenient in accordance therewith.

1st Reading	_____	Respectfully submitted,
		FINANCE AND HUMAN RESOURCES COMMITTEE
2nd Reading	_____	_____
BOARD ACTION		_____
Adopted	_____	_____
For	_____	_____
Against	_____	_____
Absent	_____	_____

VOTE REQUIRED: 3/4 OF MEMBERS-ELECT

EXHIBIT A
OFFICIAL NOTICE OF SALE
(SEE ATTACHED)

OFFICIAL NOTICE OF SALE

\$2,065,000 GENERAL OBLIGATION PROMISSORY NOTES

RACINE COUNTY, WISCONSIN

NOTICE IS HEREBY GIVEN that bids for the purchase of the above Notes of Racine County, Wisconsin, will be received at the offices of Robert W. Baird & Co., 17th Floor, 777 East Wisconsin Avenue, Milwaukee, Wisconsin, Attention: Sandi Balzer, until 10:30 A.M., Central Time, on June 27, 2006, when they will be opened. Bids may be mailed, delivered or submitted by fax to Robert W. Baird & Co., fax no.(414) 298-7354, or submitted electronically via PARITY, as described below. Signed bids, without final price or coupons, may be submitted to Baird prior to the time of sale. The bidder shall be responsible for submitting to Baird the final bid price and coupons, by telephone (414) 765-3827 or fax (414) 298-7354 for inclusion in the submitted bid. The bids will be considered by the County Board of Supervisors at its meeting to be held later that day. These Notes are being issued for the public purpose of financing capital projects included in the County's 2006 budget, including nursing home improvements and equipment, park improvements, construction of highway and bridge improvements, acquisition of highway equipment, and improvements and equipment for the courthouse and other County facilities.

Dates and Maturities

The Notes will be dated July 18, 2006 and will mature on March 1 in the following years and amounts:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2008	\$190,000	2013	\$240,000
2009	200,000	2014	250,000
2010	210,000	2015	260,000
2011	215,000	2016	275,000
2012	225,000		

Optional Redemption Provision

Notes maturing on and after March 1, 2014, shall be subject to call and prior payment on any date on or after March 1, 2013, at par plus accrued interest. The amounts and maturities of the Notes to be redeemed shall be selected by the County. If less than the entire principal amount of any maturity is to be

redeemed, the Notes of that maturity which are to be redeemed shall be selected by lot. Notice of such call shall be given by sending a notice thereof by registered or certified mail, facsimile or electronic transmission or overnight express delivery at least thirty (30) days prior to the date fixed for redemption to the registered owner of each Note to be redeemed at the address shown on the registration books.

Interest

Interest on the Notes will be payable on each March 1 and September 1, commencing September 1, 2006 to the registered owners of the Notes appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the MSRB. All Notes maturing on the same date must bear interest from date of issue until paid at a single, uniform rate. Each rate must be in an integral multiple of 1/8 or 1/20 of 1%, and the difference between the highest and lowest rates bid shall not exceed 1%.

DTC Book-Entry-Only System

The Notes will be issued as fully-registered Notes without coupons and, when issued, will be registered only in the name of CEDE & CO., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Notes. A single Note certificate for each maturity will be issued to DTC and immobilized in its custody. Individual purchases may be made in book-entry form only through DTC participants, in the principal amount of \$5,000 and integral multiples thereof. Individual purchasers will not receive certificates evidencing their ownership of the Notes purchased. The successful bidder shall be required to deposit the Note certificates with DTC as a condition to delivery of the Notes. The County will make payments of principal and interest on the Notes to DTC or its nominee as registered owner of the Notes in same-day funds. Transfer of those payments to participants of DTC will be the responsibility of DTC; transfer of the payments to beneficial owners by DTC participants will be the responsibility of such participants and other nominees of beneficial owners all as required by DTC rules and procedures. No assurance can be given by the County that DTC, its participants and other nominees of beneficial owners will make prompt transfer of the payments as required by DTC rules and procedures. The County assumes no liability for failures of DTC, its participants or other nominees to promptly transfer payments to beneficial owners of the Notes.

In the event that the securities depository relationship with DTC for the Notes is terminated and the County does not appoint a successor depository, the County will prepare, authenticate and deliver, at its expense, fully-registered certificate Notes in the denominations of \$5,000 or any integral multiple thereof in the aggregate principal amount of Notes of the same maturities and with the same interest rate or rates then outstanding to the beneficial owners of the Notes.

Delivery

Delivery of the Notes will be made to the successful bidder through the facilities of DTC within forty-five (45) days after the date of sale against payment in federal or other immediately available funds. In the event that delivery is not made within forty-five (45) days after the date of sale, the successful bidder may at its option in writing prior to tender of the Notes, be relieved of its obligation under the contract to purchase the Notes and its good faith deposit will be returned.

Not Designated as Qualified Tax-Exempt Obligations

The County will not designate the Notes as "qualified tax-exempt obligations" for purposes of Section 265 of the Internal Revenue Code of 1986, as amended, 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.

Legal Opinion

A legal opinion on the Notes will be furnished by Quarles & Brady LLP, Milwaukee, Wisconsin. The legal opinion will accompany the Notes. The legal opinion will state that the Notes are valid and binding general obligations of the County, and all the taxable property in the County is subject to the levy of a tax to pay the principal of and interest on the Notes as the same become due which tax may, under current law, be levied without limitation as to rate or amount.

Type of Bid-Amount

Bids must be submitted either: (1) to Robert W. Baird & Co. as set forth herein; or (2) electronically via PARITY, in accordance with this Official Notice of Sale, within a one hour period prior to the time of sale, but no bids will be received after the time established above for the opening of bids. If any provisions in this Notice are conflicting with any instructions or directions set forth in PARITY, this Official

Notice of Sale shall control. The normal fee for use of PARITY may be obtained from PARITY, and such fee shall be the responsibility of the bidder. For further information about PARITY, potential bidders may contact Robert W. Baird & Co., 17th Floor, 777 East Wisconsin Avenue, Milwaukee, Wisconsin 53202 or PARITY, c/o i-Deal LLC, 1359 Broadway, 2nd Floor, New York, New York 10018, telephone (212) 849-5021. The County and Robert W. Baird & Co. assume no responsibility or liability for bids submitted through PARITY. Each bidder shall be solely responsible for making necessary arrangements to access PARITY for purposes of submitting its electronic bid in a timely manner and in compliance with the requirements of the Official Notice of Sale. Neither the County, its agents nor PARITY shall have any duty or obligation to undertake registration to bid for any prospective bidder or to provide or ensure electronic access to any qualified prospective bidder, and neither the County, its agents nor PARITY shall be responsible for a bidder's failure to register to bid or for any failure in the proper operation of, or have any liability for any delays or interruptions of or any damages caused by the services of PARITY. The County is using the services of PARITY solely as a communication mechanism to conduct the electronic bidding for the Notes, and PARITY is not an agent of the County.

For information purposes only, bidders are requested to state in their electronic bids the true interest cost to the County, as described in this Official Notice of Sale and in the written form of Official Bid Form. All electronic bids shall be deemed to incorporate the provisions of this Official Notice of Sale and the form of Official Bid Form.

Each bid must be a bid for all the Notes. Each bid must be unconditional. A good faith deposit in the amount of \$41,300 must be submitted with respect to each bid. The good faith deposit must be in the form of a cashier's or certified check or a financial surety bond, payable to the County Treasurer. If a financial surety bond is used, it must be from an insurance company licensed to issue such a bond in the State of Wisconsin and pre-approved by Robert W. Baird & Co., and such bond must be submitted to Robert W. Baird & Co. prior to the opening of bids. The financial surety bond must identify each bidder whose deposit is guaranteed by such financial surety bond. If the Notes are awarded to a bidder using a financial surety bond, then the purchaser is required to submit its deposit to Robert W. Baird & Co. in the form of a certified or cashier's check or wire transfer not later than 3:00 P.M., Central Time, on the next business day following the award. If such deposit is not received by that time, the financial surety bond may be drawn on

by the County to satisfy the deposit requirement. The good faith deposit will be retained by the County as liquidated damages if the bid is accepted and the bidder fails to comply therewith. The bid authorizing the lowest true interest cost on the Notes will be deemed the most favorable. No bid of less than par (\$2,065,000) nor more than 101% of par (\$2,085,650) plus accrued interest on all of the Notes will be considered and the County reserves the right to reject any and all bids and to waive any informality in any bid.

CUSIP Numbers

The County will assume no obligation for the assignment of CUSIP numbers on the Notes or for the correctness of any numbers printed thereon. The County will permit such numbers to be assigned and printed at the expense of the original purchaser, but neither the failure to print such numbers on any Note nor any error with respect thereto will constitute cause for failure or refusal by the original purchaser to accept delivery of the Notes.

Bond Insurance at Purchaser's Option

If the Notes qualify for issuance of any policy of municipal bond insurance or commitment therefor, the purchase of any such insurance policy or the issuance of any such commitment shall be at the sole option and expense of the purchaser of the Notes. Any increased costs of issuance of the Notes resulting from such purchase of insurance shall be paid by the purchaser, except that, if the County has requested and received a rating on the Notes from a rating agency, the County will pay that rating fee. Any other rating agency fees shall be the responsibility of the purchaser. Failure of the municipal bond insurer to issue the policy after the Notes have been awarded to the purchaser shall not constitute cause for failure or refusal by the purchaser to accept delivery on the Notes.

Official Statement

Underwriters may obtain a copy of the Preliminary Official Statement by request to the County's financial advisor prior to the bid opening. By submitting a bid, the successful bidder agrees to supply to the County within 24 hours after the award of the Notes all necessary pricing information and any underwriter identification necessary to complete the Preliminary Official Statement. Within seven days of the award of the Notes, the purchaser will be provided with 50 copies of the Official Statement without cost. Additional copies of the Official Statement may be purchased from Robert W. Baird & Co.

up to three months following the sale of the Notes. If the purchaser is the manager of an underwriting syndicate, the purchaser shall be responsible for distributing copies of the Official Statement to syndicate members.

The County shall deliver, at closing, a certificate, executed by appropriate officers of the County acting in their official capacities, to the effect that the facts contained in the Official Statement relating to the County and the Notes are true and correct in all material respects, and that the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

Undertaking to Provide Continuing Disclosure

In order to assist bidders in complying with SEC Rule 15c2-12, as amended, the County will covenant to undertake (pursuant to a Resolution to be adopted by the County Board of Supervisors) to provide continuing disclosure of certain financial information and operating data and timely notice of certain events for the benefit of holders of the Notes. The details and terms of the undertaking are set forth in a Continuing Disclosure Certificate to be executed and delivered by the County.

The internet address for the Preliminary Official Statement is www.bairdbondsales.com. Additional information and a copy of the Preliminary Official Statement may be obtained by addressing inquiries to Robert W. Baird & Co., 17th Floor, 777 East Wisconsin Avenue, Milwaukee, Wisconsin 53202, Attention: Sandi Balzer (414) 765-3827, financial advisor to the County.

BY ORDER OF THE COUNTY BOARD
OF SUPERVISORS

Douglas B. Stansil
Finance Director
Racine County
730 Wisconsin Avenue
Racine, WI 53403
Phone: (262) 636-3706

EXHIBIT B
BID TABULATION
(SEE ATTACHED)

Racine County Results of Competitive Bids

\$2,065,000 General Obligation Promissory Notes
Bids Received by 10:30 A.M. (CT)
June 27, 2006

<u>Rank</u>	<u>Bidder</u>	<u>True Interest Rate</u>
1	<i>Wachovia Securities, LLC</i>	4.317737%
2	Stifel, Nicolaus & Company, Inc.	4.390146
3	UBS Securities LLC	4.444061
4	Robert W. Baird & Co.	4.506293

EXHIBIT C
PURCHASE PROPOSAL
(SEE ATTACHED)

PARITY Bid Form

Wachovia Securities, LLC - Richmond , VA's Bid
Racine County
\$2,065,000 General Obligation Promissory Notes



For the aggregate principal amount of \$2,065,000.00, we will pay you \$2,065,000.00, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount \$	Coupon %
03/01/2008	190M	5.0000
03/01/2009	200M	5.0000
03/01/2010	210M	5.0000
03/01/2011	215M	4.0000
03/01/2012	225M	4.0000
03/01/2013	240M	4.1500
03/01/2014	250M	4.2000
03/01/2015	260M	4.3000
03/01/2016	275M	4.3500

Total Interest Cost: \$527,257.38
 Discount: \$0.00
 Net Interest Cost: \$527,257.38
 TIC: 4.317737
 Time Last Bid Received On: 06/27/2006 10:15:07 CDST

This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

Bidder: Wachovia Securities, LLC, Richmond , VA
 Contact: Ken Pittman
 Title:
 Telephone: 804-782-3280
 Fax:

Issuer Name: Racine County

Company Name: _____

Accepted By: _____

Accepted By: _____

Date: _____

Date: _____

EXHIBIT D

DEBT SERVICE SCHEDULE AND IRREPEALABLE TAX LEVIES

(SEE ATTACHED)

Racine County

\$2,065,000 - Final Pricing

General Obligation Promissory Notes

Dated & Close: July 18, 2006

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
07/18/2006	-	-	-	-	-
09/01/2006	-	-	10,893.63	10,893.63	10,893.63
03/01/2007	-	-	45,601.25	45,601.25	-
09/01/2007	-	-	45,601.25	45,601.25	91,202.50
03/01/2008	190,000.00	5.000%	45,601.25	235,601.25	-
09/01/2008	-	-	40,851.25	40,851.25	276,452.50
03/01/2009	200,000.00	5.000%	40,851.25	240,851.25	-
09/01/2009	-	-	35,851.25	35,851.25	276,702.50
03/01/2010	210,000.00	5.000%	35,851.25	245,851.25	-
09/01/2010	-	-	30,601.25	30,601.25	276,452.50
03/01/2011	215,000.00	4.000%	30,601.25	245,601.25	-
09/01/2011	-	-	26,301.25	26,301.25	271,902.50
03/01/2012	225,000.00	4.000%	26,301.25	251,301.25	-
09/01/2012	-	-	21,801.25	21,801.25	273,102.50
03/01/2013	240,000.00	4.150%	21,801.25	261,801.25	-
09/01/2013	-	-	16,821.25	16,821.25	278,622.50
03/01/2014	250,000.00	4.200%	16,821.25	266,821.25	-
09/01/2014	-	-	11,571.25	11,571.25	278,392.50
03/01/2015	260,000.00	4.300%	11,571.25	271,571.25	-
09/01/2015	-	-	5,981.25	5,981.25	277,552.50
03/01/2016	275,000.00	4.350%	5,981.25	280,981.25	-
09/01/2016	-	-	-	-	280,981.25
Total	\$2,065,000.00	-	\$527,257.38	\$2,592,257.38	-

Yield Statistics

Bond Year Dollars	\$12,229.15
Average Life	5.922 Years
Average Coupon	4.3114792%
Net Interest Cost (NIC)	4.3114792%
True Interest Cost (TIC)	4.3177366%
Bond Yield for Arbitrage Purposes	4.1815757%
All Inclusive Cost (AIC)	4.4777854%

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Net Interest Cost	4.1831596%
Weighted Average Maturity	5.897 Years

EXHIBIT E

UNITED STATES OF AMERICA
STATE OF WISCONSIN
RACINE COUNTY

GENERAL OBLIGATION PROMISSORY NOTE

<u>Number</u>	<u>Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>Amount</u>	<u>CUSIP</u>
R-	%		July 18, 2006	\$	

FOR VALUE RECEIVED, Racine County, Wisconsin, promises to pay to _____, or registered assigns, the principal amount of _____ DOLLARS (\$_____) on the maturity date specified above, together with interest thereon from July 18, 2006 or the most recent payment date to which interest has been paid, unless the date of registration of this Note is after the 15th day of the calendar month immediately preceding an interest payment date, in which case interest will be paid from such interest payment date, at the rate per annum specified above, such interest being payable on March 1 and September 1 of each year, with the first interest on this issue being payable on September 1, 2006.

Notes of this issue maturing in the years 2014 through 2016 shall be subject to call and prior payment at the option of the County in whole or from time to time in part on March 1, 2013 or on any date thereafter at the price of par plus accrued interest to the date of redemption. The amounts and maturities of the Notes to be redeemed shall be selected by the County. If less than the entire principal amount of any maturity is to be redeemed, the Notes of that maturity which are to be redeemed shall be selected by lot. Notice of such call shall be given by sending a notice thereof by registered or certified mail, facsimile transmission, electronic transmission or overnight express delivery at least thirty (30) days prior to the date fixed for redemption to the registered owner of each Note to be redeemed at the address shown on the registration books.

Both principal hereof and interest hereon are hereby made payable to the registered owner in lawful money of the United States of America, and for the prompt payment of this Note with interest thereon as aforesaid, and the levying and collection of taxes sufficient for that purpose, the full faith, credit and resources of Racine County, Wisconsin, are hereby irrevocably pledged. The principal of this Note shall be payable only upon presentation and surrender of this Note at the office of the County Treasurer. Interest hereon shall be payable by check or draft dated as of the applicable interest payment date and mailed from the office of the County Treasurer to the person in whose name this Note is registered at the close of business on the fifteenth day of the calendar month next preceding each interest payment date.

This Note is transferable only upon the books of the County kept for that purpose at the office of the County Clerk, by the registered owner in person or his duly authorized attorney, upon surrender of this Note together with a written instrument of transfer (which may be endorsed hereon) satisfactory to the County Clerk duly executed by the registered owner or his duly authorized attorney. Thereupon a new Note or Notes of the same aggregate principal amount, series and maturity shall be issued to the transferee in exchange therefor. The County may deem and treat the person in whose name this Note is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal or interest hereof and for all other purposes. The Notes are issuable solely as negotiable, fully-registered Notes without coupons in authorized denominations of \$5,000 or any whole multiple thereof.

This Note is issued pursuant to the provisions of Section 67.12(12), Wisconsin Statutes, for the public purpose of financing capital projects included in the County's 2006 budget, including nursing home improvements and equipment, park improvements, construction of highway and bridge improvements, acquisition of highway equipment, and improvements and equipment for the courthouse and other County facilities, and is authorized by a resolution of the County Board of Supervisors of the County, duly adopted by said County Board of Supervisors at its meeting duly convened on June 27, 2006, which resolution is recorded in the official book of its minutes for said date.

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 Note have been done, have existed and have been performed in due form and time; that the aggregate indebtedness of the County, including this Note and others authorized simultaneously herewith, does not exceed any limitation imposed by law or the Constitution of the State of Wisconsin; and that the County has levied a direct, annual irrepealable tax sufficient to pay this Note, together with interest thereon when and as payable.

No delay or omission on the part of the owner hereof to exercise any right hereunder shall impair such right or be considered as a waiver thereof or as a waiver of or acquiescence in any default hereunder.

IN WITNESS WHEREOF, the County Board of Supervisors of Racine County, Wisconsin, has caused this Note to be signed on behalf of said County by its duly qualified and acting Chairperson and County Clerk, and its corporate seal to be impressed hereon, all as of the date of original issue specified above.

(SEAL)

RACINE COUNTY, WISCONSIN

By _____
County Clerk

By _____
Chairperson

(Form of Assignment)

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

(Please print or typewrite name and address, including zip code, of Assignee)

Please insert Social Security or other identifying number of Assignee

the within Note, and all rights thereunder, hereby irrevocably constituting and appointing

Attorney to transfer said Note on the books kept for the registration thereof with full power of substitution in the premises.

Dated:

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Note in every particular, without alteration or enlargement or any change whatever.

Signature(s) guaranteed by:
