



STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION

Scott Walker, Governor
Scott A. Neitzel, Secretary
Waylon Hurlburt, Division Administrator

City of Waukesha Clean Water Fund Projects No. 4062-05 and No. 4062-07

Consent to Issue Bonds on Junior and Subordinate Basis and Agreement to Require Only 110% Coverage with Respect to Debt Service on the Bonds

WHEREAS, pursuant to resolutions adopted on June 17, 2014 and June 16, 2015 (collectively, the "Clean Water Fund Resolutions"), the City has issued its Sewer System Revenue Bonds, Series 2014B, dated June 25, 2014 and its Sewer System Revenue Bonds, Series 2015, dated July 8, 2015 (collectively, the "Clean Water Fund Bonds"); and

WHEREAS, the City also has outstanding its Sewer System Revenue Bonds, Series 2014, dated April 8, 2014 (the "2014 Bonds"), its Sewer System Revenue Bonds, Series 2016, dated May 10, 2016 (the "2016 Bonds") and its Sewer System Revenue Bonds, Series 2017, dated May 23, 2017 (the "2017 Bonds"); and

WHEREAS, the Clean Water Fund Bonds and the 2014 Bonds, 2016 Bonds and 2017 Bonds are issued on a parity as to the pledge of revenues of the City's Sewer System; and

WHEREAS, the City intends to issue additional Sewer System Revenue Bonds (the "Additional Clean Water Fund Bonds") to the State of Wisconsin Clean Water Fund Loan Program (the "State") in order to finance Projects No. 4062-05 and No. 4062-07 (the "Projects"); and

WHEREAS, the City has requested that the State (a) permit the Additional Clean Water Fund Bonds with respect to the Projects to be issued junior and subordinate to the outstanding Clean Water Fund Bonds, the 2014 Bonds, the 2016 Bonds and the 2017 Bonds, (b) permit future sewer system revenue bonds to be issued senior to the Additional Clean Water Fund Bonds, (c) waive the requirement of Section 9 of the Clean Water Fund Resolutions and any similar requirements of the Clean Water Fund Resolutions or the related Financial Assistance Agreements that the System produce in each Fiscal Year Net Revenues equivalent to not less than the annual principal and interest requirements on the Clean Water Fund Bonds, any Parity Bonds and any other obligations payable from the revenues of the System then outstanding, which would include the Additional Sewer Revenue Bonds when issued (the "Annual Debt Service Requirement") times the highest debt service coverage ratio required with respect to any outstanding obligations payable from revenues of the System (which currently would be 125%) and (d) require only 110% coverage of the Annual Debt Service Requirement.

NOW, THEREFORE, for State (a) consents to the issuance of the Additional Clean Water Fund Bonds with respect to the Projects on a junior and subordinate basis, as described above, (b) agrees that future sewer system revenue bonds can be issued senior to the Additional Clean Water Fund Bonds, (c) waives the requirement that in each Fiscal Year Net Revenues of the System are equivalent to not less than the Annual Debt Service Requirement times the highest debt service coverage ratio required with respect to any obligations payable from revenues of the System and (d) agrees that only 110% coverage of the Annual Debt Service Requirement will be required.

This consent shall apply only in connection with the issuance of Additional Clean Water Fund Bonds with respect to the Projects and shall not extend to the issuance of any other additional bonds or prejudice


any rights or remedies whatever that the State may have with respect to the issuance of those other additional bonds.

Dated as of December 21, 2017.

State of Wisconsin
Clean Water Fund Loan Program

ACCEPTED BY:

City of Waukesha, Wisconsin

By: _____
Aaron M. Heintz
Finance Programs Administrator

By: _____
Mayor

Attest: _____
City Clerk