

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE ISSUANCE OF \$16,600,000
GENERAL OBLIGATION PROMISSORY NOTES AND THE ISSUANCE AND SALE OF A
\$16,600,000 NOTE ANTICIPATION NOTE, SERIES 2018, IN ANTICIPATION THEREOF

WHEREAS, the City of Waukesha, Waukesha County, Wisconsin (the "City") is presently in need of the sum of \$16,600,000 for the public purpose of paying the costs of sewer utility projects, consisting of construction of return flow system improvements (the "Project");

WHEREAS, the Common Council hereby finds and determines that the Project is within the City's power to undertake and therefore serves a "public purpose" as that term is defined in Section 67.04(1)(b), Wisconsin Statutes;

WHEREAS, cities are authorized by the provisions of Chapter 67, Wisconsin Statutes, to borrow money and issue general obligation promissory notes for such public purpose;

WHEREAS, it is the finding of the Common Council that it is necessary, desirable and in the best interest of the City to authorize the issuance of and covenant to issue general obligation promissory notes (the "Securities") to provide permanent financing for the Project;

WHEREAS, the Securities have not yet been issued or sold;

WHEREAS, cities are authorized by the provisions of Section 67.12(1)(b), Wisconsin Statutes, to issue note anticipation notes in anticipation of receiving the proceeds from the issuance and sale of the Securities;

WHEREAS, it is the finding of the Common Council that it is necessary, desirable and in the best interest of the City to authorize the issuance and sale of a note anticipation note pursuant to Section 67.12(1)(b), Wisconsin Statutes (the "Note"), in anticipation of receiving the proceeds from the issuance and sale of the Securities, to provide interim financing to pay the cost of the Project; and

WHEREAS, it is the finding of the Common Council that it is necessary, desirable and in the best interest of the City to issue and sell the Note to BMO Harris Bank N.A. (the "Bank"), pursuant to the terms and conditions set forth in this Resolution and in the Continuing Covenant Agreement described below.

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

Section 1. Authorization of Securities. The City hereby authorizes the issuance and declares its intention and covenants to issue the Securities pursuant to the provisions of Chapter 67, Wisconsin Statutes, in an amount sufficient to retire any outstanding note anticipation notes issued for the purpose of paying the cost of the Project. There is hereby levied on all the taxable property in the City a direct, annual, irrevocable tax sufficient to pay the interest on said Securities as it becomes due, and also to pay and discharge the principal thereof.

Section 2. Authorization and Sale of the Note; Approval of Continuing Covenant Agreement. In anticipation of the sale of the Securities, for the purpose of paying the cost of the Project, there shall be borrowed pursuant to Section 67.12(1)(b), Wisconsin Statutes, the principal sum of up to SIXTEEN MILLION SIX HUNDRED THOUSAND DOLLARS (\$16,600,000) from the Bank in accordance with the terms and conditions set forth in this Resolution. To evidence the obligation of the City, the Mayor and City Clerk are hereby authorized, empowered and directed to make, execute, issue and sell to the Bank for, on behalf of and in the name of the City, a Note in the maximum principal amount of SIXTEEN MILLION SIX HUNDRED THOUSAND DOLLARS (\$16,600,000).

The Continuing Covenant Agreement between the Municipality and the Bank, in substantially the form attached hereto as Exhibit A (the "CCA") is hereby approved and the Mayor and City Clerk are authorized and directed to execute and deliver the CCA. Capitalized terms used in this Resolution which are not defined herein shall have the meanings given to those terms in the CCA.

Section 3. Terms of the Note. The Note shall be designated "Note Anticipation Note, Series 2018"; shall be issued in the maximum principal amount of \$16,600,000; shall be dated April 2, 2018; and shall be numbered R-1. Principal of the Note may be drawn by the City as needed, upon notice to the Bank in accordance with the terms of the CCA, to the full amount of the Note or so much thereof as the City may require, and shall be payable on April 1, 2021 (the "Maturity Date").

The Note shall bear interest at a rate per annum equal to the Applicable Interest Rate (defined below) (but only on such amounts as shall have been drawn under the Note from the dates such amounts are drawn). The "Applicable Interest Rate" shall be equal to the lesser of (a) (81% of the LIBOR Rate (as defined below)) plus the Applicable Spread (as defined below) or (b) eighteen percent (18%) (the "Maximum Rate"). Interest is computed on the basis of actual days elapsed and a 360-day year. The Applicable Interest Rate shall be determined by the Bank on the first Business Day (as defined in the CCA) of each month and shall remain in effect, subject to adjustment as set forth herein, until the day prior to the first Business Day of the following month.

"LIBOR Rate" means the one-month London Interbank Offered Rate (or a comparable successor rate as described below) as reported on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the Bank from time to time) as reported on the first Business Day of each month, unless such rate is no longer available or published, in which case such rate shall be at a comparable alternate index rate reasonably selected by the Bank with written notice to the City. In no event shall the LIBOR Rate be less than 0.00%.

"Applicable Spread" means the following:

(a) Initially sixty-eight basis points (.68%), or such lesser number of basis points as may be approved by the Bank and accepted by the City's Finance Director prior to the issuance of the Note (the "Initial Applicable Spread"), *provided, however*, that in the event of any change in any credit rating assigned to note anticipation note obligations of the City by Moody's

Investors Service, Inc. (the “Rating Agency”), the Applicable Spread shall be the number of basis points associated with such new rating as set forth in the following schedule:

TIER	CREDIT RATING	APPLICABLE SPREAD
I	Aa2	Initial Applicable Spread
II	Aa3	Initial Applicable Spread plus 0.10%
III	A1	Initial Applicable Spread plus 0.20%
IV	A2	Initial Applicable Spread plus 0.30%
V	A3	Initial Applicable Spread plus 0.40%
VI	Baa1	Initial Applicable Spread plus 0.50%

References in this definition of Applicable Spread are to rating categories as presently determined by the Rating Agency, and in the event of the adoption of any new or changed rating system or a “global” rating scale by the Rating Agency, the rating categories shall be adjusted accordingly to a new rating which most closely approximates the requirements as set forth herein. Any change in the Applicable Spread shall apply when the Applicable Interest Rate is reset on the first Business Day of the month next succeeding the date on which the change occurs.

Notwithstanding the foregoing provisions, the Applicable Interest Rate shall be adjusted as follows:

(1) From and after any Taxable Date (as defined in the CCA), the Applicable Interest Rate on the Note shall be established at a rate at all times equal to the Taxable Rate (as defined in the CCA).

(2) Upon the occurrence and during the continuation of an Event of Default (as defined in the CCA), the Applicable Interest Rate for the Note shall be established at a rate at all times equal to the Default Rate (as defined in the CCA), payable on demand to the Bank.

(3) If the interest rate on the Note exceeds the Maximum Rate, then the Note shall bear interest at the Maximum Rate and interest on the Note calculated at the rate equal to the difference between (a) the rate of interest on the Note as calculated pursuant hereto and (b) the Maximum Rate (the “Excess Interest”) shall be deferred until such date as the rate of interest borne by the Note is below the Maximum Rate, at which time Excess Interest shall be payable with respect to the Note in amounts that, when combined with the then-current interest due on the Note, does not exceed payment at the Maximum Rate.

Interest shall be payable on the first Business Day of April and October of each year, commencing on October 1, 2018, and on the Maturity Date.

Section 4. Redemption Provisions. (a) The Note shall be subject to redemption prior to maturity, at the option of the City, on April 1, 2019 or on any date thereafter, as a whole or from time to time in part, at the principal amount thereof, plus accrued interest to the date of redemption.

(b) In addition, prior to April 1, 2019, the Note may be redeemed at the option of the City upon payment of the optional redemption fee provided for in Section 4.08 of the CCA.

Section 5. Form of the Note. The Note shall be issued in registered form and shall be executed and delivered in substantially the form attached hereto as Exhibit B and incorporated herein by this reference.

Section 6. Security. The Note shall in no event be a general obligation of the City and does not constitute an indebtedness of the City nor a charge against its general credit or taxing power. No lien is created upon the Project or any other property of the City as a result of the issuance of the Note. The Note shall be payable only from (a) any proceeds of the Note set aside for payment of interest on the Note as it becomes due and (b) proceeds to be derived from the issuance and sale of the Securities, which proceeds are hereby declared to constitute a special trust fund, hereby created and established, to be held by the City Clerk and expended solely for the payment of the principal of and interest on the Note until paid. The City hereby agrees that, in the event such monies are not sufficient to pay the principal of and interest on the Note when due, if necessary, the City will pay such deficiency out of its annual general tax levy or other available funds of the City; provided, however, that such payment shall be subject to annual budgetary appropriations therefor and any applicable levy limits; and provided further, that neither this Resolution nor any such payment shall be construed as constituting an obligation of the City to make any such appropriation or any further payments.

Section 7. Segregated Debt Service Fund Account.

(A) Creation and Deposits. There be and there hereby is established in the treasury of the City a separate and distinct fund account designated as the "Debt Service Fund Account for Note Anticipation Note, Series 2018" (the "Debt Service Fund Account"), and such account shall be maintained until the indebtedness evidenced by the Note is fully paid or otherwise extinguished. The City Treasurer shall deposit in the Debt Service Fund Account (i) all accrued interest received by the City at the time of delivery of and payment for the Note; (ii) any premium which may be received by the City above the par value of the Note and accrued interest thereon; (iii) any proceeds of the Note representing capitalized interest on the Note or other funds appropriated by the City for payment of interest on the Note, as needed to pay the interest on the Note when due; (iv) proceeds of the Securities (or other obligations of the City issued to pay principal of or interest on the Note); (v) such other sums, including tax monies, as may be necessary at any time to pay principal of and interest on the Note when due and which are appropriated by the Common Council for that purpose; and (vi) surplus monies in the Borrowed Money Fund as specified in Section 9 hereof.

(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 Note until all such principal and interest has been paid in full and the Note canceled; provided that such monies may be invested 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. Said account shall be used for the sole purpose of paying the principal of and interest on the Note and shall be maintained for such purpose until the Note is fully paid or otherwise extinguished, and shall at all times be invested

in a manner that conforms 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 the Note has been paid in full and canceled, and all Permitted Investments disposed of, any money remaining in the Debt Service Fund Account shall be transferred and deposited in the general fund of the City, unless the Common Council directs otherwise.

Section 8. Covenants of the City. The City hereby covenants with the owners of the Note as follows:

(A) It shall issue and sell the Securities as soon as practicable in an amount sufficient to retire the Note on or prior to the Maturity Date;

(B) It shall segregate the proceeds derived from the sale of the Securities into the special trust fund herein created and established and shall permit such special trust fund to be used for no purpose other than the payment of principal of and interest on the Note until paid. After the payment of principal of and interest on the Note in full, said special trust fund may be used for such other purposes as the Common Council may direct in accordance with law; and,

(C) It shall maintain a debt limit capacity such that its combined outstanding principal amount of general obligation bonds or notes or certificates of indebtedness and the \$16,600,000 authorized for the issuance of Securities to provide for payment of the Note shall at no time exceed its constitutional debt limit.

Section 9. Proceeds of the Note; Segregated Borrowed Money Fund. All monies received by the City upon the delivery of the Note to the Bank and all monies subsequently drawn on the Note shall be deposited by the City Clerk into a special fund (the "Borrowed Money Fund") which shall be maintained separate and distinct from all other funds of the City and shall be used for no purpose other than the purpose for which the Note is issued. Monies in the Borrowed Money Fund may be temporarily invested in Permitted Investments. Any monies, including any income from Permitted Investments, remaining in the Borrowed Money Fund after the purpose for which the Note has been issued has been accomplished, and, at any time, any monies as are not needed and which obviously thereafter cannot be needed for such purpose, shall be deposited in the Debt Service Fund Account created herein.

Section 10. 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 Note to be an "arbitrage bond" within the meaning of Section 148 of the Code or the Regulations and an officer of the City, charged with the responsibility for issuing the Note, shall certify as to facts, estimates, circumstances and reasonable expectations in existence on the date of delivery of the Note to the Bank which will permit the conclusion that the Note is not an "arbitrage bond," within the meaning of the Code or Regulations.

Section 11. Compliance with Federal Tax Laws. (a) The City represents and covenants that the projects financed by the Note and the ownership, management and use of the projects will not cause the Note to be a "private activity bond" within the meaning of Section 141 of the Code. The City further covenants that it shall comply with the provisions of the Code to the

extent necessary to maintain the tax-exempt status of the interest on the Note including, if applicable, the rebate requirements of Section 148(f) of the Code. The City further covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Note) if taking, permitting or omitting to take such action would cause the Note to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause interest on the Note to be included in the gross income of the recipients thereof for federal income tax purposes. The City Clerk or other officer of the City charged with the responsibility of issuing the Note shall provide an appropriate certificate of the City certifying that the City can and covenanting that it will comply with the provisions of the Code and Regulations.

(b) The City also covenants to use its best efforts to meet the requirements and restrictions of any different or additional federal legislation which may be made applicable to the Note provided that in meeting such requirements the City will do so only to the extent consistent with the proceedings authorizing the Note 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 12. Execution of the Note; Closing; Professional Services. The Note shall be issued in printed form, executed on behalf of the City by the manual or facsimile signatures of the Mayor and City Clerk, authenticated, if required, by the Fiscal Agent (defined below), sealed with its official or corporate seal, if any, or a facsimile thereof and delivered to the Bank upon payment to the City of the purchase price thereof, plus accrued interest to the date of delivery (the "Closing"). The facsimile signature of either of the officers executing the Note may be imprinted on the Note in lieu of the manual signature of the officer but, unless the City has contracted with a fiscal agent to authenticate the Note, at least one of the signatures appearing on the Note shall be a manual signature. In the event that either of the officers whose signatures appear on the Note 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 Note and all such documents, certificates and acknowledgements as may be necessary and convenient to effectuate the Closing. The City hereby authorizes the officers and agents of the City to enter into, on its behalf, agreements and contracts in conjunction with the Note, 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 Note is hereby ratified and approved in all respects.

Section 13. Payment of the Note; Fiscal Agent. The principal of and interest on the Note shall be paid by the City Clerk or City Treasurer (the "Fiscal Agent").

Section 14. Persons Treated as Owners; Transfer of Note. The City shall cause books for the registration and for the transfer of the Note to be kept by the Fiscal Agent. 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 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 Mayor and City 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 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 Note surrendered for transfer.

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

Section 15. Record Book. The City Clerk shall provide and keep the transcript of proceedings as a separate record book (the "Record Book") and shall record a full and correct statement of every step or proceeding had or taken in the course of authorizing and issuing the Note in the Record Book.

Section 16. Conflicting Resolutions; Severability; Effective Date. All prior resolutions, rules or other actions of the Common Council or any parts thereof in conflict with the provisions hereof shall be, and the same are, hereby rescinded insofar as the same may so conflict. In the event that any one or more provisions hereof shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions hereof. The foregoing shall take effect immediately upon adoption and approval in the manner provided by law.

Adopted, approved and recorded March 6, 2018.

Shawn N. Reilly
Mayor

Attest:

Gina Kozlik
City Clerk

(SEAL)

EXHIBIT A

Continuing Covenant Agreement

(See Attached)

EXHIBIT B

(Form of Note)

NUMBER	UNITED STATES OF AMERICA STATE OF WISCONSIN WAUKESHA COUNTY CITY OF WAUKESHA	DOLLARS
R-1	NOTE ANTICIPATION NOTE, SERIES 2018	\$16,600,000

MATURITY DATE:

April 1, 2021

ORIGINAL DATE OF ISSUE:

April 2, 2018

REGISTERED OWNER: BMO Harris Bank N.A.

PRINCIPAL AMOUNT: SIXTEEN MILLION SIX HUNDRED THOUSAND DOLLARS
(\$16,600,000)

FOR VALUE RECEIVED, the City of Waukesha, Waukesha County, Wisconsin (the "City"), hereby acknowledges itself to owe and promises to pay to the registered owner identified above (or to registered assigns) ("Registered Owner"), on the maturity date identified above, the principal amount identified above (but only so much as shall have been drawn hereunder) and to pay interest thereon at the Applicable Interest Rate (defined below) (but only on amounts as shall have been drawn hereunder from the dates the amounts are drawn hereunder), all subject to the provisions set forth herein regarding redemption prior to maturity. The "Applicable Interest Rate" shall be equal to the lesser of (a) (81% of the LIBOR Rate (as defined below)), plus the Applicable Spread (as defined below) or (b) eighteen percent (18%) (the "Maximum Rate"). Interest is computed on the basis of actual days elapsed and a 360-day year. Interest is payable semi-annually on the first Business Days of April and October of each year, commencing on October 1, 2018 and on the Maturity Date set forth above. The Applicable Interest Rate shall be determined by the Bank on the first Business Day of each month and shall remain in effect, subject to adjustment as set forth herein, until the day prior to the first Business Day of the following month.

"LIBOR Rate" means the one-month London Interbank Offered Rate (or a comparable successor rate as described below) as reported on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the Bank from time to time) as reported on the first Business Day or each month, unless such rate is no longer available or published, in which case such rate shall be at a comparable alternate index rate reasonably selected by the Bank with written notice to the City. In no event shall the LIBOR Rate be less than 0.00%.

“Applicable Spread” means the following:

(a) Initially _____ basis points (_____%), *provided, however*, that in the event of any change in any credit rating assigned to the note anticipation note obligations of the City by Moody’s Investors Service, Inc. (the “Rating Agency”), the Applicable Spread shall be the number of basis points associated with such new rating as set forth in the following schedule:

TIER	CREDIT RATING	APPLICABLE SPREAD
I	Aa2	_____%
II	Aa3	_____%
III	A1	_____%
IV	A2	_____%
V	A3	_____%
VI	Baa1	_____%

References in this definition of Applicable Spread are to rating categories as presently determined by the Rating Agency, and in the event of the adoption of any new or changed rating system or a “global” rating scale by the Rating Agency, the rating categories shall be adjusted accordingly to a new rating which most closely approximates the requirements as set forth herein. Any change in the Applicable Spread shall apply when the Applicable Interest Rate is reset on the first Business Day of the month next succeeding the date on which the change occurs.

Notwithstanding the foregoing provisions, the Applicable Interest Rate shall be adjusted as follows:

(1) From and after any Taxable Date, the Applicable Interest Rate on the Note shall be established at a rate at all times equal to the Taxable Rate.

(2) Upon the occurrence and during the continuation of an Event of Default, the Applicable Interest Rate for the Note shall be established at a rate at all times equal to the Default Rate, payable on demand to the Bank.

(3) If the interest rate on the Note exceeds the Maximum Rate, then the Note shall bear interest at the Maximum Rate and interest on the Note calculated at the rate equal to the difference between (a) the rate of interest on the Note as calculated pursuant hereto and (b) the Maximum Rate (the “Excess Interest”) shall be deferred until such date as the rate of interest borne by the Note is below the Maximum Rate, as which time Excess Interest shall be payable with respect to the Note in amounts that, when combined with the then-current interest due on the Note, does not exceed payment at the Maximum Rate.

Both the principal of and interest on this Note are payable in lawful money of the United States by the City Clerk or City Treasurer (the “Fiscal Agent”).

Payment of each installment of interest shall be made to the Registered Owner hereof who shall appear on the registration books of the City maintained by the Fiscal Agent and shall be paid by check or draft of the City 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 Fiscal Agent. Principal of this Note shall be payable only upon presentation and surrender of this Note at the office of the Fiscal Agent.

This Note is issued by the City pursuant to the provisions of Section 67.12(1)(b), Wisconsin Statutes, in anticipation of the sale of general obligation promissory notes (the "Securities"), to provide interim financing for sewer utility projects, consisting of construction of return flow system improvements (the "Project"), all as authorized by a resolution of the Common Council duly adopted by said governing body at a meeting held on March 6, 2018 (the "Authorizing Resolution"). Said resolution is recorded in the official minutes of the Common Council for said date.

This Note shall be payable only from (a) any proceeds of the Note set aside for payment of interest on the Note as it becomes due, and (b) proceeds to be derived from the issuance and sale of the Securities, which proceeds have been declared to constitute a special trust fund, to be held by the City Clerk and expended solely for the payment of the principal of and interest on the Note until paid. The City has authorized and covenanted to issue the Securities pursuant to the Authorizing Resolution. **THE NOTE IS NOT A GENERAL OBLIGATION OF THE CITY AND DOES NOT CONSTITUTE AN INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION OR PROVISION NOR A CHARGE AGAINST ITS GENERAL CREDIT OR TAXING POWER. NO LIEN IS CREATED UPON THE PROJECT OR ANY OTHER PROPERTY OF THE CITY AS A RESULT OF THE ISSUANCE OF THE NOTE.**

The Note is subject to redemption prior to maturity, at the option of the City, on April 1, 2019 or on any date thereafter, as a whole or from time to time in part, at the principal amount thereof, plus accrued interest to the date of redemption. In addition, prior to April 1, 2019, the Note is subject to redemption at the option of the City upon payment of an optional redemption fee as described in the Authorizing Resolution.

The Note shall cease to bear interest on the specified redemption date, provided that federal or other immediately available funds sufficient for such redemption are on deposit with the Registered Owner at that time. Upon such deposit of funds for redemption the Note shall no longer be deemed to be outstanding.

The Note is issuable solely as a negotiable, fully-registered Note without coupons. This Note may be exchanged at the office of the Fiscal Agent for a like aggregate principal amount of Notes.

This Note is transferable by a written assignment duly executed by the Registered Owner hereof or by such owner's duly authorized legal representative. Upon such transfer a new registered Note or Notes, in the same aggregate principal amount, shall be issued to the transferee in exchange hereof.

The City and Fiscal Agent may deem and treat the Registered Owner hereof 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 the City and the Fiscal Agent shall not be affected by notice to the contrary.

Capitalized terms used in this Note which are not defined herein shall have the meaning given to those terms in the Continuing Covenant Agreement dated April 2, 2018 between the City and BMO Harris Bank N.A. relating to the Note.

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. The City has covenanted to issue and sell the Securities, the sale of which this Note anticipates, as soon as practicable and to set aside the proceeds of the Securities into a special trust fund for the payment of the principal of and interest on this Note.

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 City of Waukesha, Waukesha County, Wisconsin, by its governing body, has caused this Note to be executed for it and in its name by the manual or facsimile signatures of its duly qualified Mayor and City Clerk; and to be sealed with its official or corporate seal, if any, all as of the original date of issue specified above.

CITY OF WAUKESHA, WAUKESHA
COUNTY, WISCONSIN

By: _____
Shawn N. Reilly
Mayor

(SEAL)

By: _____
Gina Kozlik
City Clerk

ASSIGNMENT

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

(Name and Address of Assignee)

(Social Security or other Identifying Number of Assignee)

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

Dated: _____

Signature Guaranteed:

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

(Registered Owner)

(Authorized Officer)

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

*The Internal Revenue Code of 1986 (IRC Section 149) requires that for interest on a municipal obligation with a term greater than one year to be exempt from federal income tax, the obligation must be issued and remain in registered form.

Section 67.09, Wisconsin Statutes provides that the City Clerk when acting as the registrar shall record the registration of each note or bond in its bond registrar. Therefore, if this Note is to be assigned, the City Clerk should be notified and a copy of this Assignment should be sent to the City Clerk for his or her records.