

---

---

CONTINUING COVENANT AGREEMENT

dated as of April 2, 2018,

between

THE CITY OF WAUKESHA, WAUKESHA COUNTY, WISCONSIN

and

BMO HARRIS BANK N.A.

Relating to

\$32,800,000  
WATERWORKS SYSTEM REVENUE BOND ANTICIPATION NOTES,  
(SERIES 2018)

## TABLE OF CONTENTS

SECTION	HEADING	PAGE
ARTICLE I	DEFINITIONS .....	1
Section 1.01.	Certain Defined Terms.....	1
Section 1.02.	Computation of Time Periods.....	12
Section 1.03.	Construction.....	12
Section 1.04.	Accounting Terms and Determinations .....	13
Section 1.05.	Relation to Other Documents; Acknowledgment of Different Provisions of Related Documents; Incorporation by Reference.....	13
ARTICLE II	PURCHASE OF NOTES AND ADVANCES.....	14
Section 2.01.	Purchase of Notes .....	14
Section 2.02.	Advances.....	14
ARTICLE III	CONDITIONS PRECEDENT TO PURCHASE OF NOTES AND INITIAL ADVANCE.....	15
Section 3.01.	Documentary Requirements.....	15
Section 3.02.	Conditions Precedent to Additional Advances .....	16
Section 3.03.	Litigation.....	17
Section 3.04.	Other Matters .....	17
Section 3.05.	Payment of Fees and Expenses .....	17
Section 3.06.	No Bond Rating; DTC; Offering Document; CUSIP .....	17
ARTICLE IV	THE ISSUER’S OBLIGATIONS .....	17
Section 4.01.	Payment Obligations.....	17
Section 4.02.	Increased Payments.....	18
Section 4.03.	Determination of Taxability.....	20
Section 4.04.	Default Rate .....	21
Section 4.05.	Maximum Interest Rate.....	21
Section 4.06.	Taxes.....	21
Section 4.07.	Obligations Absolute .....	21
Section 4.08.	Optional Redemption Fee .....	22
ARTICLE V	REPRESENTATIONS AND WARRANTIES.....	22
Section 5.01.	Existence and Power .....	22
Section 5.02.	Due Authorization.....	22
Section 5.03.	Valid and Binding Obligations .....	23
Section 5.04.	Noncontravention; Compliance with Law .....	23
Section 5.05.	Pending Litigation and Other Proceedings .....	23
Section 5.06.	Financial Statements .....	24
Section 5.07.	Employee Benefit Plan Compliance .....	24

Section 5.08.	No Defaults .....	24
Section 5.09.	Insurance .....	24
Section 5.10.	Title to Assets .....	25
Section 5.11.	Incorporation by Reference.....	25
Section 5.12.	Correct Information .....	25
Section 5.13.	Investment Company .....	25
Section 5.14.	Margin Stock.....	25
Section 5.15.	Tax-Exempt Status.....	26
Section 5.16.	Usury.....	26
Section 5.17.	Security .....	26
Section 5.18.	Pending Legislation and Decisions .....	26
Section 5.19.	Taxes .....	26
Section 5.20.	Environmental Matters.....	26
Section 5.21.	No Immunity.....	27
Section 5.22.	No Public Vote or Referendum.....	27
Section 5.23.	Swap Agreements .....	27
Section 5.24.	Anti-Corruption Laws; Sanctions .....	27
ARTICLE VI	COVENANTS OF THE ISSUER .....	28
Section 6.01.	Existence, Etc.....	28
Section 6.02.	Maintenance of Properties .....	28
Section 6.03.	Compliance with Laws; Taxes and Assessments.....	28
Section 6.04.	Insurance .....	28
Section 6.05.	Reports .....	28
Section 6.06.	Maintenance of Books and Records .....	30
Section 6.07.	Access to Books and Records .....	30
Section 6.08.	Compliance With Documents .....	30
Section 6.09.	Rate Covenant.....	31
Section 6.10.	No Impairment.....	31
Section 6.11.	Application of Note Proceeds .....	31
Section 6.12.	Priority .....	31
Section 6.13.	Limitation on Additional Debt.....	31
Section 6.14.	Related Documents .....	31
Section 6.15.	Liens.....	31
Section 6.16.	Redemptions .....	32
Section 6.17.	Disclosure to Participants, Purchaser Transferees and Non-Purchaser Transferees .....	32
Section 6.18.	Other Agreements .....	32
Section 6.19.	Immunity from Jurisdiction .....	32
Section 6.20.	Swap Agreements .....	32
Section 6.21.	Direction to Take Action .....	33
Section 6.22.	Use of Purchaser's Name.....	33
Section 6.23.	Maintenance of Tax-Exempt Status of Notes .....	33
Section 6.24.	Investment Policy.....	33
Section 6.25.	Environmental Laws .....	33

Section 6.26.	Use of Proceeds.....	33
Section 6.27.	Underlying Rating.....	33
Section 6.28.	Obligation to Issue Bonds.....	33
Section 6.29.	Bonding Capacity.....	34
<b>ARTICLE VII</b>	<b>EVENTS OF DEFAULT .....</b>	<b>34</b>
Section 7.01.	Events of Default .....	34
Section 7.02.	Consequences of an Event of Default.....	36
Section 7.03.	Remedies Cumulative; Solely for the Benefit of Purchaser.....	37
Section 7.04.	Waivers or Omissions.....	37
Section 7.05.	Discontinuance of Proceedings.....	37
<b>ARTICLE VIII</b>	<b>INDEMNIFICATION.....</b>	<b>38</b>
Section 8.01.	Indemnification.....	38
Section 8.02.	Survival.....	38
<b>ARTICLE IX</b>	<b>MISCELLANEOUS .....</b>	<b>38</b>
Section 9.01.	Patriot Act Notice .....	38
Section 9.02.	Further Assurances.....	38
Section 9.03.	Amendments and Waivers; Enforcement .....	39
Section 9.04.	No Implied Waiver; Cumulative Remedies.....	39
Section 9.05.	Notices .....	39
Section 9.06.	Right of Setoff.....	40
Section 9.07.	No Third-Party Rights.....	41
Section 9.08.	Severability .....	41
Section 9.09.	Governing Law; Consent to Jurisdiction and Venue; Waiver of Jury Trial.....	41
Section 9.10.	Prior Understandings .....	42
Section 9.11.	Duration .....	42
Section 9.12.	Counterparts.....	42
Section 9.13.	Successors and Assigns.....	42
Section 9.14.	Headings .....	43
Section 9.15.	No Fiduciary Relationship .....	44
Section 9.16.	Electronic Signatures .....	44

**EXHIBITS**

- EXHIBIT A – FORM OF COMPLIANCE CERTIFICATE
- EXHIBIT B – FORM OF REQUEST FOR ADVANCE

## CONTINUING COVENANT AGREEMENT

THIS CONTINUING COVENANT AGREEMENT, dated as of April 2, 2018 (as amended, restated, supplemented or otherwise modified from time to time, this “*Agreement*”), between THE CITY OF WAUKESHA, WAUKESHA COUNTY, WISCONSIN, a municipality organized under the laws of Wisconsin, and BMO HARRIS BANK N.A., a national banking association.

### RECITALS

WHEREAS, The City of Waukesha, Waukesha County, Wisconsin (the “*Issuer*”) has issued its Waterworks System Revenue Bond Anticipation Notes, Series 2018 (the “*Notes*”) pursuant to a Resolution dated March 6, 2018 (as the same may be amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof and hereof, the “*Resolution*”); and

WHEREAS, the Purchaser has agreed to purchase the Notes and make Advances (as defined herein) in installments in accordance with the terms hereof, and as a condition to such purchase and the making of such Advances, the Purchaser has required the Issuer to enter into this Agreement.

NOW, THEREFORE, to induce the Purchaser to purchase the Notes and make Advances, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the Issuer and the Purchaser hereby agree as follows:

### ARTICLE I

#### DEFINITIONS

*Section 1.01. Certain Defined Terms.* In addition to the terms defined in the recitals and elsewhere in this Agreement and the Resolution, the following terms shall have the following meanings:

“*Advances*” means, collectively, the Initial Advance and each subsequent Advance made by the Purchase pursuant to Section 2.02(b) hereof.

“*Affiliate*” means, with respect to any Person, any Person that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such first Person. A Person shall be deemed to control another Person for the purposes of this definition if such first Person possesses, directly or indirectly, the power to direct, or cause the direction of, the management and policies of the second Person, whether through the ownership of voting securities, common directors, trustees or officers, by contract or otherwise.

“*Agreement*” has the meaning set forth in the introductory paragraph hereof.

*“Anti-Corruption Laws”* means all laws, rules, and regulations of any jurisdiction applicable to the Issuer from time to time concerning or relating to bribery or corruption.

*“Applicable Spread”* has the meaning set forth in the Resolution.

*“Balloon Notes”* means bonds or notes with no scheduled amortization of principal prior to the maturity date hereof.

*“Bank Agreement”* means any credit agreement, liquidity agreement, standby bond purchase agreement, reimbursement agreement, direct purchase agreement, bond purchase agreement, or other agreement or instrument (or any amendment, supplement or other modification thereof) under which, directly or indirectly, any Person or Persons undertake(s) to make or provide funds to make payment of, or to purchase or provide credit enhancement for bonds or notes of the Issuer secured by or payable from Net Revenues; *provided*, that “Bank Agreements” shall not include financing assistance agreements with the State of Wisconsin Department of Natural Resources Department of Administration with respect to the State of Wisconsin Safe Drinking Water Loan Program.

*“Base Rate”* means, for any day, a fluctuating rate of interest per annum equal to the greatest of (i) the Prime Rate in effect at such time, (ii) the Federal Funds Rate in effect at such time *plus* two percent (2%), (iii) the LIBOR Quoted Rate in effect at such time *plus* three percent (3%), and (iv) seven percent (7%).

*“Bond Counsel”* means Quarles & Brady LLP, or any other firm of attorneys nationally recognized on the subject of tax-exempt municipal finance selected by the Issuer.

*“Business Day”* means a day which is not (a) a Saturday, Sunday or legal holiday on which banking institutions in New York, New York or the states where the principal office of the Issuer is located are authorized by law to close, (b) a day on which the New York Stock Exchange or the Federal Reserve Bank is closed or (c) a day on which the principal office of the Purchaser is closed.

*“Change in Law”* means the adoption of or change in any law, governmental or quasi-governmental rule, regulation, policy, guideline, interpretation, or directive (whether or not having the force of law) or in the interpretation, promulgation, implementation or administration thereof by any Governmental or quasi-Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, including, notwithstanding the foregoing, all requests, rules, guidelines or directives (x) in connection with the Dodd-Frank Wall Street Reform and Consumer Protection Act or (y) promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States financial regulatory authorities, in each case of clauses (x) and (y), regardless of the date enacted, adopted, issued, promulgated or implemented, or compliance by the Purchaser with any request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency.

“Code” means the Internal Revenue Code of 1986, as amended, and, where appropriate any statutory predecessor or any successor thereto.

“Commitment” means the obligation of the Purchaser to extend Advances in an aggregate principal amount at any one time not to exceed the Commitment Amount.

“Commitment Amount” means \$32,800,000 Dollars and 00/100.

“Commitment Termination Date” means the earliest to occur of (a) the Maturity Date, (b) the date that Advances in the aggregate principal amount of the Commitment Amount have been advanced by the Purchaser, and (c) the occurrence of an Event of Default.

“Compliance Certificate” means a certificate substantially in form of Exhibit A hereto.

“Controlled Group” means all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with the Issuer, are treated as a single employer under Section 414 of the Code.

“Credit Protection Provider” means, collectively, (i) any party, including a Noteholder, who issues a letter of credit or provides other credit protection with respect to the Notes and (ii) any party that participates in any such credit protection.

“Debt” of any Person means at any date, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (c) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, (d) all obligations of such Person as lessee under capital leases, (e) all Debt of others secured by a lien on any asset of such Person, whether or not such Debt is assumed by such Person, (f) all Guarantees by such Person of Debt of other Persons and (g) all obligations of such Person under any Swap Agreement.

“Debt Service Requirements” means, with respect to the period of time for which calculated, the aggregate of the payments required to be made during such period in respect of principal (whether at maturity, as a result of mandatory sinking fund redemption, mandatory prepayment or otherwise) and interest on outstanding Debt secured by Net Revenues of each Person or a group of Persons with respect to which calculated; *provided* that interest shall be excluded from the determination of the Debt Service Requirements to the extent that capitalized interest is available to pay such interest; and principal of Debt shall be excluded from the determination of Debt Service Requirements to the extent that amounts are on deposit in an irrevocable escrow and such amounts (including, where appropriate, the earnings or other increment to accrue thereon) are required to be applied to pay such principal and such amounts so required to be applied are sufficient to pay such principal.

“Default” means any event or condition which, with notice, the passage of time or any combination of the foregoing, would constitute an Event of Default.

“*Default Rate*” means, for any day, a rate of interest per annum equal to the sum of the Base Rate in effect on such day plus four percent (4%).

“*Determination of Taxability*” means and shall be deemed to have occurred on the first to occur of the following:

(i) on the date when the Issuer files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability shall have in fact occurred;

(ii) on the date when the Noteholder or any former Noteholder notifies the Issuer that it has received a written opinion by a nationally recognized firm of attorneys of substantial expertise on the subject of tax-exempt municipal finance to the effect that an Event of Taxability shall have occurred unless, within one hundred eighty (180) days after receipt by the Issuer of such notification from the Noteholder or any former Noteholder, the Issuer shall deliver to the Noteholder and any former Noteholder a ruling or determination letter issued to or on behalf of the Issuer by the Commissioner of the Internal Revenue Service or the Director of Tax-Exempt Bonds of the Tax-Exempt and Government Entities Division of the Internal Revenue Service (or any other government official exercising the same or a substantially similar function from time to time) to the effect that, after taking into consideration such facts as form the basis for the opinion that an Event of Taxability has occurred, an Event of Taxability shall not have occurred;

(iii) on the date when the Issuer shall be advised in writing by the Commissioner of the Internal Revenue Service or the Director of Tax-Exempt Bonds of the Tax-Exempt and Government Entities Division of the Internal Revenue Service (or any other government official exercising the same or a substantially similar function from time to time, including an employee subordinate to one of these officers who has been authorized to provide such advice) that, based upon filings of the Issuer, or upon any review or audit of the Issuer or upon any other ground whatsoever, an Event of Taxability shall have occurred; or

(iv) on the date when the Issuer shall receive notice from the Noteholder or any former Noteholder that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of such Noteholder or such former Noteholder the interest on the Notes due to the occurrence of an Event of Taxability;

*provided, however*, no Determination of Taxability shall occur under subparagraph (iii) or (iv) hereunder unless the Issuer has been afforded the opportunity, at its expense, to contest any such assessment, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined; *provided further, however*, that upon demand from the Noteholder or former Noteholder, the Issuer shall promptly reimburse such Noteholder or former Noteholder for any payments, including any taxes, interest, penalties or other charges, such Noteholder (or former Noteholder) shall be obligated to make as a result of the Determination of Taxability.



“DTC” means The Depository Trust Company.

“Effective Date” means April 2, 2018, subject to the satisfaction or waiver by the Purchaser of the conditions precedent set forth in Article III hereof.

“EMMA” means Electronic Municipal Market Access as provided by the Municipal Securities Rulemaking Board.

“Environmental Laws” means any and all federal, state, local and foreign statutes, laws, judicial decisions, regulations, ordinances, rules, judgments, orders, decrees, plans, injunctions, permits, concessions, grants, franchises, licenses, agreements and other governmental restrictions relating to (a) the protection of the environment, (b) personal injury or property damage relating to the release or discharge of Hazardous Materials, (c) emissions, discharges or releases of pollutants, contaminants, hazardous substances or wastes into surface water, ground water or land, or (d) the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, hazardous substances or wastes or the clean-up or other remediation thereof.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended, and any successor statute of similar import, and regulations thereunder, in each case as in effect from time to time. References to Sections of ERISA shall be construed also to refer to any successor Sections.

“Event of Default” with respect to this Agreement has the meaning set forth in Section 7.01 of this Agreement and, with respect to any Related Document, has the meaning assigned therein.

“Event of Taxability” means a (i) change in Law or fact or the interpretation thereof, or the occurrence or existence of any fact, event or circumstance (including, without limitation, the taking of any action by the Issuer, or the failure to take any action by the Issuer, or the making by the Issuer of any misrepresentation herein or in any certificate required to be given in connection with the issuance, sale or delivery of the Notes) which has the effect of causing interest paid or payable on the Notes to become includable, in whole or in part, in the gross income of the Noteholder or any former Noteholder for federal income tax purposes or (ii) the entry of any decree or judgment by a court of competent jurisdiction, or the taking of any official action by the Internal Revenue Service or the Department of the Treasury, which decree, judgment or action shall be final under applicable procedural Law, in either case, which has the effect of causing interest paid or payable on the Notes to become includable, in whole or in part, in the gross income of such Noteholder or such former Noteholder for federal income tax purposes with respect to the Notes.

“Excess Interest Amount” has the meaning set forth in Section 4.05(b) hereof.

“Excluded Taxes” means, with respect to a Noteholder, Taxes imposed on or measured by its overall net income (however denominated), and franchise Taxes and branch profit Taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision

thereof) under the Laws of which it is incorporated or is organized or in which its principal executive office is located.

*“Federal Funds Rate”* means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; *provided* that: (a) if such day is not a Business Day, then the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day; and (b) if no such rate is so published on such next succeeding Business Day, then the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of one-hundredth of one percent) charged to the Purchaser on such day on such transactions as determined by the Purchaser. Notwithstanding anything herein to the contrary, if the Federal Funds Rate as determined as provided above would be less than zero percent (0.0%), then the Federal Funds Rate shall be deemed to be zero percent (0.0%).

*“Fiscal Year”* means the twelve month period from January 1 through the following December 31.

*“Fitch”* means Fitch Ratings, Inc., and any successor rating agency.

*“FRB”* means the Board of Governors of the Federal Reserve System of the United States, together with any successors thereof.

*“Generally Accepted Accounting Principles”* or *“GAAP”* means generally accepted accounting principles in effect from time to time in the United States and applicable to entities such as the Issuer.

*“Governmental Approval”* means an authorization, consent, approval, license, or exemption of, registration or filing with, or report to any Governmental Authority.

*“Governmental Authority”* means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including, without limitation, any supra-national bodies such as the European Union or the European Central Bank) and any group or body charged with setting financial accounting or regulatory capital rules or standards (including, without limitation, the Financial Accounting Standards Board, the Bank for International Settlements or the Basel Committee on Banking Supervisory Practices or any successor or similar authority to any of the foregoing).

*“Guarantee”* means, as to any Person, any (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Debt or other obligation payable or performable by another Person (the *“primary obligor”*) in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect,

(i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Debt or other obligation of the payment or performance of such Debt or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Debt or other obligation, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Debt or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part), or (b) any Lien on any assets of such Person securing any Debt or other obligation of any other Person, whether or not such Debt or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Debt to obtain any such Lien). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term “Guarantee” as a verb has a corresponding meaning.

“*Hazardous Material*” means any explosive or radioactive substances or wastes, any hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and any other substances or wastes of any nature regulated pursuant to any Environmental Law.

“*Indemnified Taxes*” means Taxes imposed on or with respect to any payment made by or on account of any obligation of the Issuer under any Related Document, other than Excluded Taxes and Other Taxes.

“*Indemnitee*” has the meaning set forth in Section 8.01 hereof.

“*Initial Advance*” means the initial Advance made by the Purchaser on the Effective Date pursuant to Section 2.02(a) hereof.

“*Interest Payment Date*” shall mean with respect to the Notes, (i) the first Business Day of each April and October of each year, commencing October 1, 2018, and (ii) any date on which all of the Notes are redeemed.

“*Investment Policy*” means the investment policy of the Issuer delivered to the Purchaser, pursuant to Section 3.01(a)(iv) hereof.

“*Issuer*” means The City of Waukesha, Waukesha County, Wisconsin, a municipal corporation, and any permitted successor or assign thereof hereunder.

“*Issuer Representative*” means any person authorized from time to time in writing by the Issuer, or its successors and assigns, to perform a designated act or execute a designated document.

“*Laws*” means, collectively, all international, foreign, federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

“*Liabilities*” has the meaning set forth in Section 8.01 hereof.

“*Lien*” means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

“*Majority Noteholder*” means the Noteholders with a majority of the aggregate principal amount of Notes from time to time. As of the Effective Date, BMO Harris Bank N.A. shall be the Majority Noteholder.

“*Margin Stock*” has the meaning ascribed to such term in Regulation U promulgated by the FRB, as now and hereafter from time to time in effect.

“*Material Adverse Effect*” means a material adverse effect on (a) the business, Property, liabilities (actual and contingent), operations or condition (financial or otherwise), results of operations, or prospects of the Issuer, (b) the ability of the Issuer to perform its obligations under any Related Documents to which it is a party, or (c) the legality, validity, binding effect or enforceability of any of the Related Documents or the rights or remedies of the Purchaser under the Related Documents.

“*Maturity Date*” has the meaning set forth in the Resolution.

“*Maximum Annual Debt Service Requirements*” means the largest total Debt Service Requirements in the current or any succeeding fiscal year of the Issuer; *provided that* for purposes of determining Maximum Annual Debt Service Requirements: (i) the amount of the principal payment due on the Maturity Date of the Notes and any other Balloon Notes secured by the Net Revenues that mature simultaneously with or after the Maturity Date shall be deemed to amortize on a level debt service basis over a thirty (30) year period from the date of issuance thereof; (ii) the interest rate on the Notes and any other Balloon Notes that bear interest at a variable interest rate shall be assumed to be the average of the interest rate on the Notes or such Balloon Notes which was in effect on the last day of each of the last twelve calendar months immediately preceding the month during which the calculation is made.

“*Maximum Federal Corporate Tax Rate*” means, for any day, the maximum rate of income taxation imposed on corporations pursuant to Section 11(b) of the Code, as in effect as of

such day (or, if as a result of a change in the Code, the rate of income taxation imposed on corporations generally shall not be applicable to the Purchaser, the maximum statutory rate of federal income taxation which could apply to the Purchaser as of such day).

*“Maximum Interest Rate”* means the lesser of (i) the maximum rate of interest on the relevant obligation permitted by applicable law and (ii) eighteen percent (18%) per annum.

*“Moody’s”* means Moody’s Investors Service, Inc. and any successor rating agency.

*“Net Revenues”* has the meaning set forth in the Resolution.

*“Noteholder”* means the Purchaser and each Purchaser Transferee or Non-Purchaser Transferee pursuant to Section 9.13 hereof so long as such Purchaser Transferee or Non-Purchaser Transferee is an owner of Notes.

*“Notes”* has the meaning set forth in the recitals hereof.

*“Non-Purchaser Transferee”* has the meaning set forth in Section 9.13(c) hereof.

*“Obligations”* means all amounts payable by the Issuer, and all other obligations to be performed by the Issuer, pursuant to this Agreement and the other Related Documents (including, without limitation, all obligations of the Issuer to pay principal of and interest on the Notes when due).

*“OFAC”* means the U.S. Department of the Treasury’s Office of Foreign Assets Control, and any successor thereto.

*“Other Taxes”* means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Related Document.

*“Parity Debt”* means any Debt issued or incurred by or on behalf of the Issuer and secured on a parity with the Lien on Net Revenues securing the payment of the principal and purchase price of and interest on the Notes and the obligations under this Agreement.

*“Patriot Act”* means the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), as amended from time to time, and any successor statute.

*“PBGC”* means the Pension Benefit Guaranty Corporation or any successor thereto.

*“Person”* means any individual, corporation, not for profit corporation, partnership, limited liability company, joint venture, association, professional association, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other form of entity.

“*Plan*” means, with respect to the Issuer at any time, an employee pension benefit plan which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code and either (i) is maintained, or has within the preceding five plan years been maintained, by a member of the Controlled Group for employees of a member of the Controlled Group of which the Issuer is a part, (ii) is maintained pursuant to a collective bargaining agreement or any other arrangement under which more than one employer makes contributions and to which a member of the Controlled Group of which the Issuer is a part is then making or accruing an obligation to make contributions or has within the preceding five plan years made contributions.

“*Prime Rate*” means on any day, the rate of interest per annum then most recently established by the Purchaser as its “prime rate.” Any such rate is a general reference rate of interest, may not be related to any other rate, and may not be the lowest or best rate actually charged by the Purchaser to any customer or a favored rate and may not correspond with future increases or decreases in interest rates charged by other lenders or market rates in general, and that the Purchaser may make various business or other loans at rates of interest having no relationship to such rate. If the Purchaser ceases to establish or publish a prime rate from which the Prime Rate is then determined, the applicable variable rate from which the Prime Rate is determined thereafter shall be instead the prime rate reported in The Wall Street Journal (or the average prime rate if a high and a low prime rate are therein reported), and the Prime Rate shall change without notice with each change in such prime rate as of the date such change is reported. Notwithstanding anything herein to the contrary, if the Prime Rate determined as provided above would be less than zero percent (0.0%), then the Prime Rate shall be deemed to be zero percent (0.0%).

“*Property*” means any right or interest in or to property of any kind whatsoever, whether real, personal or mixed, and whether tangible or intangible, whether now owned or hereafter acquired.

“*Purchase Price*” has the meaning set forth in Section 2.01(a) hereof.

“*Purchaser*” means, initially, BMO Harris Bank N.A., a national banking association, and its successors and assigns, and upon the receipt from time to time by the Issuer of a notice described in Section 9.13(a) from time to time means the Person designated in such notice as the Purchaser, as more fully provided in Section 9.13(a) hereof.

“*Purchaser Letter*” has the meaning set forth in Section 9.13(c) hereof.

“*Purchaser Transferee*” has the meaning set forth in Section 9.13(b) hereof.

“*Rating Agency*” means any of S&P, Moody’s and Fitch, as applicable.

“*Rating Documentation*” has the meaning set forth in Section 3.01(d)(v) hereof.

“*Related Documents*” means this Agreement, the Resolution, the Notes and \_\_\_\_\_, and any other documents related to any of the foregoing or executed in connection therewith, and

any and all future renewals and extensions or restatements of, or amendments or supplements to, any of the foregoing.

*“Request for Advance”* means a certificate substantially in the form attached hereto as Exhibit A, properly completed and signed by an Issuer Representative, as such form may be amended, modified or updated from time to time by the Purchaser.

*“Resolution”* has the meaning set forth in the recitals hereof.

*“Risk-Based Capital Guidelines”* means (i) the risk-based capital guidelines in effect in the United States, including transition rules, and (ii) the corresponding capital regulations promulgated by regulatory authorities outside the United States including transition rules, and any amendments to such regulations adopted prior to the Effective Date.

*“S&P”* means S&P Global Ratings and its successors and assigns.

*“Safe Drinking Water Bonds”* has the meaning set forth in the Resolution.

*“Sanctioned Country”* means, at any time, any country or territory which is itself the subject or target of any comprehensive Sanctions.

*“Sanctioned Person”* means, at any time, (a) any Person or group listed in any Sanctions related list of designated Persons maintained by OFAC or the U.S. Department of State, the United Nations Security Council, the European Union or any EU member state, (b) any Person or group operating, organized or resident in a Sanctioned Country, (c) any agency, political subdivision or instrumentality of the government of a Sanctioned Country, or (d) any Person 50% or more owned, directly or indirectly, by any of the above.

*“Sanctions”* means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by OFAC or the U.S. Department of State or (b) the United Nations Security Council, the European Union or Her Majesty’s Treasury of the United Kingdom.

*“Senior Debt”* means any Debt issued or incurred by or on behalf of the Issuer and secured by Net Revenues on a basis that is senior to the Lien securing Parity Debt.

*“Series 2008 Bonds”* has the meaning set forth in the Resolution.

*“State”* means the State of Wisconsin.

*“Swap Agreement”* means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap

transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a “*Master Agreement*”), including any such obligations or liabilities under any Master Agreement.

“*System*” has the meaning set forth in the Resolution.

“*Taxable Date*” means the date on which interest on the Notes is first includable in gross income of the Noteholder (including, without limitation, any previous Noteholder) thereof as a result of an Event of Taxability as such date is established pursuant to a Determination of Taxability.

“*Taxable Period*” has the meaning set forth in Section 4.03(a) hereof.

“*Taxable Rate*” means, for each day, a rate of interest per annum equal to the product of (i) the interest rate on the Notes for such day and (ii) the applicable Tax Rate Factor.

“*Taxable Rate Factor*” means, for each day that the Taxable Rate is determined, the quotient of (i) one *divided by* (ii) one minus the Maximum Federal Corporate Tax Rate in effect as of such day, rounded upward to the second decimal place.

“*Taxes*” means and all present or future taxes, duties, levies, imposts, fees, assessments, charges or withholdings, and any and all liabilities with respect to the foregoing, including interest, additions to tax and penalties applicable thereto.

“*Unutilized Amount*” means, as of any date, an amount equal to the difference between (i) the Commitment Amount and (ii) the aggregate amount of the Advances made by the Purchaser.

*Section 1.02. Computation of Time Periods.* In this Agreement, in the computation of a period of time from a specified date to a later specified date, the word “from” means “from and including” and the words “to” and “until” each mean “to but excluding.”

*Section 1.03. Construction.* Unless the context of this Agreement otherwise clearly requires, references to the plural include the singular, to the singular include the plural and to the part include the whole. The word “including” shall be deemed to mean “including but not limited to,” and “or” has the inclusive meaning represented by the phrase “and/or.” The words “hereof,” “herein,” “hereunder” and similar terms in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement. The Section headings contained in this Agreement and the table of contents preceding this Agreement are for reference purposes only and shall not control or affect the construction of this Agreement or the interpretation



thereof in any respect. Section, subsection and exhibit references are to this Agreement unless otherwise specified.

*Section 1.04. Accounting Terms and Determinations.* Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder shall be prepared, in accordance with GAAP. If, after the Effective Date, there shall occur any change in GAAP from those used in the preparation of the financial statements referred to in Section 6.05 hereof and such change shall result in a change in the method of calculation of any financial covenant, standard or term found in this Agreement including, without limitation, a recharacterization of operating leases to the effect that certain operating leases are to be treated as capital leases, either the Issuer or the Purchaser may by notice to the other party hereto, require that the Purchaser and the Issuer negotiate in good faith to amend such covenants, standards, and terms so as equitably to reflect such change in accounting principles, with the desired result being that the criteria for evaluating the financial condition of the Issuer shall be the same as if such change had not been made. No delay by the Issuer or the Purchaser in requiring such negotiation shall limit their right to so require such a negotiation at any time after such a change in accounting principles. Until any such covenant, standard, or term is amended in accordance with this Section 1.04, financial covenants shall be computed and determined in accordance with GAAP in effect prior to such change in accounting principles.

*Section 1.05. Relation to Other Documents; Acknowledgment of Different Provisions of Related Documents; Incorporation by Reference.* (a) Nothing in this Agreement shall be deemed to amend, or relieve the Issuer of its obligations under, any Related Document to which it is a party. Conversely, to the extent that the provisions of any Related Document allow the Issuer to take certain actions, or not to take certain actions, with regard for example to permitted liens, transfers of assets, maintenance of financial ratios and similar matters, the Issuer nevertheless shall be fully bound by the provisions of this Agreement.

(b) Except as provided in subsection (c) of this Section 1.05, all references to other documents shall be deemed to include all amendments, modifications and supplements thereto to the extent such amendment, modification or supplement is made in accordance with the provisions of such document and this Agreement.

(c) All provisions of this Agreement making reference to specific Sections of any Related Document shall be deemed to incorporate such Sections into this Agreement by reference as though specifically set forth herein (with such changes and modifications as may be herein provided) and shall continue in full force and effect with respect to this Agreement notwithstanding payment of all amounts due under or secured by the Related Documents, the termination or defeasance thereof or any amendment thereto or any waiver given in connection therewith, so long as this Agreement is in effect and until all Obligations are paid in full. No amendment, modification, consent, waiver or termination with respect to any of such Sections shall be effective as to this Agreement until specifically agreed to in writing by the parties hereto with specific reference to this Agreement.

## ARTICLE II

### PURCHASE OF NOTES AND ADVANCES

*Section 2.01. Purchase of Notes.* (a) *Purchase Price.* Upon the conditions set forth in Article III hereof and based on the representations, warranties and covenants of the Issuer set forth herein, the Purchaser hereby agrees to make a loan to the Issuer by purchasing from the Issuer, and the Issuer hereby agrees to sell to the Purchaser, all, but not less than all, of the Notes at the purchase price of \$32,800,000 representing the aggregate principal amount of the Notes (the “*Purchase Price*”).

(b) *Closing.* On the Effective Date, the Issuer shall deliver to the Purchaser the documents described in Article III hereof. Upon delivery of such documents and the satisfaction or waiver by the Purchaser of the other conditions precedent set forth in Article III hereof, the Purchaser will make the Initial Advance in immediately available federal funds payable to the Issuer. One fully registered Note shall be issued to and registered in the name of the Purchaser, or as otherwise directed by the Purchaser. The Notes shall be so issued and registered to and held by the Purchaser, or as otherwise directed by the Purchaser.

*Section 2.02. Advances.*

(a) *Initial Advance.* Upon satisfaction of the conditions precedent set forth in Section 3.01 hereof, the Purchaser shall make the Initial Advance in the principal amount of [ \$\_\_\_\_\_ ] to the Issuer.

(b) *Additional Advances.* Prior to the Commitment Termination Date and upon the satisfaction of the conditions precedent set forth in Section 3.02 of this Agreement, the Purchaser shall make one or more Advances to the Issuer; *provided* that the aggregate principal amount of Advances shall not exceed the Commitment Amount. The Issuer acknowledges that the Purchaser shall not be obligated to make Advances except in accordance with the provisions of this Agreement. The Purchaser agrees, by its acceptance of the Notes, that Advances shall be made in the manner and upon the terms and conditions set forth in this Agreement. The Issuer shall not use any Advance for any payment which is not permitted by the Code, the Resolution or this Agreement.

(c) *Requests for Advance.* The Issuer shall give written notice to the Purchaser in the form of a Request for Advance no later 11:00 a.m. Central time on a Business Day which is not less than one (1) Business Day prior to the Business Day the related Advance is to be made (a “*Date of Advance*”); *provided* that the Borrower shall not deliver more than two Requests for Advances in any thirty (30) calendar day period. If the Purchaser receives a Request for Advance at or after 11:00 a.m. Central time on any Business Day, such Request for Advance shall be deemed to have been received on the following Business Day. Requests for Advances shall be delivered to the Purchaser via e-mail or facsimile at the e-mail addresses or the facsimile numbers set forth in Section 9.05 for receipt of Requests for Advances. The Purchaser may note the date and amount of each Advance on Schedule A attached to the Notes.

(d) *Minimum Amounts.* Each Advance, other than the Initial Advance and the final Advance, shall be in the principal amount requested by the Issuer pursuant to each Request for Advance but in any event in a minimum principal amount of \$500,000 or such greater amount which is an integral multiple of \$100,000.

### ARTICLE III

#### CONDITIONS PRECEDENT TO PURCHASE OF NOTES AND INITIAL ADVANCE

*Section 3.01. Documentary Requirements.* The obligation of the Purchaser to make a loan to the Issuer by purchasing the Notes and making the Initial Advance is subject to the conditions precedent that the Purchaser shall have received, on or before the Effective Date, the items listed below in this Section, each dated and in form and substance as is satisfactory to the Purchaser.

(a) The following Issuer documents:

(i) copies of the resolutions of the governing body of the Issuer approving the execution and delivery of the Related Documents to which the Issuer is a party, and the other matters contemplated hereby, certified by an Issuer Representative as being true and complete and in full force and effect on the Effective Date;

(ii) Reserved;

(iii) the audited annual financial statements of the Issuer for the Fiscal Year ended December 31, 2016, together with internally prepared financial statements of the Issuer for each fiscal quarter(s) ended since the end of such Fiscal Year;

(iv) a copy of the Issuer's Investment Policy in effect as of the Effective Date;  
and

(v) a certificate dated the Effective Date and executed by a Issuer Representative certifying the names and signatures of the persons authorized to sign, on behalf of the Issuer, the Related Documents to which it is a party and the other documents to be delivered by it hereunder or thereunder.

(b) The following financing documents:

(i) an executed original or certified copy, as applicable, of each of the Related Documents;

(ii) one fully registered Note in certificated form, executed by the Issuer, in the principal amount equal to the Purchase Price, issued to and registered in the name of the Purchaser, or as otherwise directed by the Purchaser; and

(iii) copies of all documentation relating to any Swap Agreement relating to the Notes.

(c) The following opinions, dated the Effective Date and addressed to the Purchaser or on which the Purchaser is otherwise expressly authorized to rely:

(i) from Note counsel to the Issuer, an opinion as to the due authorization, execution, delivery and enforceability of the Related Documents to which the Issuer is a party, and such other customary matters as the Purchaser may reasonably request;

(ii) from Note Counsel, opinions to the effect that the interest on each Advance evidenced by the Notes is excludable from gross income for federal income tax purposes and such other customary matters as the Purchaser may reasonable request.

(d) The following documents and other information:

(i) a certificate dated the Effective Date and executed by a Issuer Representative certifying (A) that there has been no event or circumstance since December 31, 2016, that has had or could be reasonably expected to have, either individually or in the aggregate, a Material Adverse Effect, (B) that the representations and warranties contained in Article V hereof and the other Related Documents are true and correct in all material respects on the Effective Date, (C) no event has occurred and is continuing, or would result from entry into this Agreement, which would constitute a Default or Event of Default and (D) since the dated date of the Rating Documentation, the unenhanced long-term debt ratings assigned to any Parity Debt has not been withdrawn, suspended or reduced;

(ii) a certificate dated the Effective Date and executed by a Issuer Representative, certifying that the Issuer is in compliance with the financial covenants set forth in Section 6.09 of this Agreement;

(iii) true and correct copies of all Governmental Approvals, if any, necessary for the Issuer to execute, deliver and perform the Related Documents to which it is a party; and

(iv) recent evidence that the unenhanced long-term debt rating assigned by Moody's to any Parity Debt is at least "Aa2" (the "*Rating Documentation*").

*Section 3.02. Conditions Precedent to Additional Advances.* The obligation of the Purchaser to make an Advance (other than the Initial Advance) is subject to the satisfaction of the following conditions precedent on the Date of Advance:

(a) the representations and warranties of the Issuer set forth in Article V of this Agreement shall be true and correct in all material respects on such Date of Advance (except to the extent any such representation or warranty expressly relates to an earlier date);

(b) no Default or Event of Default shall have occurred and be continuing on such Date of Advance;

(c) the Purchaser shall have received a Request for Advance as required under, and in strict conformity with, Section 2.02(c) hereof; and

(d) neither the Issuer nor the Purchaser shall have received written notice from Bond Counsel that the opinion delivered pursuant to Section 4.01(c)(iii) hereof may no longer be relied upon.

*Section 3.03. Litigation.* The Purchaser shall have received a written description of all actions, suits or proceedings pending or threatened against the Issuer in any court or before any arbitrator of any kind or before or by any governmental or non-governmental body which could reasonably be expected to result in a Material Adverse Effect, if any, and such other statements, certificates, agreements, documents and information with respect thereto as the Purchaser may reasonably request.

*Section 3.04. Other Matters.* All other legal matters pertaining to the execution and delivery of this Agreement and the Related Documents shall be satisfactory to the Purchaser and its counsel, and the Purchaser shall have received such other statements, certificates, agreements, documents and information with respect to the Issuer and the other parties to the Related Documents and matters contemplated by this Agreement as the Purchaser may reasonably request.

*Section 3.05. Payment of Fees and Expenses.* On or prior to the Effective Date, (i) the Purchaser shall have received reimbursement of the Purchaser's fees and expenses and any other fees incurred in connection with the transaction contemplated by the Related Documents and (ii) Chapman and Cutler LLP, as counsel to the Purchaser, shall have received payment of its legal fees and expenses incurred in connection with the preparation, review, negotiation, execution and delivery of the Related Documents.

*Section 3.06. No Bond Rating; DTC; Offering Document; CUSIP.* The Notes shall not be (i) assigned a specific rating by any Rating Agency, (ii) registered with The Depository Trust Company or any other securities depository, (iii) issued pursuant to any type of official statement, private placement memorandum or other offering document, (iv) assigned a CUSIP number by Standard & Poor's CUSIP Service or (v) placed or offered by a broker-dealer in the capacity of an underwriter or a placement agent.

## ARTICLE IV

### THE ISSUER'S OBLIGATIONS

*Section 4.01. Payment Obligations.* (a) The Issuer hereby agrees to make prompt and full payment of all payment obligations owed to the Purchaser under the Related Documents in accordance with and subject to the terms of the Notes and the Resolution and to pay any other Obligations owing to the Purchaser whether now existing or hereafter arising, irrespective of

their nature, whether direct or indirect, absolute or contingent, with interest thereon at the rate or rates provided in such Related Documents and under such Obligations.

(b) The Purchaser shall pay all principal of and unpaid accrued interest on the Notes on the Maturity Date. The Issuer shall also pay interest on the Notes on the first Business Day of April and October of each year, commencing on October 1, 2018, in accordance with the terms of the Note.

(c) The Issuer shall pay within thirty (30) days after demand:

(i) if an Event of Default shall have occurred, all costs and expenses of the Purchaser in connection with the enforcement (whether by means of legal proceedings or otherwise) of any of its rights under this Agreement, the other Related Documents and such other documents which may be delivered in connection therewith;

(ii) a fee for each amendment to this Agreement or any other Related Document or any consent or waiver by the Purchaser with respect to any Related Document, in each case, in a minimum amount of \$2,500 plus the reasonable fees and expenses of counsel to the Purchaser;

(iii) the reasonable fees and out-of-pocket expenses for counsel or other reasonably required consultants to the Purchaser in connection with advising the Purchaser as to its rights and responsibilities under this Agreement and the other Related Documents or in connection with responding to requests from the Issuer for approvals, consents and waivers; and

(iv) any amounts advanced by or on behalf of the Purchaser to the extent required to cure any Default, Event of Default or event of nonperformance hereunder or any Related Document, together with interest at the Default Rate.

(d) The Borrower shall pay or cause to be paid to the Purchaser on October 1, 2018, for the period commencing on the Effective Date to and including September 30, 2018, and semiannually in arrears on the first Business Day of each April and October occurring thereafter to the Commitment Termination Date, and on the Commitment Termination Date, a non-refundable commitment fee in an amount equal to the product of the daily average Unutilized Amount and one tenth of one percent (0.10%) per annum during each related quarterly period.

*Section 4.02. Increased Payments.*

(a) *Increased Costs.* If, on or after the Effective Date, there occurs any Change in Law which:

(i) subjects the Purchaser, any other Noteholder, the Credit Protection Provider or the parent or holding company, if any, of any of the foregoing to any Taxes (other than Excluded Taxes), or changes the basis of taxation of payments (other than

with respect to Excluded Taxes) to the Purchaser or any other Noteholder hereunder or with respect to the Notes, or

(ii) imposes or increases or deems applicable any reserve, assessment, insurance charge, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by the Purchaser, any other Noteholder or the Credit Protection Provider, or

(iii) imposes any other condition the result of which is to increase the cost to the Purchaser, any other Noteholder, the Credit Protection Provider or the parent or holding company, if any, of any of the foregoing, with respect to this Agreement, the Notes or its making, maintenance or funding of the Notes or any security therefor, or reduces any amount receivable by the Purchaser, any other Noteholder or the Credit Protection Provider with respect to this Agreement, the Notes, or the making, maintenance or funding of any loan, or requires the Purchaser or any other Noteholder to make any payment calculated by reference to any amount received with respect to this Agreement, the Notes, or the making, maintenance or funding of any loan, by an amount deemed material by the Purchaser, other Noteholder or the Credit Protection Provider as the case may be,

and the result of any of the foregoing is to increase the cost to such Purchaser, other Noteholder, the Credit Protection Provider or the parent or holding company, if any, with respect to this Agreement, the Notes, or the making, maintenance or funding of the purchase of the Notes or of participating the same or to reduce the amount received by the Purchaser, other Noteholder or the Credit Protection Provider, as the case may be, in connection with the same, then, within fifteen (15) days of demand by the Purchaser, other Noteholder or the Credit Protection Provider, as the case may be, the Issuer shall pay the Purchaser, other Noteholder or the Credit Protection Provider such additional amount or amounts as will compensate the Purchaser, other Noteholder, the Credit Protection Provider or the parent or holding company, if any, of any of the foregoing, for such increased cost or reduction in amount received.

(b) If the Purchaser, other Noteholder or the Credit Protection Provider determines the amount of capital or liquidity required or expected to be maintained by the Purchaser, other Noteholder, the Credit Protection Provider or any parent, holding company or entity controlling the Purchaser, other Noteholder or the Credit Protection Provider is increased as a result of (i) a Change in Law or (ii) any change on or after the Effective Date in the Risk-Based Capital Guidelines, then, within fifteen (15) days of demand by the Purchaser, other Noteholder or the Credit Protection Provider, the Issuer shall, to the extent permitted by law, pay the Purchaser, other Noteholder or the Credit Protection Provider the amount necessary to compensate for any shortfall in the rate of return on the portion of such increased capital or liquidity which the Purchaser, other Noteholder or the Credit Protection Provider determines is attributable to this Agreement or the Notes, as the case may be, hereunder (after taking into account the Purchaser, other Noteholder or the Credit Protection Provider's policies as to capital adequacy and liquidity).

(c) In connection with any costs imposed upon the Issuer by the Purchaser, other Noteholder, the Credit Protection Provider or any parent, holding company or entity controlling any of the foregoing, pursuant to this Section 4.02, the Purchaser, other Noteholder or the Credit Protection Provider shall (i) promptly notify the Issuer of such costs and (ii) provide the Issuer with a certificate as to such increased cost, increased capital, increased liquidity or reduction in return incurred by the Purchaser, other Noteholder or the Credit Protection Provider as a result of any event mentioned in paragraph (a) or (b) of this Section 4.02 setting forth, in reasonable detail, the basis for such calculation and the amount of such calculation submitted by the Purchaser, other Noteholder or the Credit Protection Provider to the Issuer which calculation shall be conclusive (absent manifest error) as to the amount thereof. In making the determinations contemplated by the above referenced certificate, the Purchaser, other Noteholder or the Credit Protection Provider may make such reasonable estimates, assumptions, allocations and the like that the Purchaser, other Noteholder or the Credit Protection Provider in good faith determines to be appropriate.

(d) Failure or delay on the part of any Noteholder to demand compensation pursuant to this Section 4.02 shall not constitute a waiver of such Noteholders right to demand such compensation.

(e) Without prejudice to the survival of any other agreement of the Issuer hereunder, the agreements and obligations of the Issuer contained in this Section shall survive the termination of this Agreement and the payment in full of the Notes and the obligations of the Issuer thereunder and hereunder.

*Section 4.03. Determination of Taxability.* (a) In the event a Determination of Taxability occurs, to the extent not payable the Purchaser or any other Noteholder under the terms of the Resolution and the Notes, the Issuer hereby agrees to pay to the Purchaser or any other Noteholder on demand therefor (i) an amount equal to the difference between (A) the amount of interest that would have been paid to the Purchaser or any other Noteholder on the Notes during the period for which interest on the Notes is included in the gross income of the Purchaser or any other Noteholder if the Notes had borne interest at the Taxable Rate, beginning on the Taxable Date (the "*Taxable Period*"), and (B) the amount of interest on the Notes actually paid to the Purchaser or any other Noteholder during the Taxable Period, and (ii) an amount equal to any interest, penalties or charges owed by the Purchaser or any other Noteholder as a result of interest on the Notes becoming included in the gross income of the Purchaser or any other Noteholder, together with any and all attorneys' fees, court costs, or other out-of-pocket costs incurred by the Purchaser or any other Noteholder in connection therewith;

(b) Subject to the provisions of paragraph (c) below, the Purchaser or any other Noteholder shall afford the Issuer the opportunity, at the Issuer's sole cost and expense, to contest (i) the validity of any amendment to the Code which causes the interest on the Notes to be included in the gross income of the Purchaser or any other Noteholder or (ii) any challenge to the validity of the tax exemption with respect to the interest on the Notes, including the right to direct the necessary litigation contesting such challenge (including administrative audit appeals); *provided* that, in no event shall a Noteholder be required to make available its tax returns (or any



other information relating to its taxes that it deems confidential) to the Issuer or any other Person; and

(c) As a condition precedent to the exercise by the Issuer of its right to contest set forth in paragraph (b) above, the Issuer shall, on demand, immediately reimburse the Purchaser or any other Noteholder for any and all expenses (including attorneys' fees for services that may be required or desirable, as determined by the Purchaser or any other Noteholder in its sole discretion) that may be incurred by the Purchaser or any other Noteholder in connection with any such contest, and shall, on demand, immediately reimburse the Purchaser or any other Noteholder for any payments, including any taxes, interest, penalties or other charges payable by the Purchaser or any other Noteholder for failure to include such interest on the Notes in its gross income.

(d) *Survival.* Without prejudice to the survival of any other agreement of the Issuer hereunder, the agreements and obligations of the Issuer contained in this Section shall survive the termination of this Agreement and the payment in full of the Notes and the obligations of the Issuer thereunder and hereunder.

*Section 4.04. Default Rate.* Upon the occurrence and during the continuance of an Event of Default, the Obligations shall bear interest at the Default Rate, which shall be payable by the Issuer to each Noteholder (or, if applicable, the Purchaser) upon demand therefore and be calculated on the basis of a 360-day year and actual days elapsed.

*Section 4.05. Maximum Interest Rate.* (a) If the amount of interest payable for any period in accordance with the terms hereof or the Notes exceeds the amount of interest that would be payable for such period had interest for such period been calculated at the Maximum Interest Rate, then interest for such period shall be payable in an amount calculated at the Maximum Interest Rate.

(b) Any interest that would have been due and payable for any period but for the operation of the immediately preceding paragraph (a) shall accrue and be payable as provided in this paragraph (b) and shall, less interest actually paid to each Noteholder for such period, constitute the "Excess Interest Amount." If there is any accrued and unpaid Excess Interest Amount as of any date, then the principal amount with respect to which interest is payable shall bear interest at the Maximum Interest Rate until payment to each Noteholder of the entire Excess Interest Amount.

*Section 4.06. Reserved.*

*Section 4.07. Obligations Absolute.* The payment obligations of the Issuer under this Agreement and the other Related Documents shall be, without setoff or counterclaim, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including without limitation the following:

(a) any lack of validity or enforceability of this Agreement, the Notes or any of the other Related Documents;

(b) any amendment or waiver of or any consent to departure from all or any of the Related Documents;

(c) the existence of any claim, set-off, defense or other right which the Issuer may have at any time against the Purchaser, any other Noteholder or any other person or entity, whether in connection with this Agreement, the other Related Documents, the transactions contemplated herein or therein or any unrelated transaction; or

(d) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing.

Notwithstanding this Section, the Purchaser acknowledges the Issuer may have the right to bring a collateral action with respect to one or more of the foregoing circumstances. The Issuer's payment obligations shall remain in full force and effect pending the final disposition of any such action. All fees payable pursuant to this Agreement shall be deemed to be fully earned when due and non-refundable when paid.

*Section 4.08. Optional Redemption Fee.* The Issuer shall pay to the Purchaser an optional redemption or conversion fee in connection with each optional redemption or prepayment of all or any portion of the Notes prior to April 1, 2019, in an amount equal to the product of (A) the Applicable Spread in effect on the date of optional redemption or prepayment, as applicable, (B) the principal amount of the Notes to be optionally redeemed or prepaid, and (C) a fraction, the numerator of which is equal to the number of days from and including the date of such optional redemption or prepayment, as applicable, to and including April 1, 2019, and the denominator of which is 360, payable on the date that all or any portion of the Notes are optionally redeemed or prepaid. The Notes may be redeemed at the option of the Issuer on April 1, 2019 or any date thereafter, in whole or from time to time thereafter in part, at a redemption price equal to the principal amount of the Notes to be redeemed plus accrued interest thereon, and without any prepayment fee or premium.

## ARTICLE V

### REPRESENTATIONS AND WARRANTIES

The Issuer makes the following representations and warranties to each Noteholder:

*Section 5.01. Existence and Power.* The Issuer is a municipal corporation duly organized and validly existing under the laws of the State and has the power and authority to own its properties and to carry on its businesses as now being conducted and as currently contemplated to be conducted hereafter and is duly qualified to do business in each jurisdiction in which the character of the properties owned or leased by it or in which the transactions of any material portion of its business (as now conducted and as currently contemplated to be conducted) makes such qualification necessary.

*Section 5.02. Due Authorization.* (a) The Issuer has the corporate power, and has taken all necessary corporate action to authorize the Related Documents to which it is a party, and to

execute, deliver and perform its obligations under this Agreement and each of the other Related Documents to which it is a party in accordance with their respective terms. The Issuer has approved the form of the Related Documents to which it is not a party.

(b) The Issuer is duly authorized and licensed to own its Property and to operate its business under the laws, rulings, regulations and ordinances of all Governmental Authorities having the jurisdiction to license or regulate such Property or business activity and the departments, agencies and political subdivisions thereof, and the Issuer has obtained all requisite approvals of all such governing bodies required to be obtained for such purposes. All Governmental Approvals necessary for the Issuer to enter into this Agreement and the other Related Documents and to perform the transactions contemplated hereby and thereby and to conduct its business activities and own its property have been obtained and remain in full force and effect and are subject to no further administrative or judicial review. No other Governmental Approval or other action by, and no notice to or filing with, any Governmental Authority is required for the due execution, delivery and performance by the Issuer of this Agreement or the due execution, delivery or performance by the Issuer of the Related Documents.

*Section 5.03. Valid and Binding Obligations.* This Agreement has been duly executed and delivered by one or more duly authorized officers of the Issuer, and each of the Related Documents to which the Issuer is a party, when executed and delivered by the Issuer will be, a legal, valid and binding obligation of the Issuer enforceable in accordance with its terms, except as such enforceability may be limited by (a) the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar law affecting creditors' rights generally, and (b) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

*Section 5.04. Noncontravention; Compliance with Law .* (a) The execution, delivery and performance of this Agreement and each of the other Related Documents in accordance with their respective terms do not and will not (i) contravene the Issuer's authorizing legislation, (ii) require any consent or approval of any creditor of the Issuer, (iii) violate any Laws (including, without limitation, Regulations T, U or X of the FRB, or any successor regulations), (iv) conflict with, result in a breach of or constitute a default under any contract to which the Issuer is a party or by which it or any of its Property may be bound or (v) result in or require the creation or imposition of any Lien upon or with respect to any Property now owned or hereafter acquired by the Issuer or any Affiliate thereof except such Liens, if any, expressly created by any Related Document.

(b) The Issuer is in compliance with all Laws, except for such noncompliance that, singly or in the aggregate, has not caused or is not reasonably expected to cause a Material Adverse Effect.

*Section 5.05. Pending Litigation and Other Proceedings.* There is no action, suit or proceeding pending in any court, any other governmental authority with jurisdiction over the Issuer or any arbitration in which service of process has been completed against the Issuer or, to the knowledge of the Issuer, any other action, suit or proceeding pending or threatened in any court, any other governmental authority with jurisdiction over the Issuer or any arbitrator, in

either case against the Issuer or any of its properties or revenues, or any of the Related Documents to which it is a party, which if determined adversely to the Issuer would adversely affect the rights, security, interests or remedies of the Purchaser hereunder or under any of the other Related Documents or which is reasonably likely to result in a Material Adverse Effect, except any action, suit or proceeding which has been brought prior to the Effective Date as to which the Purchaser has received an opinion of counsel satisfactory to the Purchaser, in form and substance satisfactory to the Purchaser and the Purchaser's legal counsel, to the effect that such action, suit or proceeding is without substantial merit.

*Section 5.06. Financial Statements.* The audited financial statements of the Issuer as at December 31, 2016, and the related consolidated statement of activities and changes in net assets and the consolidated statement of cash flows for the Fiscal Year then ended, and accompanying notes thereto, which financial statements, accompanied by the audit report of Baker Tilly, independent public accountants, heretofore furnished to the Purchaser, which are consistent in all material respects with the audited financial statements of the Issuer for the Fiscal Year ended December 31, 2016, fairly present the financial condition of the Issuer in all material respects as of such dates and the results of its operations for the periods then ended in conformity with GAAP. Since December 31, 2016, there has been no material adverse change in the financial condition or operations of the Issuer that could reasonably be expected to result in a Material Adverse Effect.

*Section 5.07. Employee Benefit Plan Compliance.* The Issuer has no funding liability or obligation currently due and payable with respect to any employee benefit plan which could reasonably be expected to result in a Material Adverse Effect. The Issuer and each employee benefit plan is in compliance in all material respects with the terms of any such plan and applicable law related thereto. Neither the Issuer nor a member of the Controlled Group is subject to ERISA or maintains a Plan.

*Section 5.08. No Defaults.* No default by the Issuer has occurred and is continuing in the payment of the principal of or premium, if any, or interest on any Parity Debt including, without limitation, regularly scheduled payments on Swap Agreement which constitute Parity Debt. No bankruptcy, insolvency or other similar proceedings pertaining to the Issuer or any agency or instrumentality of the Issuer are pending or presently contemplated. No Default or Event of Default has occurred and is continuing hereunder. No "default" or "event of default" under, and as defined in, any of the other Related Documents has occurred and is continuing. The Issuer is not presently in default under any material agreement to which it is a party which could reasonably be expected to have a Material Adverse Effect. The Issuer is not in violation of any material term of the organizational documents or authorizing legislation applicable to the Issuer or any material term of any bond indenture or agreement to which it is a party or by which any of its Property is bound which could reasonably be expected to result in a Material Adverse Effect.

*Section 5.09. Insurance.* The Issuer currently maintains a system of self-insurance or insurance coverage with insurance companies believed by the Issuer to be capable of performing their obligations under the respective insurance policies issued by such insurance companies to

the Issuer (as determined in its reasonable discretion) and in full compliance with Section 9(k) of the Resolution and Section 6.04 hereof.

*Section 5.10. Title to Assets.* The Issuer has good and marketable title to its assets except where the failure to have good and marketable title to any of its assets would not have a Material Adverse Effect.

*Section 5.11. Incorporation by Reference.* The representations and warranties of the Issuer contained in the other Related Documents to which the Issuer is a party, together with the related definitions of terms contained therein, are hereby incorporated by reference in this Agreement as if each and every such representation and warranty and definition were set forth herein in its entirety, and the representations and warranties made by the Issuer in such Sections are hereby made for the benefit of the Purchaser. No amendment to or waiver of such representations and warranties or definitions made pursuant to the relevant Related Document or incorporated by reference shall be effective to amend such representations and warranties and definitions as incorporated by reference herein without the prior written consent of the Purchaser.

*Section 5.12. Correct Information.* All information, reports and other papers and data with respect to the Issuer furnished by the Issuer to the Purchaser were, at the time the same were so furnished, correct in all material respects. Any financial, budget and other projections furnished by the Issuer to the Purchaser were prepared in good faith on the basis of the assumptions stated therein, which assumptions were fair and reasonable in light of conditions existing at the time of delivery of such financial, budget or other projections, and represented, and as of the date of this representation, represent (subject to the updating or supplementation of any such financial, budget or other projections by any additional information provided to the Purchaser in writing, the representations contained in this Agreement being limited to financial, budget or other projections as so updated or supplemented), in the judgment of the Issuer, a reasonable, good faith estimate of the information purported to be set forth, it being understood that uncertainty is inherent in any projections and that no assurance can be given that the results set forth in the projections will actually be obtained. No fact is known to the Issuer that materially and adversely affects or in the future may (as far as it can reasonably foresee) materially and adversely affect the security for any of the Notes, or the ability of the Issuer to repay when due the Obligations, that has not been set forth in the financial statements and other documents referred to in this Section 5.12 or in such information, reports, papers and data or otherwise disclosed in writing to the Purchaser. The documents furnished and statements made by the Issuer in connection with the negotiation, preparation or execution of this Agreement and the Related Documents do not contain untrue statements of material facts or omit to state material facts necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

*Section 5.13. Investment Company.* The Issuer is not an “investment company” or a company “controlled” by an “investment company,” as such terms are defined in the Investment Company Act of 1940, as amended.

*Section 5.14. Margin Stock.* The Issuer is not engaged in the business of extending credit for the purpose of purchasing or carrying Margin Stock, and no part of the proceeds from the

issuance of the Notes will be used to purchase or carry any such Margin Stock or extend credit to others for the purpose of purchasing or carrying any such Margin Stock.

*Section 5.15. Tax-Exempt Status.* The Issuer has not taken any action or omitted to take any action, and has no actual knowledge of any action taken or omitted to be taken by any other Person, which action, if taken or omitted, would adversely affect the exclusion of interest on the Notes from gross income for federal income tax purposes.

*Section 5.16. Usury.* None of the Related Documents or the Notes provide for any payments that would violate any applicable law regarding permissible maximum rates of interest.

*Section 5.17. Security.* The Resolution creates, for the benefit of the owners of the Notes and the other Obligations, the legally valid and binding pledge of the Net Revenues. There is no lien on the Net Revenues other than the lien created by the Resolution and the lien and pledge of the Net Revenues with respect to the Series 2008 Bonds and Safe Drinking Water Bonds described in the Resolution. The Resolution does not permit the issuance or incurrence of any Debt secured by the Net Revenues to rank senior to the Notes and the other Obligations except that additional Debt senior to the Notes and Obligations and on a parity with the Safe Drinking Water Bonds that may be issued to the State of Wisconsin. The payment of the Notes and the other Obligations ranks on a parity with the payment of the principal and purchase price of and interest on all Parity Debt and is not subordinate to any payment secured by a lien on the Revenues other than payments with respect to the Series 2008 Bonds, the Safe Drinking Water Bonds and the additional bonds to be issued on a parity with the Safe Drinking Water Bonds, or any other claim, and is prior as against all other Persons having claims of any kind in tort, contract or otherwise, whether or not such Persons have notice of such lien. No filing, registration, recording or publication of the Resolution or any other instrument is required to establish the pledge provided for thereunder or to perfect, protect or maintain the Lien created thereby on the Net Revenues to secure the Notes and the other Obligations.

*Section 5.18. Pending Legislation and Decisions.* There is no amendment, or to the knowledge of the Issuer, proposed amendment to the Constitution of the State or any State law or any administrative interpretation of the Constitution of the State or any State law, or any legislation that has passed either house of the legislature of the State, or any judicial decision interpreting any of the foregoing, the effect of which will materially adversely affect the issuance of any of the Notes, the security for any of the Notes, or any Obligation, the creation, organization, or existence of the Issuer or the titles to office of any officers executing this Agreement or any Related Documents to which the Issuer is a party or the Issuer's ability to repay when due its obligations under this Agreement, any of the Notes or any other Obligation.

*Section 5.19. Taxes.* After due inquiry, the Issuer is not aware of any Indemnified Taxes or Other Taxes with respect to this transaction or any Related Document.

*Section 5.20. Environmental Matters.* The operations of the Issuer are in material compliance with all of the requirements of applicable federal, state and local environmental, health and safety statutes and regulations and are not the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any

toxic or hazardous waste or substance into the environment, where a failure to comply with any such requirement or the need for any such remedial action could reasonably be expected to result in a Material Adverse Effect.

*Section 5.21. No Immunity.* The Issuer is not entitled to claim immunity on the grounds of sovereignty or other similar grounds (including, without limitation, governmental immunity) with respect to itself or its Net Revenues (irrespective of their use or intended use) from (i) any action, suit or other proceeding arising under or relating to this Agreement or any other Related Document, (ii) relief by way of injunction, order for specific performance or writ of mandamus or for recovery of property or (iii) execution or enforcement of any judgment to which it or its Net Revenues might otherwise be made subject in any action, suit or proceedings relating to this Agreement or any other Related Document, and no such immunity (whether or not claimed) may be attributed to the Issuer or its Net Revenues.

*Section 5.22. No Public Vote or Referendum.* There is no public vote or referendum pending, proposed or concluded, the results of which could reasonably be expected to result in a Material Adverse Effect.

*Section 5.23. Swap Agreements.* The Issuer has not entered into any Swap Agreement relating to Debt (i) wherein any termination payment thereunder is senior to or on a parity with the payment of the Notes or the other Obligations or (ii) which requires the Issuer to post cash collateral to secure its obligations thereunder.

*Section 5.24. Anti-Corruption Laws; Sanctions.* (a) The Issuer, its Subsidiaries and their respective officers and employees and, to the knowledge of the Issuer, its directors and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. None of the Issuer, any Subsidiary or, to the knowledge of the Issuer or such Subsidiary, any of their respective directors, officers or employees is a Sanctioned Person. Neither the Notes, the use of the proceeds of the Notes or the other transactions contemplated hereby will violate Anti-Corruption Laws or applicable Sanctions.

(b) Neither the purchase of the Notes nor the use of the proceeds thereof will violate the Patriot Act, the Trading with the Enemy Act, as amended, or any of the foreign assets control regulations of the United States Treasury Department (31 C.F.R., Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto or successor statute thereto. The Issuer and its Subsidiaries are in compliance in all material respects with the Patriot Act.

## ARTICLE VI

### COVENANTS OF THE ISSUER

The Issuer covenants and agrees, until the full and final payment and satisfaction of all of the Obligations, except in any instance in which the Purchaser specially agrees in writing to any performance or noncompliance, that:

*Section 6.01. Existence, Etc.* The Issuer (a) shall maintain its existence pursuant to its authorizing legislation and the laws of the State and (b) shall not liquidate or dissolve, or sell or lease or otherwise transfer or dispose of all or any substantial part of its property, assets or business, or combine, merge or consolidate with or into any other entity or change the use of facilities or assets that generate Net Revenues.

*Section 6.02. Maintenance of Properties.* The Issuer shall, in all material respects, maintain, preserve and keep its Property in good repair, working order and condition (ordinary wear and tear excepted), except to the extent that the failure to do so could reasonably be expected to result in a Material Adverse Effect.

*Section 6.03. Compliance with Laws; Taxes and Assessments.* The Issuer shall comply with all Laws applicable to it and its Property (including all applicable Environmental Laws, Anti-Corruption Laws and applicable Sanctions), except where non-compliance could not reasonably be expected to result in a Material Adverse Effect, such compliance to include, without limitation, paying all taxes, assessments and governmental charges imposed upon it or its Property before the same become delinquent, unless and to the extent that the same are being contested in good faith and by appropriate proceedings and reserves are provided therefor that in the opinion of the Issuer are adequate.

*Section 6.04. Insurance.* The Issuer shall maintain insurance with reputable insurance companies or associations believed by the Issuer at the time of purchase of such insurance to be financially sound and in such amounts and covering such risks as are usually carried by organizations engaged in the same or a similar business and similarly situated, which insurance may provide for reasonable deductibles from coverage. The Issuer shall upon request of the Purchaser furnish a certificate setting forth in summary form the nature and extent of the insurance maintained pursuant to this Section 6.04.

*Section 6.05. Reports.* The Issuer shall furnish to the Purchaser in form and detail satisfactory to the Purchaser:

(a) *Annual Report.* As soon as available, and in any event within 270 days after the end of the Fiscal Year, the annual audited financial statements of the Issuer together with (1) the opinion of the Issuer's independent accountants and (2) a Compliance Certificate signed by the clerk/treasurer of the Issuer (x) stating that no Event of Default or Default has occurred, or if such Event of Default or Default has occurred, specifying the nature of such Event of Default or Default, the period of its existence, the nature and status thereof and any remedial steps taken or proposed to



correct such Event of Default or Default and (y) demonstrating compliance with the financial covenants set forth in Section 6.09 hereof.

(b) *Reserved.*

(c) *Budget.* As soon as available, and in any event within thirty (30) days of the beginning of each Fiscal Year, the operating budget of the Issuer for such Fiscal Year.

(d) *Offering Memorandum and Material Event Notices.* (A) Within ten (10) days after the issuance of any securities by the Issuer with respect to which a final official statement or other offering or disclosure document has been prepared by the Issuer, (1) a copy of such official statement or offering circular or (2) notice that such information has been filed with EMMA and is publicly available; and (B) during any period of time the Issuer is subject to continuing disclosure requirements under Rule 15c2-12 promulgated pursuant to the Securities Exchange Act of 1934, as amended (17 C.F.R. Sec. 240-15c2-12), or any successor or similar legal requirement, immediately following any dissemination, distribution or provision thereof to any Person, (1) a copy of any reportable event notice (as described in b(5)(i)(C) of Rule 15c2-12) disseminated, distributed or provided in satisfaction of or as may be required pursuant to such requirements or (2) notice that such event notice has been filed with EMMA and is publicly available.

(e) *Notice of Default or Event of Default.* (i) Promptly upon obtaining knowledge of any Default or Event of Default, or notice thereof, and in any event within five (5) days thereafter, a certificate signed by a Issuer Representative specifying in reasonable detail the nature and period of existence thereof and what action the Issuer has taken or proposes to take with respect thereto; (ii) promptly following a written request of the Purchaser, a certificate of a Issuer Representative as to the existence or absence, as the case may be, of a Default or an Event of Default under this Agreement; and (iii) promptly upon obtaining knowledge of any “default” or “event of default” as defined under any Bank Agreement, notice specifying in reasonable detail the nature and period of existence thereof and what action the Issuer has taken or proposes to take with respect thereto.

(f) *Litigation.* As promptly as practicable, written notice to the Purchaser of all actions, suits or proceedings pending or threatened against the Issuer in any court or before any arbitrator of any kind or before any governmental authority which could reasonably be expected to result in a Material Adverse Effect.

(g) *Patriot Act.* The Issuer shall, and shall cause each Subsidiary to, provide such information and take such actions as are reasonably requested by the Purchaser in order to assist the Purchaser in maintaining compliance with the Patriot Act.

(h) *Other Information.* Such other information regarding the business affairs, financial condition and/or operations of the Issuer as the Purchaser may from time to time reasonably request.

*Section 6.06. Maintenance of Books and Records.* The Issuer will keep proper books of record and account in which full, true and correct entries in accordance with GAAP. All financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the financial statements, except as otherwise specifically prescribed herein. Except as provided in the immediately preceding sentence, in preparing any financial data or statements contemplated or referred to in this Agreement, the Issuer shall not vary or modify the accounting methods or principles from the accounting standards employed in the preparation of its audited financial statements described in Section 5.06 hereof.

*Section 6.07. Access to Books and Records.* To the extent permitted by law, the Issuer will permit any Person designated by the Purchaser (at the expense of the Purchaser, unless and until a Default or Event of Default has occurred, at which time such expenses shall be borne by the Issuer) to visit any of the offices of the Issuer to examine the books and financial records (except books and financial records the examination of which by the Purchaser is prohibited by law or by attorney or client privilege), including minutes of meetings of any relevant governmental committees or agencies, and make copies thereof or extracts therefrom, and to discuss the affairs, finances and accounts of the Issuer with their principal officers, employees and independent public accountants, all upon reasonable notice to the Issuer and at such reasonable times and as often as the Purchaser may reasonably request.

*Section 6.08. Compliance With Documents.* The Issuer agrees that it will perform and comply with each and every covenant and agreement required to be performed or observed by it in the Resolution and each of the other Related Documents to which it is a party, which provisions, as well as related defined terms contained therein and any grace periods applicable thereto, are hereby incorporated by reference herein with the same effect as if each and every such provision were set forth herein in its entirety all of which shall be deemed to be made for the benefit of the Purchaser and shall be enforceable against the Issuer. To the extent that any such incorporated provision permits the Issuer or any other party to waive compliance with such provision or requires that a document, opinion or other instrument or any event or condition be acceptable or satisfactory to the Issuer or any other party, for purposes of this Agreement, such provision shall be complied with unless it is specifically waived by the Purchaser in writing and such document, opinion or other instrument and such event or condition shall be acceptable or satisfactory only if it is acceptable or satisfactory to the Purchaser which shall only be evidenced by the written approval by the Purchaser of the same. Except as permitted by Section 6.14 hereof, no termination or amendment to such covenants and agreements or defined terms or release of the Issuer with respect thereto made pursuant to the Resolution or any of the other Related Documents to which the Issuer is a party, shall be effective to terminate or amend such covenants and agreements and defined terms or release the Issuer with respect thereto in each case as incorporated by reference herein without the prior written consent of the Purchaser. Notwithstanding any termination or expiration of the Resolution or any such other Related Document to which the Issuer is a party, the Issuer shall continue to observe the covenants therein contained for the benefit of the Purchaser until the termination of this Agreement and the payment in full of the Notes and all other Obligations. All such incorporated covenants shall be in addition to the express covenants contained herein and shall not be limited by the express

covenants contained herein nor shall such incorporated covenants be a limitation on the express covenants contained herein.

*Section 6.09. Rate Covenant.* The Issuer covenants and agrees that it shall take any and all action necessary to cause Net Revenues in each Fiscal Year to equal 110% of the principal and interest payments due on all Debt secured by Net Revenues during each Fiscal Year (other than with respect to principal due at maturity with respect to the Notes and any other Balloon Notes that mature simultaneously with or after the Maturity Date), and to comply with the provisions of Section 9(g) of the Resolution.

*Section 6.10. No Impairment.* The Issuer will not take any action under the Resolution or any other Related Document which would materially adversely affect the rights, interests, remedies or security of the Purchaser under this Agreement or any other Related Document or which could reasonably be expected to result in a Material Adverse Effect.

*Section 6.11. Application of Note Proceeds.* The Issuer will not take or omit to take any action, which action or omission will in any way result in the proceeds from the issuance of the Notes being applied in a manner other than as provided in the Resolution.

*Section 6.12. Priority.* The Notes will be junior and subordinate to the Issuer's Series 2008 Bonds and Safe Drinking Water Bonds. Subject to Section 6.13 hereof, the Issuer reserves the right to issue additional bonds on a parity with the Series 2008 Bonds and Safe Drinking Water Bonds or as subordinate debt with a pledge of Net Revenues on a parity with the Notes.

*Section 6.13. Limitation on Additional Debt.* The Issuer will not issue or permit to be issued and/or incur any additional Debt secured by Net Revenues, unless the Issuer provides the Purchaser with certificates evidencing that after the incurrence of such Debt, the forecasted Net Revenues for each of the fiscal years of the Issuer through the Maturity Date are projected to be at least equal to 110% of Maximum Annual Debt Service of the Issuer, taking into account the proposed Debt to be issued. Forecasted Net Revenues will be calculated by the Issuer and may take into account approved rate increases for the System.

*Section 6.14. Related Documents.* The Issuer shall not modify, amend or consent to any modification, amendment or waiver in any material respect of any Related Document without the prior written consent of the Purchaser.

*Section 6.15. Liens.* The Issuer shall not, directly or indirectly, incur, create or permit to exist any Lien on all or any part of the security provided by the Resolution that is senior to or on a parity with the Lien securing the Notes and the Obligations, other than (i) Liens created under and in accordance with the terms of the Resolution; (ii) the Liens created for the benefit of the Notes and the Obligations and other Parity Debt that has heretofore or may hereafter be issued; (iii) Liens which could not reasonably be expected to materially adversely affect the interests, rights, remedies or security of the Purchaser under this Agreement and the other Related Documents; and (iv) Liens and pledges created in connection with the issuance of additional

Debt permitted pursuant to Section 6.13 above and the Resolution. The Issuer shall not attempt to revoke the pledge of security provided in the Resolution.

*Section 6.16. Redemptions.* The Issuer shall provide thirty (30) days written notice to the Purchaser prior to the date of any proposed optional redemption or purchase in lieu of redemption of Notes pursuant to Section 4 of the Resolution.

*Section 6.17. Disclosure to Participants, Purchaser Transferees and Non-Purchaser Transferees.* The Issuer shall permit the Purchaser to disclose the financial information received by it pursuant to this Agreement to each participant of the Purchaser, Purchaser Transferee and Non-Purchaser Transferee pursuant to Section 9.13 of this Agreement, subject to confidentiality restrictions and use restrictions customary for financial institutions.

*Section 6.18. Other Agreements.* In the event that the Issuer shall, directly or indirectly, enter into or otherwise consent to any Bank Agreement which such Bank Agreement provides such Person with different or more restrictive covenants, different or additional events of default and/or greater rights and remedies than are provided to the Purchaser in this Agreement (including the right to accelerate the payment of any Parity Debt), the Issuer shall provide the Purchaser with a copy of each such Bank Agreement and such different or more restrictive covenants, different or additional events of default and/or greater rights and remedies shall automatically be deemed to be incorporated into this Agreement and the Purchaser shall have the benefits of such different or more restrictive covenants, different or additional events of default and/or greater rights and remedies as if specifically set forth herein. The Issuer shall promptly enter into an amendment to this Agreement to include different or more restrictive covenants, different or additional events of default and/or greater rights and remedies; *provided* that the Purchaser shall have and maintain the benefit of such different or more restrictive covenants, different or additional events of default and/or greater rights and remedies even if the Issuer fails to provide such amendment.

*Section 6.19. Immunity from Jurisdiction.* To the fullest extent permitted by applicable law, with respect to its obligations arising under this Agreement or any other Related Document, the Issuer irrevocably agrees that it will not assert or claim any immunity on the grounds of sovereignty or other similar grounds (including, without limitation, governmental immunity) from (i) any action, suit or other proceeding arising under or relating to this Agreement or any other Related Document, (ii) relief by way of injunction, order for specific performance or writ of mandamus or (iii) execution or enforcement of any judgment to which it or its revenues might otherwise be entitled in any such action, suit or other proceeding, and the Issuer hereby irrevocably waives, to the fullest extent permitted by applicable law, with respect to itself and its revenues (irrespective of their use or intended use), all such immunity.

*Section 6.20. Swap Agreements.* Without the prior written consent of the Purchaser, the Issuer will not enter into any Swap Agreement relating to Debt (i) wherein any termination payments thereunder are senior to or on parity with the payment of the Notes (including Unremarketed Notes) or the other Obligations or (ii) which requires the Issuer to post cash collateral to secure its obligations thereunder.

*Section 6.21. Direction to Take Action.* To the extent Net Revenues are insufficient to pay the Obligations when due, the Issuer shall cause the appropriate official of the Issuer to seek any necessary approval of the Public Service Commission, to include an appropriation in the budget and to levy a tax, all as described in Section 8 of the Resolution, in each case to satisfy the Issuer's Obligations to the extent of the shortfall of Net Revenues.

*Section 6.22. Use of Purchaser's Name.* The Issuer shall not include any information concerning the Purchaser in any offering document for the Notes that is not supplied in writing, or otherwise approved, by the Purchaser expressly for inclusion therein.

*Section 6.23. Maintenance of Tax-Exempt Status of Notes.* The Issuer shall not take any action or omit to take any action which, if taken or omitted, would adversely affect the tax-exempt status of the Notes.

*Section 6.24. Investment Policy.* All investments of the Issuer have been and will be made in accordance with the terms of the Investment Policy.

*Section 6.25. Environmental Laws.* The Issuer shall comply with all applicable Environmental Laws and cure any defect (or cause other Persons to cure any such defect) to the extent necessary to bring such real property owned, leased, occupied or operated by the Issuer back into compliance with Environmental Laws and to comply with any cleanup orders issued by a Governmental Authority having jurisdiction thereover. The Issuer shall at all times use commercially reasonable efforts to render or maintain any real property owned, leased, occupied or operated by the Issuer safe and fit for its intended uses. The Issuer shall also immediately notify the Purchaser of any actual or alleged material failure to so comply with or perform, or any material breach, violation or default under any Environmental Law.

*Section 6.26. Use of Proceeds.* The Issuer shall not use any portion of the proceeds of the Purchase Price of the Notes for the purpose of carrying or purchasing any Margin Stock and shall not incur any Debt which is to be reduced, retired or purchased by the Issuer out of such proceeds. The Issuer shall not use or allow to be used, and its directors, officers, employees and agents shall not use or allow to be used, the proceeds of any of the Notes (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws or (ii) in any manner that would result in the violation of any applicable Sanctions.

*Section 6.27. Underlying Rating.* The Issuer shall at all times maintain a rating on its long-term unenhanced Parity Debt from at least one Rating Agency. The Issuer covenants and agrees that it shall not at any time withdraw any long-term unenhanced rating on its Parity Debt from any of Moody's if the effect of such withdrawal would be to cure a Default or an Event of Default under this Agreement or reduce the Applicable Spread.

*Section 6.28. Obligation to Issue Bonds.* The Issuer will issue bonds secured by the Net Revenues at such times and in such amounts so as to repay the principal of and interest on the Notes, and in any event prior to the Maturity Date.

*Section 6.29. Bonding Capacity.* The Issuer shall maintain the ability to issue notes or bonds secured by the Net Revenues in an amount sufficient to repay the Notes on the Maturity Date.

## ARTICLE VII

### EVENTS OF DEFAULT

*Section 7.01. Events of Default.* The occurrence of any of the following events (whatever the reason for such event and whether voluntary, involuntary, or effected by operation of Law) shall be an “Event of Default” hereunder, unless waived in writing by Purchaser:

(a) the Issuer shall fail to pay the principal or purchase price of or interest on any Note when due (whether by scheduled maturity, required prepayment, redemption or otherwise);

(b) the Issuer shall fail to pay any Obligation (other than the obligation to pay the principal or purchase price of or interest on the Notes) when due and such failure shall continue for three (3) Business Days;

(c) any representation or warranty made by or on behalf of the Issuer in this Agreement or in any other Related Document or in any certificate or statement delivered hereunder or thereunder shall be incorrect or untrue in any material respect when made or deemed to have been made or delivered;

(d) the Issuer shall default in the due performance or observance of any of the covenants set forth in Section 6.01, 6.03, 6.04, 6.05(e), 6.07, 6.08, 6.09, 6.10, 6.13, 6.14, 6.15, 6.18, 6.19, 6.23, 6.27, or 6.28 hereof;

(e) the Issuer shall default in the due performance or observance of any other term, covenant or agreement contained in this Agreement or any other Related Document and such default shall remain unremedied for a period of thirty (30) days after the occurrence thereof;

(f) the Issuer shall (i) have entered involuntarily against it an order for relief under the United States Bankruptcy Code, as amended, (ii) become insolvent or shall not pay, or be unable to pay, or admit in writing its inability to pay, its debts generally as they become due, (iii) make an assignment for the benefit of creditors, (iv) apply for, seek, consent to, or acquiesce in, the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any substantial part of its Property, (v) institute any proceeding seeking to have entered against it an order for relief under the United States Bankruptcy Code, as amended, to adjudicate it insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, marshalling of assets, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or fail to file an answer or other pleading denying the material allegations of any such proceeding filed against it, (vi) take any corporate action

in furtherance of any matter described in parts (i) through (v) above, or (vii) fail to contest in good faith any appointment or proceeding described in Section 7.01(g) of this Agreement;

(g) a custodian, receiver, trustee, examiner, liquidator or similar official shall be appointed for the Issuer or any substantial part of its Property, or a proceeding described in Section 7.01(f)(v) shall be instituted against the Issuer and such proceeding continues undischarged or any such proceeding continues undismissed or unstayed for a period of thirty (30) or more days;

(h) a debt moratorium, debt restructuring, debt adjustment or comparable restriction is imposed on the repayment when due and payable of the principal of or interest on any Debt of the Issuer by the Issuer or any Governmental Authority with appropriate jurisdiction;

(i) (i) any provision of this Agreement or any Related Document related to (A) payment of principal of or interest on the Notes or (B) the validity or enforceability of the pledge of the Net Revenues or any other pledge or security interest created by the Resolution shall at any time for any reason cease to be valid and binding on the Issuer as a result of any legislative or administrative action by a Governmental Authority with competent jurisdiction, or shall be declared, in a final nonappealable judgment by any court of competent jurisdiction, to be null and void, invalid or unenforceable; or

(ii) the validity or enforceability of any material provision of this Agreement or any Related Document related to (A) payment of principal of or interest on the Notes, or (B) the validity or enforceability of the pledge of the Net Revenues or any other pledge or security interest created by the Resolution shall be publicly contested by the Issuer; or

(iii) any other material provision of this Agreement or any other Related Document, other than a provision described in clause (i) above, shall at any time for any reason cease to be valid and binding on the Issuer as a result of any legislative or administrative action by a Governmental Authority with competent jurisdiction or shall be declared in a final non-appealable judgment by any court with competent jurisdiction to be null and void, invalid, or unenforceable, or the validity or enforceability thereof shall be publicly contested by the Issuer;

(j) dissolution or termination of the existence of the Issuer;

(k) the Issuer shall (i) default on the payment of the principal of or interest on any Parity Debt including, without limitation, any regularly scheduled payments on Swap Agreements which constitute Parity Debt, beyond the period of grace, if any, provided in the instrument or agreement under which such Parity Debt was created or incurred; or (ii) default in the observance or performance of any agreement or condition relating to any Parity Debt or contained in any instrument or agreement evidencing, securing or

relating thereto, or any other default, event of default or similar event shall occur or condition exist, the effect of which default, event of default or similar event or condition is to cause (determined without regard to whether any notice is required) any such Parity Debt to become immediately due and payable in full as the result of the acceleration, mandatory redemption or mandatory tender of such Parity Debt;

(l) the Issuer shall (i) default on the payment of the principal of or interest on any Debt (other than Parity Debt) including, without limitation, any regularly scheduled payments on Swap Agreements, aggregating in excess of \$500,000, beyond the period of grace, if any, provided in the instrument or agreement under which such Debt (other than Parity Debt) was created or incurred; or (ii) default in the observance or performance of any agreement or condition relating to any Debt (other than Parity Debt) aggregating in excess of \$500,000, or contained in any instrument or agreement evidencing, securing or relating thereto, or any other default, event of default or similar event shall occur or condition exist, the effect of which default, event of default or similar event or condition is to permit (determined without regard to whether any notice is required) any such Debt to become immediately due and payable in full as the result of the acceleration, mandatory redemption or mandatory tender of such Debt;

(m) any final, unappealable judgment or judgments, writ or writs or warrant or warrants of attachment, or any similar process or processes, which are not covered in full by insurance, with written acknowledgement of such coverage having been provided by the provider of such insurance coverage to the Purchaser, in an aggregate amount in excess of \$500,000 shall be entered or filed against the Issuer or against any of its Property and remain unpaid, unvacated, unbonded or unstayed for a period of thirty (30) days;

(n) any “event of default” under any Related Document (as defined respectively therein) shall have occurred; or

(o) Moody’s shall have downgraded its rating of any long-term unenhanced Debt of the Issuer to below “Baa+ (or its equivalent), or suspended or withdrawn its rating of the same.

*Section 7.02. Consequences of an Event of Default.* If an Event of Default specified in Section 7.01 hereof shall occur and be continuing, the Purchaser may take one or more of the following actions at any time and from time to time (regardless of whether the actions are taken at the same or different times):

(i) by written notice to the Issuer, declare the outstanding amount of the Obligations under this Agreement (and not the principal of and interest on the Notes) to be immediately due and payable without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived, and an action therefor shall immediately accrue;



(ii) deliver a written notice to the Issuer that an Event of Default has occurred and is continuing and take such remedial action as is provided for in the Resolution;

(iii) either personally or by attorney or agent without bringing any action or proceeding, or by a receiver to be appointed by a court in any appropriate action or proceeding, take whatever action at law or in equity may appear necessary or desirable to collect the amounts due and payable under the Related Documents or to enforce performance or observance of any obligation, agreement or covenant of the Issuer under the Related Documents, whether for specific performance of any agreement or covenant of the Issuer or in aid of the execution of any power granted to the Purchaser in the Related Documents;

(iv) cure any Default, Event of Default or event of nonperformance hereunder or under any Related Document; *provided, however*, that the Purchaser shall have no obligation to effect such a cure; and

(v) exercise, or cause to be exercised, any and all remedies as it may have under the Related Documents (other than as provided for in clause (ii) of this Section 7.02(a)) and as otherwise available at law and at equity.

*Section 7.03. Remedies Cumulative; Solely for the Benefit of Purchaser.* To the extent permitted by, and subject to the mandatory requirements of, applicable Law, each and every right, power and remedy herein specifically given to the Purchaser in the Related Documents shall be cumulative, concurrent and nonexclusive and shall be in addition to every other right, power and remedy herein specifically given or now or hereafter existing at law, in equity or by statute, and each and every right, power and remedy (whether specifically herein given or otherwise existing) may be exercised from time to time and as often and in such order as may be deemed expedient by the Purchaser, and the exercise or the beginning of the exercise of any power or remedy shall not be construed to be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy.

The rights and remedies of the Purchaser specified herein are for the sole and exclusive benefit, use and protection of the Purchaser, and the Purchaser is entitled, but shall have no duty or obligation to the Issuer or any other Person or otherwise, to exercise or to refrain from exercising any right or remedy reserved to the Purchaser hereunder or under any of the other Related Documents.

*Section 7.04. Waivers or Omissions.* No delay or omission by the Purchaser in the exercise of any right, remedy or power or in the pursuit of any remedy shall impair any such right remedy or power or be construed to be a waiver of any default on the part of the Purchaser or to be acquiescence therein. No express or implied waiver by the Purchaser of any Event of Default shall in any way be a waiver of any future or subsequent Event of Default.

*Section 7.05. Discontinuance of Proceedings.* In case the Purchaser shall proceed to invoke any right, remedy or recourse permitted hereunder or under the Related Documents and shall thereafter elect to discontinue or abandon the same for any reason, the Purchaser shall have

the unqualified right so to do and, in such event, the Issuer and the Purchaser shall be restored to their former positions with respect to the Obligations, the Related Documents and otherwise, and the rights, remedies, recourse and powers of the Purchaser hereunder shall continue as if the same had never been invoked.

## ARTICLE VIII

### INDEMNIFICATION

*Section 8.01. Indemnification.* In addition to any and all rights of reimbursement, indemnification, subrogation or any other rights pursuant hereto or under law or equity, the Issuer hereby agrees (to the extent permitted by law) to indemnify and hold harmless each Noteholder or Credit Protection Provider and its officers, directors and agents (each, an “*Indemnitee*”) from and against any and all claims, damages, losses, liabilities, reasonable costs or expenses whatsoever (including reasonable attorneys’ fees) which may incur or which may be claimed against an Indemnitee by any Person or entity whatsoever (collectively, the “*Liabilities*”) by reason of or in connection with (a) the execution and delivery or transfer of, or payment or failure to pay under, any Related Document; (b) the issuance and sale of the Notes; (c) the use of the proceeds of the Notes; or (d) any actual or alleged presence or release of Hazardous Materials on or from any Property owned or operated by the Issuer, any environmental liability related in any way to the Issuer; *provided* that the Issuer shall not be required to indemnify an Indemnitee for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by the willful misconduct or gross negligence of such Indemnitee. Nothing under this Section 8.01 is intended to limit the Issuer’s payment of the Obligations.

*Section 8.02. Survival.* The obligations of the Issuer under this Article VIII shall survive the payment of the Notes and the termination of this Agreement.

## ARTICLE IX

### MISCELLANEOUS

*Section 9.01. Patriot Act Notice.* The Purchaser hereby notifies the Issuer that pursuant to the requirements of the Patriot Act it is required to obtain, verify and record information that identifies the Issuer, which information includes the name and address of the Issuer and other information that will allow the Purchaser to identify the Issuer in accordance with the Patriot Act. The Issuer hereby agrees that it shall promptly provide such information upon request by the Purchaser.

*Section 9.02. Further Assurances.* From time to time upon the request of either party hereto, the other shall promptly and duly execute, acknowledge and deliver any and all such further instruments and documents as the requesting party may in its reasonable discretion deem necessary or desirable to confirm this Agreement, and the other Related Documents, to carry out the purpose and intent hereof and thereof or to enable the requesting party to enforce any of its

rights hereunder or thereunder. At any time, and from time to time, upon request by the Purchaser, the Issuer will, at the Issuer's expense, (a) correct any defect, error or omission which may be discovered in the form or content of any of the Related Documents, and (b) make, execute, deliver and record, or cause to be made, executed, delivered and recorded, any and all further instruments, certificates, and other documents as may, in the opinion of the Purchaser, be necessary or desirable in order to complete, perfect or continue and preserve the Lien of the Resolution. Upon any failure by the Issuer to do so, the Purchaser may make, execute and record any and all such instruments, certificates and other documents for and in the name of the Issuer, all at the sole expense of the Issuer, and the Issuer hereby appoints the Purchaser the agent and attorney-in-fact of the Issuer to do so, this appointment being coupled with an interest and being irrevocable. Without limitation of the foregoing, the Issuer irrevocably authorizes the Purchaser at any time and from time to time to file any initial financing statements, amendments thereto and continuation statements deemed necessary or desirable by the Purchaser to establish or maintain the validity, perfection and priority of the security interests granted in the Resolution, and the Issuer ratifies any such filings made by the Purchaser prior to the date hereof. In addition, at any time, and from time to time, upon request by the Purchaser, the Issuer will, at the Issuer's expense, provide any and all further instruments, certificates and other documents as may, in the opinion of the Purchaser, be necessary or desirable in order to verify the Issuer's identity and background in a manner satisfactory to the Purchaser.

*Section 9.03. Amendments and Waivers; Enforcement.* The Purchaser and the Issuer may from time to time enter into agreements amending, modifying or supplementing this Agreement or the other Related Documents or changing the rights of the Purchaser or the Issuer hereunder or thereunder, and the Purchaser may from time to time grant waivers or consents to a departure from the due performance of the obligations of the Issuer hereunder or thereunder. Any such agreement, waiver or consent must be in writing and shall be effective only to the extent specifically set forth in such writing. In the case of any such waiver or consent relating to any provision hereof, any Default or Event of Default so waived or consented to shall be deemed to be cured and not continuing, but no such waiver or consent shall extend to any other or subsequent Default or Event of Default or impair any right consequent thereto.

*Section 9.04. No Implied Waiver; Cumulative Remedies.* No course of dealing and no delay or failure of the Purchaser in exercising any right, power or privilege under this Agreement or the other Related Documents shall affect any other or future exercise thereof or exercise of any right, power or privilege; nor shall any single or partial exercise of any such right, power or privilege or any abandonment or discontinuance of steps to enforce such a right, power or privilege preclude any further exercise thereof or of any other right, power or privilege. The rights and remedies of the Purchaser under this Agreement are cumulative and not exclusive of any rights or remedies which the Purchaser would otherwise have under any Related Document, at law or in equity.

*Section 9.05. Notices.* All notices, requests, demands, directions and other communications (collectively "notices") under the provisions of this Agreement shall be in writing (including facsimile communication), unless otherwise expressly permitted hereunder, and shall be sent by first-class mail or overnight delivery and shall be deemed received as follows: (i) if by first class mail, five (5) days after mailing; (ii) if by overnight delivery, on the

next Business Day; (iii) if by telephone, when given to a person who confirms such receipt; and (iv) if by facsimile, when confirmation of receipt is obtained. All notices shall be sent to the applicable party at the following address or in accordance with the last unrevoked written direction from such party to the other parties hereto:

The Issuer: The City of Waukesha, Waukesha County, Wisconsin  
[\_\_\_\_\_]   
[\_\_\_\_\_]   
Attention: [\_\_\_\_\_]   
Facsimile: ( ) [\_\_\_\_\_]   
Telephone: ( ) [\_\_\_\_\_]   
Email: \_\_\_\_\_

The Purchaser: BMO Harris Bank N.A.  
111 West Monroe Street  
Chicago, Illinois 60603  
Attention: John Mattern  
Facsimile: (312) 293-5811  
Telephone: (312) 461-3295  
Email: john.mattern@bmo.com

The Purchaser with respect to a Request for an Advance: BMO Harris Bank N.A.  
111 West Monroe Street  
Chicago, Illinois 60603  
Attention: \_\_\_\_\_  
Facsimile: ( ) \_\_\_\_ - \_\_\_\_  
Telephone: ( ) \_\_\_\_ - \_\_\_\_  
Email: \_\_\_\_\_

The Purchaser may rely on any notice (including telephone communication) purportedly made by or on behalf of the other, and shall have no duty to verify the identity or authority of the Person giving such notice, unless such actions or omissions would amount to gross negligence or intentional misconduct.

*Section 9.06. Right of Setoff.* (a) Upon the occurrence of an Event of Default, a Noteholder may, at any time and from time to time, without notice to the Issuer or any other person (any such notice being expressly waived), set off and appropriate and apply against and on account of any Obligations under this Agreement, without regard to whether or not such Noteholder shall have made any demand therefor, and although such Obligations may be contingent or unmatured, any and all deposits (general or special, including but not limited to deposits made pursuant to this Agreement and Debt evidenced by certificates of deposit, whether matured or unmatured, but not including trust accounts, such as restricted donor accounts) and any other Debt at any time held or owing by such Noteholder to or for the credit or the account of any or all of the Issuer.

(b) Each Noteholder agrees promptly to notify the Issuer after any such set-off and application referred to in subsection (a) above, *provided* that the failure to give such notice shall not affect the validity of such set-off and application. Subject to the provisions of subsection (a) above, the rights of a Noteholder under this Section 9.06 are in addition to other rights and remedies (including, without limitation, other rights of set-off) which such Noteholder may have.

*Section 9.07. No Third-Party Rights.* Nothing in this Agreement, whether express or implied, shall be construed to give to any Person other than the parties hereto and the Noteholders any legal or equitable right, remedy or claim under or in respect of this Agreement, which is intended for the sole and exclusive benefit of the parties hereto.

*Section 9.08. Severability.* The provisions of this Agreement are intended to be severable. If any provision of this Agreement shall be held invalid or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

*Section 9.09. Governing Law; Consent to Jurisdiction and Venue; Waiver of Jury Trial.*  
(a) THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF WISCONSIN.

(b) EACH PARTY HERETO CONSENTS TO AND SUBMITS TO IN PERSONAM JURISDICTION AND VENUE IN THE STATE OF WISCONSIN AND IN THE FEDERAL DISTRICT COURTS WHICH ARE LOCATED IN THE STATE OF WISCONSIN. EACH PARTY ASSERTS THAT IT HAS PURPOSEFULLY AVAILED ITSELF OF THE BENEFITS OF THE LAWS OF THE STATE OF WISCONSIN AND WAIVES ANY OBJECTION TO IN PERSONAM JURISDICTION ON THE GROUNDS OF MINIMUM CONTACTS, WAIVES ANY OBJECTION TO VENUE, AND WAIVES ANY PLEA OF FORUM NON CONVENIENS. THIS CONSENT TO AND SUBMISSION TO JURISDICTION IS WITH REGARD TO ANY ACTION RELATED TO THIS AGREEMENT. REGARDLESS OF WHETHER THE PARTY'S ACTIONS TOOK PLACE IN THE STATE OF WISCONSIN OR ELSEWHERE IN THE UNITED STATES, THIS SUBMISSION TO JURISDICTION IS NONEXCLUSIVE, AND DOES NOT PRECLUDE EITHER PARTY FROM OBTAINING JURISDICTION OVER THE OTHER IN ANY COURT OTHERWISE HAVING JURISDICTION.

(c) TO THE EXTENT PERMITTED BY APPLICABLE LAWS, EACH OF THE PARTIES HERETO HEREBY WAIVES ITS RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, THE RELATED DOCUMENTS OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS.

(d) The covenants and waivers made pursuant to this Section 9.09 shall be irrevocable and unmodifiable, whether in writing or orally, and shall be applicable to any subsequent amendments, renewals, supplements or modifications of this Agreement. In the event of litigation, this Agreement may be filed as a written consent to a trial by the court.

*Section 9.10. Prior Understandings.* This Agreement and the other Related Documents supersede all other prior understandings and agreements, whether written or oral, among the parties hereto relating to the transactions provided for herein and therein.

*Section 9.11. Duration.* All representations and warranties of the Issuer contained herein or made in connection herewith shall survive the making of and shall not be waived by the execution and delivery of this Agreement or the other Related Documents. All covenants and agreements of the Issuer contained herein shall continue in full force and effect from and after the date hereof until the Obligations have been fully discharged.

*Section 9.12. Counterparts.* This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute but one and the same instrument.

*Section 9.13. Successors and Assigns.*

(a) *Successors and Assigns Generally.* This Agreement is a continuing obligation and shall be binding upon the Issuer, its successors, transferees and assigns and shall inure to the benefit of the Noteholders and their respective permitted successors, transferees and assigns. The Issuer may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Purchaser. Each Noteholder may, in its sole discretion and in accordance with applicable Law, from time to time assign, sell or transfer in whole or in part, this Agreement, its interest in the Notes and the Related Documents in accordance with the provisions of paragraph (b) or (c) of this Section. Each Noteholder may at any time and from time to time enter into participation agreements in accordance with the provisions of paragraph (d) of this Section. Each Noteholder may at any time pledge or assign a security interest subject to the restrictions of paragraph (e) of this Section. BMO Harris Bank N.A. shall be the Purchaser hereunder until such time as the Majority Noteholder designates an alternate Person to serve as the Purchaser hereunder by delivery of written notice to the Issuer and such Person accepts and agrees to act as the Purchaser hereunder and under the Related Documents. The Majority Noteholder may so designate an alternate Person to act as the Purchaser from time to time. Upon acceptance and notification thereof to the Issuer, the successor to the Purchaser for such purposes shall thereupon succeed to and become vested with all of the rights, powers, privileges and responsibilities of the Purchaser, and BMO Harris Bank N.A. or any other Person being replaced as the Purchaser shall be discharged from its duties and obligations as the Purchaser hereunder.

(b) *Sales and Transfers by Noteholder to a Purchaser Transferee.* Without limitation of the foregoing generality, a Noteholder may at any time sell or otherwise transfer to one or more transferees all or a portion of the Notes to a Person that is (i) an Affiliate of the Purchaser or (ii) a trust or other custodial arrangement established by the Purchaser or an Affiliate of the Purchaser (each, a "*Purchaser Transferee*"). From and after the date of such sale or transfer, BMO Harris Bank N.A. (and its successors) shall continue to have all of the rights of the Purchaser hereunder and under the other Related Documents as if no such transfer or sale had occurred; *provided, however*, that (A) no such sale or transfer referred to in clause (b)(i) or (b)(ii) hereof shall in any way affect the obligations of the Purchaser hereunder, (B) the Issuer shall be

required to deal only with the Purchaser with respect to any matters under this Agreement and (C) in the case of a sale or transfer referred to in clause (b)(i) or (b)(ii) hereof, only the Purchaser shall be entitled to enforce the provisions of this Agreement against the Issuer.

(c) *Sales and Transfers by Noteholder to a Non-Purchaser Transferee.* Without limitation of the foregoing generality, a Noteholder may at any time sell or otherwise transfer all or any portion of the Notes to one or more transferees that the Purchaser reasonably believes is qualified to purchase or hold the Notes which are not Purchaser Transferees (each a “*Non-Purchaser Transferee*”) if written notice of such sale or transfer, including that such sale or transfer is to a Non-Purchaser Transferee, together with addresses and related information with respect to the Non-Purchaser Transferee, shall have been given to the Issuer and the Purchaser (if different than the Noteholder) by such selling Noteholder and Non-Purchaser Transferee.

From and after the date the Issuer and the selling Noteholder have received written notice and an executed Purchaser Letter, (A) the Non-Purchaser Transferee thereunder shall be a party hereto and shall have the rights and obligations of a Noteholder hereunder and under the other Related Documents, and this Agreement shall be deemed to be amended to the extent, but only to the extent, necessary to effect the addition of the Non-Purchaser Transferee, and any reference to the assigning Noteholder hereunder and under the other Related Documents shall thereafter refer to such transferring Noteholder and to the Non-Purchaser Transferee to the extent of their respective interests, and (B) if the transferring Noteholder no longer owns any Notes, then it shall relinquish its rights and be released from its obligations hereunder and under the Related Documents.

(d) *Participations.* The Purchaser shall have the right to grant participations in all or a portion of the Purchaser’s interest in the Notes, this Agreement and the other Related Documents to one or more other banking institutions; *provided, however,* that (i) no such participation by any such participant shall in any way affect the obligations of the Purchaser hereunder and (ii) the Issuer shall be required to deal only with the Purchaser, with respect to any matters under this Agreement, the Notes and the other Related Documents and no such participant shall be entitled to enforce any provision hereunder against the Issuer.

(e) *Certain Pledges.* In addition to the rights of the Purchaser set forth above, the Purchaser may at any time pledge or grant a security interest in all or any portion of its rights or interests under the Notes, this Agreement and/or the Related Documents to secure obligations of the Purchaser or an Affiliate of the Purchaser, including any pledge or assignment to secure obligations to a Federal Reserve Bank or to any state or local governmental entity or with respect to public deposits; *provided* that no such pledge or assignment shall release the Purchaser from any of its obligations hereunder or substitute any such pledgee or assignee for the Purchaser as a party hereto.

*Section 9.14. Headings.* Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

*Section 9.15. No Fiduciary Relationship.* The Issuer acknowledges and agrees that its dealing with the Purchaser are solely in the nature of a debtor/creditor relationship and that in no event shall the Purchaser be considered to be a partner or joint venturer of the Issuer. Also, the Issuer represents and warrants that it has independently evaluated the business transaction and has not relied upon, nor will it rely upon, the expertise, advice or other comments or statements of the Purchaser (including agents of the Purchaser), if any, in deciding to pursue such undertaking. As the Issuer is experienced in business, in no event shall the Purchaser owe any fiduciary or similar obligations to it in connection with the subject transaction.

*Section 9.16. Electronic Signatures.* The parties agree that the electronic signature of a party to this Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Agreement. The parties agree that any electronically signed document (including this Agreement) shall be deemed (i) to be “written” or “in writing,” (ii) to have been signed and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Such paper copies or “printouts,” if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule. For purposes hereof, “electronic signature” means a manually-signed original signature that is then transmitted by electronic means; “transmitted by electronic means” means sent in the form of a facsimile or sent via the internet as a “pdf” (portable document format) or other replicating image attached to an e-mail message; and, “electronically signed document” means a document transmitted by electronic means and containing, or to which there is affixed, an electronic signature.

[SIGNATURES BEGIN ON THE FOLLOWING PAGE.]



IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the Effective Date.

BMO HARRIS BANK N.A.

By \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

THE CITY OF WAUKESHA, WAUKESHA COUNTY,  
WISCONSIN

By \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Mayor

By \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: City Clerk

**EXHIBIT A**

**FORM OF COMPLIANCE CERTIFICATE**

This Compliance Certificate (this “*Certificate*”) is furnished to BMO Harris Bank N.A. (the “*Purchaser*”) pursuant to that certain Continuing Covenant Agreement dated as of April 2, 2018 (the “*Agreement*”), between The City of Waukesha, Waukesha County, Wisconsin (the “*Issuer*”) and Purchaser. Unless otherwise defined herein, the terms used in this Certificate shall have the meanings assigned thereto in the Agreement.

THE UNDERSIGNED HEREBY CERTIFIES THAT:

1. I am the duly elected chief financial officer of the Issuer;
2. I have reviewed the terms of the Agreement and I have made, or have caused to be made under my supervision, a detailed review of the transactions and conditions of the Issuer during the accounting period covered by the attached financial statements;
3. The examinations described in paragraph 2 did not disclose, and I have no knowledge of, the existence of any condition or the occurrence of any event which constitutes a Default or Event of Default during or at the end of the accounting period covered by the attached financial statements or as of the date of this Certificate, except as set forth below;
4. The financial statements required by Section 6.05 of the Agreement and being furnished to you concurrently with this certificate fairly represent the consolidated financial condition of the Issuer in accordance with GAAP (subject to year end adjustments) as of the dates and for the periods covered thereby.
5. Attached are true and accurate calculations demonstrating compliance with the financial covenant[s] set forth in Section 6.09 of the Agreement for the periods specified in such attachment.

Described below are the exceptions, if any, to paragraph 3 by listing, in detail, the nature of the condition or event, the period during which it has existed and the action which the Issuer has taken, is taking, or proposes to take with respect to each such condition or event:

---

---

---

---

The foregoing certifications and the financial statements delivered with this Certificate in support hereof, are made and delivered this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

THE CITY OF WAUKESHA, WAUKESHA COUNTY,  
WISCONSIN

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[ATTACHMENT TO COMPLIANCE CERTIFICATE

COMPLIANCE CALCULATIONS FOR CONTINUING COVENANT AGREEMENT DATED AS OF  
APRIL 2, 2018

Calculations as of \_\_\_\_\_, 20\_\_]

- A. \_\_\_\_\_ (Section \_\_\_\_)
1. \$ \_\_\_\_\_
  2. \$ \_\_\_\_\_
  3. Ratio of Line A1 to Line A2 \_\_\_\_\_
  4. Line A3 must not be [less][greater] than \_\_\_\_\_:1.00
  5. The Issuer is in compliance (circle one) Yes/No

The foregoing certifications, together with the computations set forth in the Attachment hereto and the financial statements delivered with this Certificate in support hereof, are made and delivered this \_\_\_ day of \_\_\_\_\_, 20\_\_.

THE CITY OF WAUKESHA, WAUKESHA COUNTY,  
WISCONSIN

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT B**  
**FORM OF**  
**REQUEST FOR ADVANCE**

**[Date]**

BMO Harris Bank N.A.  
111 West Monroe St  
Chicago, IL 60603  
Attention: [ \_\_\_\_\_ ]  
Facsimile: [( ) \_\_\_\_\_ ]  
Email: [ \_\_\_\_\_ ]

Ladies and Gentlemen:

The undersigned, **[Insert Name of Undersigned]** the \_\_\_\_\_ of The City of Waukesha, Waukesha County, Wisconsin (the "*Borrower*"), refers to that certain Continuing Covenant Agreement dated as of **[April 2, 2018]** (the "*Agreement*") between the Borrower and BMO Harris Bank N.A. (the "*Purchaser*"), the terms defined therein being used herein as therein defined, and hereby gives the Purchaser notice irrevocably, pursuant to Section 2.02(c) of the Agreement, of the Advance specified below:

1. The Business Day of the proposed Advance is \_\_\_\_\_, 20\_\_.
2. The principal amount of the proposed Advance is \$ \_\_\_\_\_.

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the Date of Advance, before and after giving effect thereto:

- (a) the representations and warranties of the Borrower set forth in Article V of the Agreement shall be true and correct in all material respects on such Date of Advance (except to the extent any such representation or warranty expressly relates to an earlier date); and

(b) no Default or Event of Default shall have occurred and be continuing on such Date of Advance; and

(c) none of the Issuer or the Purchaser shall have received written notice from Bond Counsel that the opinion delivered pursuant to Section 4.01(c)(iii) of the Agreement may no longer be relied upon.

The Advance shall be made by the Purchaser by wire transfer of immediately available funds to the Trustee in accordance with the instructions on file with the Purchaser.

THE CITY OF WAUKESHA, WAUKESHA COUNTY,  
WISCONSIN

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_