

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE ISSUANCE AND
SALE OF UP TO \$137,100,000 WATERWORKS SYSTEM REVENUE BOND, AND
PROVIDING FOR OTHER DETAILS AND
COVENANTS WITH RESPECT THERETO

WHEREAS, the City of Waukesha, Waukesha County, Wisconsin (the "Municipality") owns and operates a waterworks system (the "System") which is operated for a public purpose as a public utility by the Municipality; and

WHEREAS, pursuant to a resolution adopted on May 7, 2013 (the "2013 Resolution"), the Municipality issued its Waterworks System Revenue Bonds, Series 2013, dated May 22, 2013 (the "2013 Bonds"), which are payable from the income and revenues of the System; and

WHEREAS, pursuant to a resolution adopted on June 19, 2018 (the "2018A Resolution"), the Municipality issued its Waterworks System Revenue Bonds, Series 2018A, dated June 27, 2018 (the "2018A Bonds"), which are payable from the income and revenues of the System; and

WHEREAS, pursuant to a resolution adopted on March 19, 2019 (the "2019B Resolution"), the Municipality issued its Waterworks System Revenue Bonds, Series 2019B, dated March 27, 2019 (the "2019B Bonds"), which are payable from the income and revenues of the System; and

WHEREAS, pursuant to a resolution adopted on November 19, 2019 (the "2019E Resolution"), the Municipality issued its Waterworks System Revenue Bonds, Series 2019E, dated December 11, 2019 (the "2019E Bonds"), which are payable from the income and revenues of the System; and

WHEREAS, the 2013 Bonds, the 2018A Bonds, the 2019B Bonds and the 2019E Bonds shall collectively be referred to as the "Prior Bonds"; and

WHEREAS, the 2013 Resolution, the 2018A Resolution, the 2019B Resolution and the 2019E Resolution shall collectively be referred to as the "Prior Resolutions"; and

WHEREAS, certain improvements to the System are necessary to meet the needs of the Municipality and the residents thereof, specifically the Water Utility Portion of the Great Lakes Water Supply Project which consists of water supply activities connected with the provision of a new Lake Michigan water supply and return flow via the Root River, located in Waukesha and Milwaukee Counties as further described and defined in the Loan Agreement (as defined herein); and

WHEREAS, in order to finance the Project, the Municipality will enter into the Loan Agreement which sets forth certain conditions and requirements the Municipality must comply with in connection with the financing of the Project;

WHEREAS, under the provisions of Chapter 66, Wisconsin Statutes any municipality may, by action of its governing body, provide for purchasing, acquiring, constructing, extending, adding to, improving, operating and managing a public utility from the proceeds of bonds, which bonds are to be payable only from the revenues received from any source by such utility, including all rentals and fees; and

WHEREAS, the Municipality deems it to be necessary, desirable and in its best interest to authorize and sell the WIFIA Bond (as defined herein) to the WIFIA Lender (as defined herein) payable solely from the revenues of the System, pursuant to the provisions of Section 66.0621, Wisconsin Statutes, to pay a portion of the cost of the Project; and

WHEREAS, the State of Wisconsin Safe Drinking Water Loan Program, as the owner of all of the Prior Bonds, has consented to the issuance of the WIFIA Bond on a parity with the Prior Bonds; and

WHEREAS, the Municipality also issued and has outstanding its Waterworks System Revenue Bond Anticipation Note, Series 2018, dated April 2, 2018 (the "2018 BAN"); and

WHEREAS, BMO Harris Bank, N.A. (the "Bank"), the owner of the 2018 BAN, has consented to the issuance of the WIFIA Bond on a basis senior to the 2018 BAN; and

WHEREAS, other than the Prior Bonds and the 2018 BAN, no bonds or obligations payable from the revenues of the System are now outstanding.

NOW, THEREFORE, be it resolved by the Governing Body of the Municipality that:

Section 1. Definitions. The following terms shall have the following meanings in this Resolution unless the text expressly or by implication requires otherwise. Capitalized terms used in this Resolution but not defined herein shall have the meaning given to those terms in the Loan Agreement.

- (a) "Act" means Section 66.0621, Wisconsin Statutes;
- (b) "Bond Registrar" means the Municipal Treasurer which shall act as paying agent for the WIFIA Bond;
- (c) "Bond Year" means the twelve-month period ending on each May 1;
- (d) "Current Expenses" means the reasonable and necessary costs of operating, maintaining, administering and repairing the System, including salaries, wages, costs of materials and supplies, insurance and audits and maintenance of a replacement fund, but excluding depreciation, debt service, tax equivalents and capital expenditures;

(e) "Debt Service Fund" means the Waterworks Revenue Bond and Interest Special Redemption Fund of the Municipality, which was created by an ordinance adopted September 22, 1953, and which shall be the "special redemption fund" as such term is defined in the Act;

(f) "Loan Agreement" means the WIFIA Loan Agreement to be entered into by and between the WIFIA Lender and the Municipality pursuant to which the WIFIA Bond is to be issued and sold, substantially in the form attached hereto as Exhibit A and incorporated herein by this reference;

(g) "Fiscal Year" means the twelve-month period ending on each December 31;

(h) "Governing Body" means the Common Council, or such other body as may hereafter be the chief legislative body of the Municipality;

(i) "Gross Earnings" means the gross earnings of the System, including earnings of the System derived from waterworks charges imposed by the Municipality, all payments to the Municipality under any service agreements between the Municipality and any contract users of the System, and any other monies received from any source including all rentals and fees and any special assessments levied and collected in connection with the System;

(j) "Municipal Treasurer" means the Treasurer of the Municipality who shall act as Bond Registrar and paying agent;

(k) "Municipality" means the City of Waukesha, Waukesha County, Wisconsin;

(l) "Net Revenues" means the Gross Earnings of the System after deduction of Current Expenses;

(m) "Parity Bonds" means bonds payable from the revenues of the System other than the WIFIA Bond but issued on a parity and equality with the WIFIA Bond pursuant to the restrictive provisions of Section 11 of this Resolution;

(n) "Prior Bonds" means the 2013 Bonds, the 2018A Bonds, the 2019B Bonds and the 2019E Bonds, collectively;

(o) "Prior Resolutions" means the 2013 Resolution, the 2018A Resolution, the 2019B Resolution and the 2019E Bonds, collectively;

(p) "Project" means the project described in the preamble to this Resolution and as further described in the Loan Agreement. All elements of the Project which are to be financed with the proceeds of the WIFIA Bond are to be owned and operated by the Municipality as part of the System;

(q) "System" means the entire waterworks system of the Municipality specifically including the Water Utility Portion of the Project and including all property of every nature now or hereafter owned by the Municipality for the extraction, collection, treatment, storage and distribution of water, including all improvements and extensions thereto made by the Municipality, including all real and personal property of every nature comprising part of or used

or useful in connection with such waterworks system and including all appurtenances, contracts, leases, franchises, and other intangibles;

(r) "WIFIA Bond" means the \$137,100,000 Waterworks System Revenue Bond of the Municipality dated its date of issuance, authorized to be issued by this Resolution;

(s) "WIFIA Lender" means the United States Environmental Protection Agency, acting by and through the Administrator of the Environmental Protection Agency;

(t) "2013 Bonds" means the Municipality's Waterworks System Revenue Bonds, Series 2013, dated May 22, 2013;

(u) "2013 Resolution" means a resolution adopted by the Governing Body on May 7, 2013 authorizing the issuance of the 2013 Bonds;

(v) "2018 BAN" means the Municipality's Waterworks System Revenue Bond Anticipation Note, Series 2018, dated April 2, 2018;

(w) "2018A Bonds" means the Municipality's Waterworks System Revenue Bonds, Series 2018A, dated June 27, 2018;

(x) "2018A Resolution" means a resolution adopted by the Governing Body on June 19, 2018 authorizing the issuance of the 2018A Bonds;

(y) "2019B Bonds" means the Municipality's Waterworks System Revenue Bonds, Series 2019B, dated March 27, 2019;

(z) "2019B Resolution" means a resolution adopted by the Governing Body on March 19, 2019 authorizing the issuance of the 2019B Bonds;

(aa) "2019E Bonds" means the Municipality's Waterworks System Revenue Bonds, Series 2019E, dated December 11, 2019; and

(bb) "2019E Resolution" means a resolution adopted by the Governing Body on November 19, 2019 authorizing the issuance of the 2019E Bonds

Section 2. Authorization of the WIFIA Bond and the Loan Agreement. For the purpose of paying the cost of the Project (including legal, fiscal, engineering and other expenses), there shall be borrowed on the credit of the income and revenue of the System up to the sum of \$137,100,000; and a fully registered revenue bond of the Municipality is authorized to be issued in evidence thereof and sold to the WIFIA Lender in accordance with the terms and conditions of the Loan Agreement. The Mayor and City Clerk of the Municipality are hereby authorized, by and on behalf of the Municipality, to execute the Loan Agreement, and the Loan Agreement in substantially the form attached hereto is hereby approved. The Municipality hereby agrees to all provisions of the Loan Agreement as provided therein and no further approval shall be required by the Common Council.

Section 3. Terms of the WIFIA Bond. The WIFIA Bond shall be designated the "Waterworks System Revenue Bond"; shall be dated its date of issuance; shall be numbered R-1; shall bear interest at a rate per annum equal to the WIFIA Interest Rate (as defined in the Loan Agreement) (but only on such amounts as shall have been drawn on the WIFIA Bond pursuant to the Loan Agreement). Interest on the WIFIA Bond shall be subject to adjustment as described below in the event of a Payment Default (as defined in the Loan Agreement) and/or an Event of Default (as defined in the Loan Agreement). The WIFIA Bond shall be issued in denominations of \$100,000 or more and shall mature on the dates and in the amounts as set forth in Exhibit F of the Loan Agreement, however, such amounts may be adjusted from time to time by the WIFIA Lender, in accordance with the Loan Agreement. The WIFIA Bond shall be subject to optional redemption prior to maturity as provided in Section 9 of the Loan Agreement.

Interest on the WIFIA Bond shall be payable commencing on the Debt Service Payment Commencement Date (as defined in the Loan Agreement) and semiannually thereafter on May 1 and November 1 of each year. Interest will accrue and be computed on the basis of a three hundred sixty (360) day year of twelve (12) thirty (30) day months; provided that, upon the occurrence of (a) any Payment Default, the Municipality shall pay interest at the Default Rate (as defined in the Loan Agreement) from (and including) its due date to (but excluding) the date of actual payment and (b) any Event of Default, other than pursuant to Section 17(a)(i) of the Loan Agreement, the Municipality shall pay interest at the Default Rate from (and including) the date of such occurrence to (but excluding) the earlier of the date on which (i) such Event of Default has been cured or waived (if applicable) in accordance with the terms of the Loan Agreement and (ii) the WIFIA Bond has been irrevocably paid in full in immediately available funds.

The schedule of maturities of the WIFIA Bond is found to be such that the amount of annual debt service payments is reasonable in accordance with prudent municipal utility practices.

Section 4. Form, Execution, Registration and Payment of the WIFIA Bond. The WIFIA Bond shall be issued as a registered obligation in substantially the form attached hereto as Exhibit B and incorporated herein by this reference.

The WIFIA Bond shall be executed in the name of the Municipality by the manual signatures of the Mayor and City Clerk, and shall be sealed with its official or corporate seal, if any.

The principal of and interest on the WIFIA Bond shall be paid by the Municipal Treasurer, who is hereby appointed as the Municipality's Bond Registrar.

Both the principal of and interest on the WIFIA Bond shall be payable in lawful money of the United States of America by the Bond Registrar. Payment of principal of the final maturity on the WIFIA Bond will be payable upon presentation and surrender of the WIFIA Bond to the Bond Registrar. Payment of principal on the WIFIA Bond (except the final maturity) and each installment of interest shall be made to the registered owner of the WIFIA Bond who shall appear on the registration books of the Municipality, maintained by the Bond Registrar, on the Record Date and shall be paid by wire transfer as described in the Loan Agreement.

Section 5. Security for the WIFIA Bond. The WIFIA Bond, together with interest thereon, shall not constitute an indebtedness of the Municipality nor a charge against its general credit or taxing power. The WIFIA Bond, together with interest thereon, shall be payable only out of the Debt Service Fund, and shall be a valid claim of the registered owner or owners thereof only against such Debt Service Fund and the revenues of the System, on a parity with the pledge granted to the holders of the Prior Bonds, and senior to the pledge granted to the owners of the 2018 BAN. Sufficient revenues are hereby pledged to said Debt Service Fund, and shall be used for no other purpose than to pay the principal of, premium, if any, and interest on the Prior Bonds, the WIFIA Bond and any Parity Bonds and the 2018 BAN as the same becomes due. A lien on the Net Revenues has been pledged to the WIFIA Lender for its benefit under Section 7 of the Loan Agreement.

Section 6. Funds and Accounts. In accordance with the Act, for the purpose of the application and proper allocation of the revenues of the System, and to secure the payment of the principal of and interest on, first, the Prior Bonds, the WIFIA Bond and Parity Bonds, and second, the 2018 BAN, the entire Gross Earnings of the System shall be deposited in the Revenue Fund, which money shall then be divided in the amounts and in the manner set forth in Section 7 among the following funds of the System which were created and established by an ordinance adopted September 22, 1953 and are hereby continued and shall be used solely for the following respective purposes:

- (a) Operation and Maintenance Fund, which shall be used for the payment of Current Expenses.
- (b) Debt Service Fund, which shall be used for the payment of the principal of, premium, if any, and interest on, first, the Prior Bonds, the WIFIA Bond and Parity Bonds, and second, the 2018 BAN, as the same becomes due. Within the Debt Service Fund, the following accounts shall be established prior to the issuance of the WIFIA Bond: (a) the Parity Principal and Interest Account which shall be used solely for the payment of the principal of, premium, if any, and interest on the Prior Bonds, the WIFIA Bond and Parity Bonds as the same becomes due, (b) a Reserve Account which may secure the payment of principal of and interest on future Parity Bonds to be secured thereby and is not pledged to the payment of principal of or interest on the Prior Bonds, the WIFIA Bond, or the 2018 BAN, and moneys in the Reserve Account shall under no circumstances be used to pay principal of or interest on the Prior Bonds, the WIFIA Bond, or the 2018 BAN, and (c) the Subordinate Principal and Interest Account which shall be used solely for the payment of principal of, premium, if any, and interest on the 2018 BAN and any other Subordinate Obligations as the same becomes due.
- (c) Depreciation Fund, which shall be used to provide a proper and adequate depreciation account for the System.
- (d) Surplus Fund, which shall first be used whenever necessary to pay principal of, premium, if any, or interest on the Prior Bonds, the WIFIA Bond and Parity Bonds and the 2018 BAN when the Debt Service Fund shall be insufficient for such purpose, and thereafter shall be disbursed as follows: (i) at any time, to

remedy any deficiency in any of the Funds provided in this Section 6; and (ii) money thereafter remaining in the Surplus Fund at the end of any Fiscal Year may be transferred to any of the funds or accounts created herein or to reimburse the general fund of the Municipality for advances made by the Municipality to the System and to pay amounts owed by the Municipality to the Bank under the Continuing Covenant Agreement relating to the 2018 BAN.

Section 7. Application of Revenues. After the delivery of the WIFIA Bond, the Gross Earnings of the System shall be deposited as collected in the Revenue Fund and shall be transferred monthly to the funds listed below in the following order of priority and in the manner set forth below:

- (a) to the Operation and Maintenance Fund, in an amount equal to the estimated Current Expenses for such month and for the following month (after giving effect to available amounts in said fund from prior deposits);
- (b) to the Debt Service Fund, in the following order of priority, (i) for deposit into the Parity Principal and Interest Account (after giving effect to available amounts in such account from accrued interest, any premium or any other source), an amount equal to one-sixth (1/6) of the next installment of interest coming due on the Prior Bonds, the WIFIA Bond and any Parity Bonds then outstanding and an amount equal to one-twelfth (1/12) of the installment of principal of the Prior Bonds, the WIFIA Bond and any Parity Bonds coming due during such Bond Year (after giving effect to available amounts in said account from accrued interest, any premium or any other source); (ii) for deposit into the Reserve Account, any amount required by a future resolution for the Parity Bonds secured thereby; and (iii) for deposit into the Subordinate Principal and Interest Account (after giving effect to available amounts in such Account from accrued interest, any premium or any other source), an amount equal to one-sixth (1/6) of the next installment of interest coming due on the Subordinate Obligations then outstanding and an amount equal to one-twelfth (1/12) of the installment of principal of the Subordinate Obligations coming due during such Bond Year (exclusive of principal to be paid on the 2018 BAN with proceeds of revenue bonds);
- (c) to the Depreciation Fund, an amount determined by the Governing Body to be sufficient to provide a proper and adequate depreciation account for the System; and
- (d) to the Surplus Fund, any amount remaining in the Revenue Fund after the monthly transfers required above have been completed.

Transfers from the Revenue Fund to the Operation and Maintenance Fund, the Debt Service Fund, the Depreciation Fund and the Surplus Fund shall be made monthly not later than the twentieth (20th) day of each month, and such transfer shall be applicable to monies on deposit in the Revenue Fund as of the last day of the month preceding. Any transfer or deposit required to be made at the end of any Fiscal Year shall be made within sixty (60) days after the close of such Fiscal Year.

It is the express intent and determination of the Governing Body that the amounts transferred from the Revenue Fund and deposited in the Debt Service Fund shall be sufficient in any event to pay the interest on the Prior Bonds, the WIFIA Bond and any Parity Bonds and the 2018 BAN as the same accrues and the principal thereof (exclusive of principal to be paid on the 2018 BAN with proceeds of revenue bonds) as the same matures, and to fund the Reserve Account as required in connection with any future Parity Bonds secured thereby.

Section 8. Deposits and Investments. The Debt Service Fund shall be kept apart from monies in the other funds and accounts of the Municipality and the same shall be used for no purpose other than the purposes set forth in Section 6(b) above. All monies therein shall be deposited in special and segregated accounts in a public depository selected under Chapter 34, Wisconsin Statutes and may be temporarily invested until needed in legal investments subject to the provisions of Section 66.0603(1m), Wisconsin Statutes. The other funds herein created (except the Project Fund) may be combined in a single account in a public depository selected in the manner set forth above and may be temporarily invested until needed in legal investments subject to the provisions of Section 66.0603(1m), Wisconsin Statutes.

Section 9. Service to the Municipality. The reasonable cost and value of services rendered to the Municipality by the System by furnishing waterworks services for public purposes shall be charged against the Municipality and shall be paid in monthly installments as the service accrues, out of the current revenues of the Municipality collected or in the process of collection, exclusive of the revenues derived from the System; that is to say, out of the tax levy of the Municipality made by it to raise money to meet its necessary current expenses. The reasonable cost and value of such service to the Municipality in each Fiscal Year shall be equal to an amount which, together with other revenues of the System, will produce in each Fiscal Year Net Revenues equivalent to not less than the annual principal and interest requirements on the Prior Bonds, the WIFIA Bond, any Parity Bonds and the 2018 BAN (provided that in the case of the 2018 BAN such requirements shall be exclusive of principal to be paid with proceeds of revenue bonds), and any other obligations payable from the revenues of the System then outstanding, times the greater of (i) 110% and (ii) the highest debt service coverage ratio required with respect to any obligations payable from revenues of the System then outstanding. However, such payment out of the tax levy shall be subject to (a) approval of the Wisconsin Public Service Commission, or successors to its function, if applicable, (b) yearly appropriations therefor, and (c) applicable levy limitations, if any; and neither this Resolution nor such payment shall be construed as constituting an obligation of the Municipality to make any such appropriation over and above the reasonable cost and value of the services rendered to the Municipality and its inhabitants or to make any subsequent payment over and above such reasonable cost and value.

Section 10. Operation of System; Municipality Covenants. It is covenanted and agreed by the Municipality with the owner of the WIFIA Bond that the Municipality will perform all of the obligations of the Municipality set forth in the Loan Agreement.

Section 11. Additional Bonds. The WIFIA Bond is issued on a parity with the Prior Bonds as to the pledge of revenues of the System and senior to the 2018 BAN. No bonds or obligations payable out of the revenues of the System may be issued in such manner as to enjoy priority over the WIFIA Bond. Additional obligations may be issued if the lien and pledge is

junior and subordinate to that of the WIFIA Bond. Parity Bonds may be issued only under the following circumstances:

(1) The Net Revenues of the System for the Fiscal Year immediately preceding the issuance of such additional Parity Bonds must have been in an amount at least equal to the maximum annual interest and principal requirements on all bonds outstanding payable from the revenues of the System, and on the Parity Bonds then to be issued, multiplied by the greater of (i) 1.10 and (ii) the highest debt service coverage ratio to be required with respect to the Additional Parity Bonds to be issued or any other obligations payable from the revenues of the System then outstanding. Should an increase in permanent rates and charges, including those made to the Municipality, be properly ordered and made effective during the Fiscal Year immediately prior to the issuance of such additional Parity Bonds or during that part of the Fiscal Year of issuance prior to such issuance, then Net Revenues for purposes of such computation shall include such additional revenues as an independent certified public accountant, consulting professional engineer or the Wisconsin Public Service Commission may certify would have accrued during the prior Fiscal Year had the new rates been in effect during that entire immediately prior Fiscal Year.

(2) The payments required to be made into the funds enumerated in Section 6 of this Resolution must have been made in full.

(3) The additional Parity Bonds must have principal maturing on May 1 of each year and interest falling due on May 1 and November 1 of each year.

(4) The proceeds of the additional Parity Bonds must be used only for the purpose of providing extensions or improvements to the System, or to refund obligations issued for such purpose.

Section 12. Sale of WIFIA Bond. The sale of the WIFIA Bond to the WIFIA Lender for the purchase price of up to \$137,100,000, is ratified and confirmed; and the officers of the Municipality are authorized and directed to do any and all acts, including executing the Loan Agreement and the WIFIA Bond as hereinabove provided, necessary to conclude delivery of the WIFIA Bond to the WIFIA Lender, as soon after adoption of this Resolution as is convenient. The purchase price for the WIFIA Bond shall be paid upon requisition therefor as provided in the Loan Agreement, and the officers of the Municipality are authorized to prepare and submit the requisitions set forth in the Loan Agreement.

Section 13. Application of Bond Proceeds. The proceeds of the sale of the WIFIA Bond shall be deposited by the Municipality into a special fund designated as "Project Fund." The Project Fund shall be used solely for the purpose of paying the costs of the Project as more fully described in the preamble hereof and in the Loan Agreement.

Section 14. Amendment to Resolution. After the issuance of the WIFIA Bond, no change or alteration of any kind in the provisions of this Resolution may be made until the

WIFIA Bond has been paid in full as to both principal and interest, or discharged as herein provided, except with the prior written agreement of the Municipality and the WIFIA Lender.

Section 15. Defeasance. When the WIFIA Bond has been discharged, all pledges, covenants and other rights granted to the owner thereof by this Resolution shall cease. The Municipality may discharge the WIFIA Bond by irrevocably depositing in escrow with a suitable bank or trust company a sum of cash and/or bonds or securities issued or guaranteed as to principal and interest of the U.S. Government, or of a commission, board or other instrumentality of the U.S. Government, maturing on the dates and bearing interest at the rates required to provide funds sufficient to pay when due the interest to accrue on the WIFIA Bond to its maturity and to pay and redeem the principal amount of the WIFIA Bond at maturity.

Section 16. Resolution a Contract. The provisions of this Resolution shall constitute a contract between the Municipality and the owner of the WIFIA Bond, and after issuance of any of the WIFIA Bond no change or alteration of any kind in the provisions of this Resolution may be made, except as provided in Section 14, until the WIFIA Bond has been paid in full as to both principal and interest. The owner of the WIFIA Bond shall have the right in addition to all other rights, by mandamus or other suit or action in any court of competent jurisdiction, to enforce such owner's rights against the Municipality, the Governing Body thereof, and any and all officers and agents thereof including, but without limitation, the right to require the Municipality, its Governing Body and any other authorized body, to fix and collect rates and charges fully adequate to carry out all of the provisions and agreements contained in this Resolution and the rights set forth in the Loan Agreement.

Section 17. Continuing Disclosure. The officers of the Municipality are hereby authorized and directed, if requested by the WIFIA Lender, to provide to the WIFIA Lender and to such other persons or entities as directed by the WIFIA Lender such ongoing disclosure regarding the Municipality's financial condition and other matters, at such times and in such manner as the WIFIA Lender may require, in order that securities issued by the Municipality satisfy rules and regulations promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended and as it may be amended from time to time, imposed on brokers and dealers of municipal securities before the brokers and dealers may buy, sell, or recommend the purchase of such securities.

Section 18. Conflicting Resolutions. All ordinances, resolutions (other than the Prior Resolutions), or orders, or parts thereof heretofore enacted, adopted or entered, in conflict with the provisions of this Resolution, are hereby repealed and this Resolution shall be in effect from and after its passage.

Passed: July 21, 2020

Approved: July 21, 2020

Mayor

Attest:

City Clerk

EXHIBIT A

Loan Agreement

(See attached)

EXHIBIT B

(Form of Municipal Obligation)

REGISTERED
NO. R-1

UNITED STATES OF AMERICA
STATE OF WISCONSIN
WAUKESHA COUNTY
CITY OF WAUKESHA

REGISTERED
\$137,100,000

WATERWORKS SYSTEM REVENUE BOND

Final
Maturity Date

Date of
Original Issue

Interest
Rate

May 1, 2058

_____, 2020

[]

REGISTERED OWNER: UNITED STATES ENVIRONMENTAL PROTECTION
AGENCY

CITY OF WAUKESHA, WAUKESHA COUNTY, WISCONSIN, a municipality organized under the laws of the State of Wisconsin (the “**Borrower**”), for value received, hereby promises to pay to the order of the **UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**, acting by and through the Administrator of the United States Environmental Protection Agency, or its assigns (the “**WIFIA Lender**”), the lesser of (x) the Maximum Principal Amount set forth above and (y) the aggregate unpaid principal amount of all disbursements (the “**Disbursements**”) made by the WIFIA Lender (such lesser amount being hereinafter referred to as the “**Outstanding Principal Sum**”), together with accrued and unpaid interest (including, if applicable, interest at the Default Rate, as defined in the WIFIA Loan Agreement (as defined below)) on the Outstanding Principal Sum and all fees, costs and other amounts payable in connection therewith, as more fully described in the WIFIA Loan Agreement. The principal hereof shall be payable in the manner and at the place provided in the WIFIA Loan Agreement in accordance with Exhibit F (*WIFIA Debt Service*) to the WIFIA Loan Agreement, as revised from time to time in accordance with the WIFIA Loan Agreement, until paid in full (which Exhibit F, as modified from time to time in accordance with the terms of the WIFIA Loan Agreement, is incorporated in and is a part of this WIFIA Bond). The WIFIA Lender is hereby authorized to modify the Loan Amortization Schedule included in Exhibit F to the WIFIA Loan Agreement from time to time in accordance with the terms of the WIFIA Loan Agreement to reflect the amount of each disbursement made thereunder and the date and amount of principal or interest paid by the Borrower thereunder. Absent manifest error, the WIFIA Lender’s determination of such matters as set forth on Exhibit F to the WIFIA Loan Agreement shall be conclusive evidence thereof; provided that neither the failure to make any such recordation nor any error in such recordation shall affect in any manner the Borrower’s obligations hereunder or under any other WIFIA Loan Document.

Payments hereon are to be made in accordance with Section 8(d) (*Payment of Principal and Interest – Manner of Payment*) and Section 31 (*Notices*) of the WIFIA Loan Agreement as the same become due. Principal of and interest on this WIFIA Bond shall be paid in funds available

on or before the due date and in any lawful coin or currency of the United States of America that at the date of payment is legal tender for the payment of public and private debts. If the Substantial Completion Date occurs on any date prior to May 1, 2023, the due date of this WIFIA Bond shall be deemed to be amended to the Principal Payment Date immediately preceding the date that is thirty-five (35) years following such Substantial Completion Date without any further action required on the part of the Borrower or the WIFIA Lender and such amendment shall in no way amend, modify or affect the other provisions of this WIFIA Bond without the prior written agreement of the WIFIA Lender. Any such amendment shall be reflected in a revised Exhibit F to the WIFIA Loan Agreement.

This WIFIA Bond has been executed pursuant to that certain WIFIA Loan Agreement, dated as of [●], 2020, between the WIFIA Lender and the Borrower (the “**WIFIA Loan Agreement**”) and is issued to evidence the obligation of the Borrower under the WIFIA Loan Agreement to repay the loans made by the WIFIA Lender and any other payments of any kind required to be paid by the Borrower under the WIFIA Loan Agreement or the other WIFIA Loan Documents referred to therein. Reference is made to the WIFIA Loan Agreement for details relating to the Borrower’s obligations hereunder. All capitalized terms used in this WIFIA Bond and not defined herein shall have the meanings set forth in the WIFIA Loan Agreement.

This WIFIA Bond may be prepaid at the option of the Borrower in whole or in part (and, if in part, the principal installments and amounts thereof to be prepaid are to be determined in accordance with the WIFIA Loan Agreement; provided that such prepayments shall be in principal amounts of at least \$1,000,000 or any integral multiple of \$1 in excess thereof), from time to time, but not more than annually, without penalty or premium, by paying to the WIFIA Lender all or part of the principal amount of the WIFIA Bond in accordance with the WIFIA Loan Agreement.

Payment of the obligations of the Borrower under this WIFIA Bond is secured pursuant to the WIFIA Loan Documents. This WIFIA Bond is payable only from the income and revenues derived from the operation of the System of the Borrower. This WIFIA Bond is issued on a parity with the Parity Obligations and senior to the Subordinate Obligations. This WIFIA Bond does not constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory debt limitation or provision.

Any delay on the part of the WIFIA Lender in exercising any right hereunder shall not operate as a waiver of any such right, and any waiver granted with respect to one default shall not operate as a waiver in the event of any subsequent default.

All acts, conditions and things required by the Constitution and laws of the State to happen, exist, and be performed precedent to and in the issuance of this WIFIA Bond have happened, exist and have been performed as so required. This WIFIA Bond is issued with the intent that the federal laws of the United States of America shall govern its construction to the extent such federal laws are applicable and the internal laws of the State shall govern its construction to the extent such federal laws are not applicable.

IN WITNESS WHEREOF, CITY OF WAUKESHA, WAUKESHA COUNTY, WISCONSIN has caused this WIFIA Bond to be executed in its name and its seal to be affixed hereto and attested by its duly authorized officer, all as of the Effective Date of the WIFIA Bond set forth above.

**CITY OF WAUKESHA, WAUKESHA
COUNTY, WISCONSIN,**

(SEAL)

By: _____
Mayor

ATTEST:

City Clerk

CERTIFICATE OF AUTHENTICATION

This WIFIA Bond is the WIFIA Bond of the City of Waukesha, Waukesha County, Wisconsin, described in Resolution No. [●] adopted on July 21, 2020.

CITY OF WAUKESHA, WAUKESHA COUNTY,
WISCONSIN

By: _____
Authorized Signature

Date of Authentication:

(FORM OF ASSIGNMENT)

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

(Please insert Social Security or other identifying number of assignee(s)):

the within bond and all rights thereunder.

Dated: _____

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