

CITY OF MILWAUKEE
WATER SYSTEM SECOND LIEN REVENUE BONDS
BOND RESOLUTION

(2021 SECOND LIEN RESOLUTION)

FILE NO: 191407

ADOPTED: _____

Section 1. Definitions. The following terms shall have the following meanings in this Resolution unless the text expressly or by implication requires otherwise:

“Act” means Section 66.0621 of the Wisconsin Statutes;

“Bond Anticipation Note” means any bond anticipation note issued pursuant to Section 3.06 of the Master Resolution;

“Bond Registrar” means the Municipal Treasurer, who shall act as Paying Agent for the Bonds;

“Bonds” mean the Water System Second Lien Revenue Bonds of the Municipality dated their date of issuance, authorized to be issued by this Resolution and to be issued from time to time in one or more series in an aggregate principal amount not exceeding \$100,000,000;

“Bond Year” means the twelve-month period ending on each May 1;

“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, but shall exclude depreciation, debt service, tax equivalents and capital expenditures;

“Financial Assistance Agreement” means one or more Financial Assistance Agreement(s) by and between the State of Wisconsin by the Department of Natural Resources and the Department of Administration and the Municipality pursuant to which the Bonds are to be issued and sold to the State;

“First Lien Bond” means any Water System Revenue Bond of the Municipality heretofore or hereafter issued under and pursuant to the Master Resolution and does not include any Bond Anticipation Note or any Subordinate Obligation;

“Fiscal Year” means the twelve-month period ending on each December 31;

“Governing Body” means the Common Council, or such other body as may hereafter be the chief legislative body of the Municipality;

“Master Resolution” means Common Council File Number 131057 adopted by the Governing Body on July 22, 2014;

“Municipal Treasurer” means the Treasurer of the Municipality, who shall act as Bond Registrar and Paying Agent;

“Municipality” means the City of Milwaukee, Wisconsin;

“Net Revenues” means the gross earnings of the System after deduction of Current Expenses; gross earnings shall include earnings of the System derived from water charges imposed by the Municipality, all payments to the Municipality under any water 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 Project;

“Parity Bonds” means bonds payable from the revenues of the System other than First Lien Bonds, Bond Anticipation Notes, the Prior Authorization Bonds and the Bonds but issued on a parity and equality with the Prior Authorization Bonds and the Bonds pursuant to the restrictive provisions of Section 11 of this Resolution;

“Prior Authorization Bonds” means collectively the 2013 Bonds, the 2014 Bonds, the 2017 Bonds and the 2018 Bonds.

“Project” means each of the capital improvements to the System eligible for funding under the Safe Drinking Water Loan Program administered by the State of Wisconsin Department of Natural Resources and described in a Financial Assistance Agreement. All elements of the Project are to be owned and operated by the Municipality as part of the System as described in the preamble hereto;

“Record Date” means the close of business on the fifteenth day of the calendar month next preceding any principal or interest payment date;

“Second Lien Revenues” means the amounts in the Subordinate Obligation Fund as may be available from time to time for the payment of the Bonds, including any amount deposited into the State Loan Program Debt Service Account;

“State Loan Program Debt Service Account” means the special account within the Subordinate Obligation Fund called the “State Loan Program Debt Service Account” constituting a “special redemption fund” under the Act;

“Subordinate Obligation” means any bond, note or other evidence of indebtedness of the Municipality payable from the Net Revenues, other than First Lien Bonds and Bond Anticipation Notes;

“Subordinate Obligation Fund” means the fund so named and maintained under the Master Resolution;

“System” means the entire water system of the Municipality, specifically including that portion of the Project owned by the Municipality and including all property of every nature now or hereafter owned by the Municipality for the collection, treatment, storage and distribution of water, including all improvements and extensions thereto made by the Municipality while any of the Prior Authorization Bonds, the Bonds, and Parity Bonds remain outstanding, including all real and personal property of every nature constituting part of or used or useful in connection with such water system and including all appurtenances, contracts, leases, franchises, and other intangibles;

“2013 Bond Resolution” means Resolution File Number 120976 adopted by the Governing Body on December 17, 2013; and

“2013 Bonds” means the Water System Revenue Bonds, Series 2013, of the Municipality authorized by and issued pursuant to the 2013 Bond Resolution.

“2014 Bond Resolution” means Resolution File Number 140263 adopted by the Governing Body on September 23, 2014;

“2014 Bonds” means the Water System Revenue Bonds, Series 2014, of the Municipality authorized by and issued pursuant to the 2014 Bond Resolution;

“2017 Bond Resolution” means Resolution File Number 151256 adopted by the Governing Body on September 20, 2016;

“2017 Bonds” means the Water System Second Lien Revenue Bonds, Series 2017, of the Municipality authorized by and issued pursuant to the 2017 Bond Resolution;

“2018 Bond Resolution” means Resolution File Number 171699 adopted by the Governing Body on March 27, 2018.

“2018 Bonds” means Water System Second Lien Revenue Bonds, of the Municipality authorized by and issued pursuant to the 2018 Bond Resolution, including the Water System Second Lien Revenue Bonds, Series 2018, the Water System Second Lien Revenue Bonds, Series 2019 and any Parity Bonds issued under the 2018 Bond Resolution.

Section 2. Authorization of the Bonds and the Financial Assistance Agreement. For the purpose of paying the cost of the Project (including legal, fiscal, engineering and other expenses and the funding of any commercial paper notes issued by the Municipality for the interim financing of Project costs), there shall be borrowed on the credit of the income and revenue of the System up to the sum of \$100,000,000; and fully registered revenue bonds of the Municipality are authorized to be issued in evidence thereof, from time to time in one or more series of bonds, and sold to the State of Wisconsin Safe Drinking Water Loan Program in accordance with the terms and conditions of the Financial Assistance Agreement, which is incorporated herein by this reference and approved and the proper City officers of the Municipality are hereby authorized, by and on behalf of the Municipality, to execute the Financial Assistance Agreement, with such changes as may be recommended by the City Attorney. Each Bond issued pursuant to this Resolution shall be a Subordinated Obligation issued pursuant to Section 3.09 of the Master Resolution.

Section 3. Terms of the Bonds. The Bonds shall constitute a series of “Parity Bonds” under the provisions of Section 11 of the 2013 Bond Resolution, Section 11 of the 2014 Bond Resolution, Section 11 of the 2017 Bond Resolution and Section 11 of the 2018 Bond Resolution.

The Bonds may be issued only upon satisfaction of all of the conditions precedent to the issuance of the Bonds set forth in Section 11 of the 2013 Bond Resolution, Section 11 of the 2014 Bond Resolution, Section 11 of the 2017 Bond Resolution and Section 11 of the 2018 Bond Resolution.

Section 4. Form, Execution, Registration and Payment of the Bonds. The Bonds shall be issued as registered obligations in substantially the form attached hereto and incorporated herein by this reference. The Bonds shall be executed in the name of the Municipality by the manual or facsimile signatures of its Mayor, Clerk, and Comptroller (at least one of which is manual), and shall be sealed with its official or corporate seal.

The principal of, premium, if any, and interest on the Bonds shall be paid by the Bond Registrar.

Both the principal of and interest on the Bonds 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 Bonds will be payable upon presentation and surrender of the Bonds to the Bond Registrar. Payment of principal on the Bonds (except the final maturity) and each installment of interest shall be made to the registered owner of each 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 electronic transfer or by check or draft of the Municipality and mailed to such registered owner at his or its address as appears on such registration books or at such other address as may be furnished in writing to such registered owner to the Bond Registrar.

Section 5. Security for the Bonds. The Bonds, together with interest thereon, shall not constitute an indebtedness of the Municipality nor a charge against its general credit or taxing power. The Bonds, together with interest thereon, shall be payable only out of the State Loan Program Debt Service Account, and, on a parity with the Prior Authorization Bonds, shall be a valid claim of any holder thereof only against the State Loan Program Debt Service Account and the Second Lien Revenues pledged to the State Loan Program Debt Service Account. Sufficient revenues are hereby pledged to the State Loan Program Debt Service Account, and shall be used for no other purpose than to pay the principal of, premium, if any, and interest on the Prior Authorization Bonds, the Bonds, and Parity Bonds, as the same becomes due.

The Prior Authorization Bonds, the Bonds and all Parity Bonds are Subordinate Obligations payable solely out of the State Loan Program Debt Service Account of the Subordinate Obligation Fund and secured by a pledge of and lien on Second Lien Revenues.

The City covenants that it will not adopt any amendment of the Master Resolution that would be detrimental to the interests of the owners of the Bonds.

Section 6. Funds and Accounts. In accordance with the Act, and pursuant to Section 6.01 of the Master Resolution, the City has established and maintains the Water System Revenue Fund (the "Revenue Fund"); the Operation and Maintenance Fund, the Rebate Fund, the Water System Special Redemption Fund, the Reserve Fund and Reserve Accounts therein, the Renewal and Replacement Fund, the Subordinate Obligation Fund (with the State Loan Project Debt Service Account as an account therein) and the Surplus Fund. The deposit and the application of revenues and other moneys held in these Funds

shall be as set forth in Article VI of the Master Resolution. The Municipality shall deposit and apply System revenues in accordance with the provisions of the Master Resolution.

Section 7. Application of Revenues. (A) In accordance with the Act and pursuant to the Master Resolution, the Municipality has established and will maintain within the Subordinate Obligation Fund a special trust fund known as the “State Loan Program Debt Service Account”, for the purpose of the application and proper allocation of Second Lien Revenues and to secure the payment of the principal of and interest on the Prior Authorization Bonds, the Bonds and the Parity Bonds, as Subordinate Obligations under the Master Resolution. The moneys held in the State Loan Program Debt Service Account shall be used for the payment of the principal of, premium, if any, and interest on the Bonds as the same shall become due and payable. On the fifth day prior to the end of each month, and in accordance with the provisions of Paragraph (B) of Section 6.02 of the Master Resolution, the Municipality shall withdraw from the Revenue Fund and deposit in the Subordinate Obligation Fund, the amount required to be deposited therein to satisfy the then current deposit requirements for the State Loan Program Debt Service Account. Immediately upon such deposit to the Subordinate Obligation Fund, the City shall allocate and deposit into the State Loan Program Debt Service Account within the Subordinate Obligation Fund the current deposit requirement, being the sum of, an amount equal to one sixth (1/6) of the next installment of interest coming due on the Prior Authorization Bonds, the Bonds and Parity Bonds then outstanding and an amount equal to one twelfth (1/12) of the installment of principal of the Prior Authorization Bonds, the Bonds and Parity Bonds then outstanding coming due during such Bond Year (after giving effect to available amounts in the State Loan Program Debt Service Account from accrued interest, any premium or any other source).

(B) 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 (and into the State Loan Program Debt Service Account) shall be sufficient in any event to pay the interest on the Prior Authorization Bonds, the Bonds and any Parity Bonds as the same accrues and the principal thereof as the same matures.

Section 8. Deposits and Investments. The State Loan Program Debt Service Account shall be kept apart from monies in the other Funds and Accounts and the same shall be used for no purpose other than the prompt payment of principal of and interest on the Prior Authorization Bonds, the Bonds and any Parity Bonds as the same becomes due and payable. All monies therein shall be deposited in special and segregated accounts in a public depository selected under Chapter 34 of the Wisconsin Statutes and may be temporarily invested until needed in legal investments subject to the provisions of Section 66.0603 of the Wisconsin Statutes. The other funds herein created (except the Water System SDWLP 2021 Project Fund hereinafter created) 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 of the Wisconsin Statutes.

Section 9. Service to the Municipality and Rate Covenant. The reasonable cost and value of services rendered to the Municipality by the System by furnishing water services

for public purposes shall be charged against the Municipality and shall, to the extent permitted by law, 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 year shall be equal to an amount which, together with other revenues of the System, will produce in each Bond Year Net Revenues equivalent to not less than the annual principal and interest requirements on the First Lien Bonds, the Prior Authorization Bonds, the Bonds, any Parity Bonds, and any other debt obligations payable from the revenues of the System then outstanding times the greater of (i) 110%, or (ii) the highest debt service coverage ratio required with respect to any debt obligations payable from the revenues of the System then outstanding. However, such payment out of the tax levy shall be subject to (a) approval of the Public Service Commission, or successors to its function, if applicable, (b) yearly appropriations therefor, and (c) applicable levy limitations, if any; but 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 or owners of the Bonds, and each of them, that the Municipality will perform all of the obligations as set forth in the Financial Assistance Agreement.

Section 11. Additional Bonds. The issuance of First Lien Bonds is not limited by or subject to any provisions of this Resolution. Except with the written consent of the holders of the Bonds, no bonds or obligations payable out of the revenues of the System (other than First Lien Bonds and Bond Anticipation Notes) may be issued in such manner as to enjoy priority over the Bonds. Additional obligations may be issued if the lien and pledge is junior and subordinate to that of the Bonds. Parity Bonds may be issued only under the following circumstances:

(A) Parity Bonds may be issued for the purpose of completing the Project and for the purpose of financing costs of the Project, which are ineligible for payment under the State of Wisconsin Safe Drinking Water Loan Program. However, such additional Parity Bonds shall be in an aggregate amount not to exceed 20% of the face amount of the Bonds; or

(B) Parity Bonds may also be issued if all of the following conditions are met:

(1) The Net Revenues of the System for a Fiscal Year ending within the 24 months immediately preceding the issuance of such Parity Bonds must have been in an amount at least equal to the greater of (i) 110% of the maximum annual interest and principal requirements on the First Lien Bonds, the Prior Authorization Bonds, the Bonds and Parity Bonds outstanding payable from the revenues of the System, and on the Parity Bonds then to be issued or (ii) the highest debt service coverage ratio required with

respect to any debt 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 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) All 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 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 Bonds. The sale of the Bonds to the State of Wisconsin Safe Drinking Water Loan Program for the purchase price of up to \$100,000,000, and at par, is ratified and confirmed; and the proper officers of the Municipality are authorized and directed to do any and all acts, including executing the Financial Assistance Agreement and the Bonds as herein above provided, with such changes as may be recommended by the City Attorney, necessary to conclude delivery of the Bonds to said purchaser, as soon after adoption of this Resolution as is convenient. The purchase price for the Bonds shall be paid upon requisition therefor as provided in the Financial Assistance Agreement.

Section 13. Application of Bond Proceeds. The proceeds of the sale of the Bonds shall be deposited by the Municipality into a special fund designated as "Water System SDWLP 2021 Project Fund." The Water System SDWLP 2021 Project Fund shall be used solely for the purpose of paying, or refinancing debt that paid, the costs of the Project (including capitalized interest, if any, on the Bonds) as more fully described in the preamble hereof and in the Financial Assistance Agreement. Moneys in the Water System SDWLP 2021 Project Fund shall be disbursed within three (3) business days of their receipt from the State of Wisconsin and shall not be invested in any interest-bearing account.

Section 14. Amendment to Resolution. After the issuance of any of the Bonds, no change or alteration of any kind in the provisions of this Resolution may be made until all of the Bonds have been paid in full as to both principal and interest, or discharged as herein provided, except: (a) the Municipality may, from time to time, amend this Resolution without the consent of any of the owners of the Bonds, but only to cure any ambiguity, administrative conflict, formal defect, or omission or procedural inconsistency of this Resolution; and (b) this Resolution may be amended, in any respect, with a written consent of the owners of not less than two-thirds (2/3) of the principal amount of the

Bonds then outstanding, exclusive of Bonds held by the Municipality; provided, however, that no amendment shall permit any change in the pledge of revenues derived from the System or the maturity of any Bond issued hereunder, or a reduction in the rate of interest on any Bond, or in the amount of the principal obligation thereof, or in the amount of the redemption premium payable in the case of redemption thereof, or change the terms upon which the Bonds may be redeemed or make any other modification in the terms of the payment of such principal or interest without the written consent of the owner of each such Bond to which the change is applicable.

Section 15. Defeasance. When all Bonds have been discharged, all pledges, covenants and other rights granted to the owners thereof by this Resolution shall cease. The Municipality may discharge all Bonds due on any date 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 by the U.S. Government, or by a commission, board or other instrumentality of the U.S. Government, which, together with earnings thereon, are sufficient to provide for the payment of the Bonds and the interest to accrue on each of said Bonds to its maturity or, at the Municipality's option, if said Bond is prepayable to any prior date upon which it may be called for redemption, and to pay and redeem the principal amount of each such Bond at maturity, or at the Municipality's option, if said Bond is prepayable, at its earliest redemption date, with the premium required for such redemption, if any, provided that notice of the redemption of all prepayable Bonds on such date has been duly given or provided for.

Section 16. Tax Covenants and Rebate Fund. The Municipality shall not take, or omit to take, any action lawful and within its power to take, which action or omission would cause interest on any Bond to become subject to federal income taxes in addition to federal income taxes to which interest on such Bond is subject on the date of original issuance thereof. The Municipality shall not permit any of the proceeds of the Bonds, or any facilities financed with such proceeds, to be used in any manner that would cause any Bond to constitute a "private activity bond" within the meaning of Section 141 of the Internal Revenue Code of 1986. The Municipality shall not permit any of the proceeds of the Bonds or other moneys to be invested in any manner that would cause any Bond to constitute an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986 or a "hedge bond" within the meaning of Section 149(g) of the Internal Revenue Code of 1986.

The Municipality has established and has agreed to maintain, so long as the Prior Authorization Bonds, the Bonds and any Parity Bonds are outstanding, a separate account to be known as the "Rebate Fund". The Rebate Fund is for the sole purpose of paying rebate to the United States of America, if any, on amounts of Bond Proceeds held by the Municipality. The Municipality hereby covenants and agrees that it shall pay from the Rebate Fund the rebate amounts as required to the United States of America.

The Municipality may engage the services of accountants, attorneys or other consultants necessary to assist it in determining rebate amounts.

The Municipality hereby agrees it will disburse all monies in the Rebate Fund to the United States of America at the times and in the manner set forth in the applicable income tax regulations.

Section 17. Resolution a Contract. The provisions of this Resolution shall constitute a contract between the Municipality and the owner or owners of the Bonds, and after issuance of any of the Bonds no change or alteration of any kind in the provisions of this Resolution may be made, except as provided in Section 14, until all of the Bonds have been paid in full as to both principal and interest, or the Bonds have been defeased as provided in Section 15. The owner or owners of any of the Bonds 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 or owners' rights against the Municipality, the Governing Body, 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.

Section 18. Conflicting Resolutions. All ordinances, 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.

[Form of Bond]

REGISTERED
NO. R-__

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF WISCONSIN
COUNTY OF MILWAUKEE

CITY OF MILWAUKEE

WATER SYSTEM SECOND LIEN REVENUE BOND, SERIES 20__ W__

Final Maturity Date

Date of Original Issue

May 1, 20__

_____, 20__

REGISTERED OWNER: STATE OF WISCONSIN SAFE DRINKING WATER LOAN PROGRAM

The City of Milwaukee, Milwaukee County, Wisconsin (the "City") hereby acknowledges itself to owe and for value received promises to pay to the registered owner shown above, or registered assigns, solely from the source hereinafter specified, the principal sum of an amount not to exceed _____ Dollars (\$_____) (but only so much as shall have been drawn hereunder, as provided below) on May 1 of each year commencing May 1, 20__ until the final maturity date written above, together with interest thereon (but only on amounts as shall have been drawn hereunder, as provided below) from the dates the amounts are drawn hereunder or the most recent payment date to which interest has been paid, at the rate of _____% per annum, calculated on the basis of a 360-day year made up of twelve 30-day months, such interest being payable on the first days of May and November of each year, with the first interest being payable on _____ 1, 20__.

The principal amount evidenced by this Bond may be drawn upon by the City in accordance with the Financial Assistance Agreement entered by and between the City and the State of Wisconsin by the Department of Natural Resources and the Department of Administration including capitalized interest transferred (if any). The principal amounts so drawn shall be repaid in installments on May 1 of each year commencing on May 1, 20__ in an amount equal to an amount which when amortized over the remaining term of this Bond plus current payments of interest (but only on amounts drawn hereunder) at _____ per cent (_____%) per annum shall result in equal annual payments of the total of principal and the semiannual payments of interest. The State of Wisconsin Department of Administration shall record such draws and corresponding principal repayment schedule on a cumulative basis in the format shown on the attached Exhibit A.

Both principal and interest hereon are hereby made payable to the registered owner in lawful money of the United States of America. On the final maturity date, principal of this Bond shall be payable only upon presentation and surrender of this Bond at the office of the City Treasurer. Principal hereof (except the final maturity) and interest hereon shall be payable by electronic transfer or by check or draft dated on or before the applicable payment date and mailed from the office of the City Treasurer to the person in whose name this Bond is registered at the close of business on the fifteenth day of the calendar month next preceding such interest payment date.

The Bonds shall not be redeemable prior to their maturity, except with the consent of the registered owner.

This Bond is transferable only upon the books of the City kept for that purpose at the office of the City Treasurer, by the registered owner in person or its duly authorized attorney, upon surrender of this Bond, together with a written instrument of transfer (which may be endorsed hereon) satisfactory to the City Treasurer, duly executed by the registered owner or its duly authorized attorney. Thereupon a replacement Bond shall be issued to the transferee in exchange therefor. The City may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal or interest hereof and for all other purposes. This Bond is issuable solely as a negotiable, fully-registered bond, without coupons, and in denominations of \$0.01 or any integral multiple thereof.

This Bond is issued for the purpose of providing for the payment of the cost of constructing improvements to the Water System of the City (the "System"), pursuant to Section 66.0621, Wisconsin Statutes, and Resolution File Number 191407 adopted by the Common Council of the City on _____, 2021 (the "Resolution") and is payable only from the income and revenues derived from the operation of the System,

payable out of the State Loan Program Debt Service Account of the Subordinate Obligation Fund of the City maintained under the "Master Resolution" as defined in the Resolution and constituting "Second Lien Revenues" as defined in the Resolution. This Bond does not constitute an indebtedness of said City within the meaning of any constitutional or statutory debt limitation or provision.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen, and be performed precedent to and in the issuance of this Bond have existed, have happened and have been performed in due time, form and manner as required by law; and that sufficient amounts of the income and revenue to be received by said City from the operation of the System has been pledged to and will be set aside into a special fund for the payment of the principal of and interest on this Bond.

IN WITNESS WHEREOF, the CITY OF MILWAUKEE has caused this Bond to be signed by the facsimile signatures of the Mayor and City Clerk, countersigned by the manual signature of the Comptroller, and sealed with a printed facsimile of the City's seal, and has caused this Bond to be dated this _____ day of _____, 20__.

ATTEST:



Comptroller

Mayor

City Clerk

ASSIGNMENT

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

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

Please insert Social Security or other identifying number of Assignee _____

the within Bond, and all rights thereunder, hereby irrevocably constituting and appointing _____

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

Dated: _____

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

Signature(s) guaranteed by:

PRINCIPAL REPAYMENT SCHEDULE

<u>Date</u>	<u>Principal Amount</u>
May 1, 20__	
May 1, 20__	
May 1, 20__	
May 1, 20__	
May 1, 20__	
May 1, 20__	
May 1, 20__	
May 1, 20__	
May 1, 20__	
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May 1, 20__	
May 1, 20__	
May 1, 20__	
May 1, 20__	
May 1, 20__	
May 1, 20__	

EXHIBIT A

\$ _____
CITY OF MILWAUKEE, WISCONSIN
WATER SYSTEM SECOND LIEN REVENUE BONDS, SERIES 20__ W__

<u>Amount of</u> <u>Disbursement</u>	<u>Date of</u> <u>Disbursement</u>	<u>Principal Repaid</u>	<u>Principal Balance</u>
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