MEMORANDUM
OF UNDERSTANDING

This Memorandum of Understanding dated May 21, 2015, is entered into between the City of Waukesha, Wisconsin (the "City") and the Waukesha Water Utility (the "Water Utility").

Recitals

The Water Utility is currently undertaking the construction of improvements to the Water Utility system (the "2015 Projects"). The 2015 Projects have been financed on an interim basis through the issuance by the City of its Note Anticipation Notes, Series 2015C, dated May 12, 2015 (the "2015 NANs"). The Water Utility desires to finance the 2015 Projects on a long-term basis through the issuance by the City of general obligation promissory notes or refunding bonds.

The City has also issued its $5,415,000 General Obligation Refunding Bonds, Series 2015B, dated May 12, 2015 (the "2015 G.O. Refunding Bonds") to provide long-term financing for the Water Utility projects which the City financed on an interim basis through the issuance of its Note Anticipation Notes, Series 2014C, dated April 8, 2014.

The City is willing to finance the 2015 Projects in this manner and to issue the 2015 G.O. Refunding Bonds, provided that the Water Utility agrees to provide the City with revenues in amounts sufficient to pay the principal of and interest on the 2015 NANs and the 2015 G.O. Refunding Bonds (collectively, the "City's Securities").

The purpose of this Memorandum is to set forth the terms upon which the City's Securities have been issued and to describe the Water Utility's obligation to pay or reimburse the City for payment of debt service on the City's Securities.

Terms of Financing

A. The 2015 NANs

The 2015 NANs have been issued by the City pursuant to Section 67.12(1)(b) of the Wisconsin Statutes. The 2015 NANs are in the principal amount of $6,990,000, mature on July1, 2016, and are subject to redemption at the option of the City on April 1, 2016, or on any date thereafter. The debt service schedule for the 2015 NANs is attached to this Memorandum as Exhibit A.

B. The 2015 G.O. Refunding Bonds

The 2015 G.O. Refunding Bonds were issued by the City pursuant to Section 67.04 of the Wisconsin Statutes. The 2015 G.O. Refunding Bonds are in the principal amount of $5,415,000, and principal of and interest on the 2015 G.O. Refunding Bonds are payable on the dates and in the amounts shown on the debt service schedule attached to this Memorandum as Exhibit B.

C. Payment of the Debt Service on City's Securities

It is intended that the Water Utility will be responsible for paying the City, out of the revenues of the Water Utility, amounts sufficient to pay the principal and interest on the City's Securities on each debt service payment date.

Dated this 21st day of May, 2015.

CITY OF WAUKESHA,
WISCONSIN

By _____

Title: Mayor

WAUKESHA WATER UTILITY

By _____

Title General Manager

Exhibit A

BAIRD

BOND DEBT SERVICE

City of Waukesha (MIG 1)
Water

Dated Date 05/12/2015
Delivery Date 05/12/2015

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
05/12/2015					
01/01/2016			88,928.33	88,928.33	
07/01/2016	6,990,000	2.000%	69,900.00	7,059,900.00	7,148,828.33
	6,990,000		158,828.33	7,148,828.33	7,148,828.33

Exhibit B

BAIRD

BOND DEBT SERVICE

City of Waukesha (Aa1)
General Obligation Refunding Bonds, Series 2015B - FINAL
NBQ ; Callable: 10/1/2025 or any date thereafter

Dated Date	05/12/2015
Delivery Date	05/12/2015

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
05/12/2015					
04/01/2016			177,753.89	177,753.89	
10/01/2016			100,300.00	100,300.00	278,053.89
04/01/2017			100,300.00	100,300.00	
10/01/2017			100,300.00	100,300.00	200,600.00
04/01/2018			100,300.00	100,300.00	
10/01/2018			100,300.00	100,300.00	200,600.00
04/01/2019			100,300.00	100,300.00	
10/01/2019	260,000	2.000%	100,300.00	360,300.00	460,600.00
04/01/2020			97,700.00	97,700.00	
10/01/2020	265,000	2.000%	97,700.00	362,700.00	460,400.00
04/01/2021			95,050.00	95,050.00	
10/01/2021	270,000	3.000%	95,050.00	365,050.00	460,100.00
04/01/2022			91,000.00	91,000.00	
10/01/2022	280,000	3.000%	91,000.00	371,000.00	462,000.00
04/01/2023			86,800.00	86,800.00	
10/01/2023	290,000	4.000%	86,800.00	376,800.00	463,600.00
04/01/2024			81,000.00	81,000.00	
10/01/2024	300,000	4.000%	81,000.00	381,000.00	462,000.00
04/01/2025			75,000.00	75,000.00	
10/01/2025	310,000	4.000%	75,000.00	385,000.00	460,000.00
04/01/2026			68,800.00	68,800.00	
10/01/2026	325,000	4.000%	68,800.00	393,800.00	462,600.00
04/01/2027			62,300.00	62,300.00	
10/01/2027	340,000	4.000%	62,300.00	402,300.00	464,600.00
04/01/2028			55,500.00	55,500.00	
10/01/2028	350,000	4.000%	55,500.00	405,500.00	461,000.00
04/01/2029			48,500.00	48,500.00	
10/01/2029	365,000	4.000%	48,500.00	413,500.00	462,000.00
04/01/2030			41,200.00	41,200.00	
10/01/2030	380,000	4.000%	41,200.00	421,200.00	462,400.00
04/01/2031			33,600.00	33,600.00	
10/01/2031	395,000	4.000%	33,600.00	428,600.00	462,200.00
04/01/2032			25,700.00	25,700.00	
10/01/2032	410,000	4.000%	25,700.00	435,700.00	461,400.00
04/01/2033			17,500.00	17,500.00	
10/01/2033	430,000	4.000%	17,500.00	447,500.00	465,000.00
04/01/2034			8,900.00	8,900.00	
10/01/2034	445,000	4.000%	8,900.00	453,900.00	462,800.00
	5,415,000		2,656,953.89	8,071,953.89	8,071,953.89