

**LINE OF CREDIT AGREEMENT**  
**BETWEEN**  
**PNC BANK, NATIONAL ASSOCIATION**  
**AND**  
**CITY OF MILWAUKEE, WISCONSIN**  
**DATED**  
**\_\_\_\_\_, 2013**  
**\$50,000,000**  
**NOTE AND LINE OF CREDIT**

## LINE OF CREDIT AGREEMENT

THIS LINE OF CREDIT AGREEMENT (this “**Agreement**”) is made and entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, 2013, by and between the City of Milwaukee, Wisconsin, a municipal corporation of the State of Wisconsin (the “**City**”), and PNC Bank, National Association, a national banking association (the “**Bank**”).

WHEREAS, this Agreement is entered into pursuant to resolution 120974 adopted by the Common Council of the City (the “**Common Council**”) on \_\_\_\_\_, 2013 (the “**Resolution**”) pursuant to the City’s powers under Section 67.12(12) of the Wisconsin Statutes (the “**Act**”); and

WHEREAS, the City is desirous of issuing a note (the “**Note**”) and in connection therewith of establishing a line of credit (the “**Line of Credit**”) with Bank to provide funds to be advanced from time to time in an amount at any time not to exceed \$50,000,000 (the “**Commitment**”) for the purpose of financing the City’s short-term cash flow needs, all in furtherance of the City’s corporate purposes; and

WHEREAS, to the end that the City’s Note and Line of Credit, Series 2013 may be issued for such purposes, it is necessary that the City shall determine the terms and other incidents of such borrowing; and

WHEREAS, all things necessary to make the Note, when authenticated and issued as in this Agreement provided, the valid, legal and binding obligation of the City, and the execution and delivery of this Agreement and the execution and issuance of the Note, subject to the terms hereof, have in all respects been duly authorized;

## AGREEMENT

Now, therefore, in consideration of the premises and promises contained herein and other good and valuable consideration, the adequacy and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

### ARTICLE I. DEFINITIONS

**Section 1.1. Definitions of Words and Terms.** In addition to words and terms defined elsewhere in this Agreement, the following words and terms as used in this Agreement shall have the following meanings, unless some other meaning is plainly intended:

“**Act**” has the meaning set forth for such term in the Preambles to this Agreement.

“**Advance**” has the meaning set forth for such term in **Section 2.1** of this Agreement and in the Note.

“**Alternate Rate**” means the annual rate equal to the Federal Funds Open Rate plus fifty (50) basis points (.50%).

“**Bank**” has the meaning set forth for such term in the Preambles to this Agreement.

“**Base Rate**” shall mean the higher of (A) the Prime Rate, (B) the sum of the Federal Funds Open Rate plus fifty (50) basis points (0.50%), (C) the Daily LIBOR Rate plus one hundred (100) basis points

(1.00%), and (D) 7.50%. If and when the Base Rate (or any component thereof) changes, the rate of interest with respect to any amounts hereunder to which the Base Rate applies will change automatically without advance notice to the City, effective on the date of any such change. Interest on Base Rate borrowings will be calculated based on the actual number of days that principal is outstanding over a year of 365 or 366 days, as the case may be.

**“Business Day”** means any day other than a Saturday or Sunday or a legal holiday on which commercial banks are authorized or required by law to be closed for business in New York, New York, Pittsburgh, Pennsylvania, or Milwaukee, Wisconsin.

**“City”** means the City of Milwaukee, Wisconsin, its successors and assigns.

**“City Clerk”** means the Clerk of the City.

**“Commitment”** has the meaning set forth for such term in the Preambles to this Agreement.

**“Common Council”** has the meaning set forth for such term in the Preambles to this Agreement.

**“Daily LIBOR Rate”** shall mean, for any day, the rate per annum determined by the Bank by dividing (A) the Published Rate by (B) a number equal to 1.00 minus the percentage prescribed by the Federal Reserve for determining the maximum reserve requirements with respect to any Eurocurrency fundings by banks on such day. The rate of interest will be adjusted automatically as of each Business Day based on changes in the Daily LIBOR Rate without advance notice to the City.

**“Debt Service”** means, when due, the principal of and interest on any principal outstanding from any Advances under the Note or Term Loan as defined herein.

**“Default”** shall mean any event which would constitute an Event of Default but for the requirement that notice be given or time elapse or both.

**“Default Rate”** means a rate per annum equal to the Base Rate plus three hundred (300) basis points (3.00%).

**“Designated Officials”** means the Comptroller of the City, the Treasurer and their designees as listed on the Incumbency Certificate for Designated Officials provided to the Bank in accordance with Section 11.2 of this Agreement.

**“Event of Default”** has the meaning set forth for such term in **Section 7.1** of this Agreement.

**“Federal Funds Open Rate”** shall mean, for any day, the rate per annum (based on a year of 360 days and actual days elapsed) which is the daily federal funds open rate as quoted by ICAP North America, Inc. (or any successor) as set forth on the Bloomberg Screen BTMM for that day opposite the caption “OPEN” (or on such other substitute Bloomberg Screen that displays such rate), or as set forth on such other recognized electronic source used for the purpose of displaying such rate as selected by the Bank (an **“Alternate Source”**) (or if such rate for such day does not appear on the Bloomberg Screen BTMM (or any substitute screen) or on any Alternate Source, or if there shall at any time, for any reason, no longer exist a Bloomberg Screen BTMM (or any substitute screen) or any Alternate Source, a comparable replacement rate determined by the Bank at such time (which determination shall be conclusive absent manifest error); provided however, that if such day is not a Business Day, the Federal Funds Open Rate for such day shall be the “open” rate on the immediately preceding Business Day. The

rate of interest charged shall be adjusted as of each Business Day based on changes in the Federal Funds Open Rate without advance notice to the City.

**“Governmental Authority”** means any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, administrative tribunal, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

**“Interest Rate”** means the interest rate calculated in accordance with **Section 2.2** of this Agreement and the Note.

**“Line of Credit”** has the meaning set forth for such term in the Preambles to this Agreement.

**“Material Adverse Change”** means any set of circumstances or events which (i) has or could reasonably be expected to have any material adverse effect whatsoever upon the validity or enforceability of this Agreement or the Note, (ii) is or could reasonably be expected to be material and adverse to the business, properties, assets, financial condition, results of operations or prospects of the City, (iii) impairs materially or could reasonably be expected to impair materially the ability of the City to duly and punctually pay or perform its obligations under this Agreement or the Note, or (iv) impairs materially or could reasonably be expected to impair materially the ability of the Bank or Registered Owner to enforce their respective legal remedies pursuant to this Agreement or the Note.

**“Maturity Date”** means \_\_\_\_\_, 2016 or such earlier date as to which payment of the outstanding Debt Service on the Note has been accelerated.

**“Maximum Amount”** means \$50,000,000.

**“Maximum Rate”** means the annual rate of fifteen percent (15%).

**“Non-Usage Fee”** means the non-usage fee calculated in accordance with **Section 2.2** of this Agreement.

**“Note”** means the Note and Line of Credit of the City in the principal amount at any time not to exceed the Maximum Amount authorized by the Resolution and this Agreement.

**“Note Registrar”** means PNC Bank, National Association, and its successors and assigns.

**“Paying Agent”** means PNC Bank, National Association, and its successors and assigns.

**“Person”** means any individual, sole proprietorship, partnership, joint venture, limited liability company, trust, unincorporated organization, association, corporation, institution, entity or government (whether national, federal, state, county, city, municipal or otherwise, including, without limitation, any instrumentality, division, agency, body or department thereof).

**“Prime Rate”** shall mean the rate publicly announced by the Bank from time to time as its prime rate. The Prime Rate is determined from time to time by the Bank as a means of pricing some loans to its borrowers. The Prime Rate is not tied to any external rate of interest or index, and does not necessarily reflect the lowest rate of interest actually charged by the Bank to any particular class or category of customers.

**"Published Rate"** shall mean the rate of interest published each Business Day in the Wall Street Journal "Money Rates" listing under the caption "London Interbank Offered Rates" for a one month period (or, if no such rate is published therein for any reason, then the Published Rate shall be the eurodollar rate for a one month period as published in another publication selected by the Bank).

**"Registered Owner"** means, initially, PNC Bank, National Association, located in Pittsburgh, Pennsylvania, and its successors and assigns.

**"Required Agreement Signers"** means the Mayor, City Clerk, Comptroller and Assistant City Attorney of the City of Milwaukee, all of whom are required to execute this Agreement.

**"Required Note Signers"** means the Mayor, City Clerk, Comptroller and the Commissioners of the Public Debt, all of whom are required to execute the Note pursuant to Section 2.6 of this Agreement.

**"Resolution"** has the meaning set forth for such term in the Preambles to this Agreement.

**"Termination Event"** has the meaning set forth for such term in **Section 7.3** of this Agreement.

**"Term Loan Maturity Date"** means the date which is not later than two (2) years from the earlier of (a) the Maturity Date or (b) the date a Termination Event has occurred.

## **ARTICLE II. AUTHORIZATION OF THE NOTE**

**Section 2.1. Authorization of the Note.** The Note is hereby authorized to be issued in the aggregate principal amount at any time of not to exceed the Maximum Amount to provide funds for the purpose of providing funds to the City to finance the City's short-term cash flow needs, all in furtherance of the City's corporate purposes. The Note evidences a line of credit and advances under the Note (each an **"Advance"**). The City may request Advances under the Note in writing by a Designated Official of the City in the form attached hereto as **Exhibit A** and shall be paid as directed pursuant to such request within three (3) Business Days following such request. The amount of any advance on the Note shall be evidenced by endorsement by the Registered Owner to Schedule A of the Note. The Bank will have no obligation to advance funds on the Note (a) in the event of continuance of an Event of Default beyond any applicable cure periods pursuant to this Agreement or (b) in the event of continuation of a Termination Event beyond any applicable cure periods pursuant to this Agreement. The City may borrow, reborrow and repay under the Note until the Maturity Date. The Bank may terminate the Commitment upon the occurrence of an Event of Default or a Termination Event.

The City may from time to time during the term of the Note borrow, reborrow and partially or wholly repay its outstanding borrowings, subject to all of the limitations, terms and conditions of the Note and of any document executed in connection with or governing the Note; provided however, that the total outstanding borrowings under the Note shall not at any time exceed the Maximum Amount.

The Note shall be a direct and general obligation of the City and the full faith and credit of the City are hereby irrevocably pledged to the payment, when due, of the principal of and interest on the Note. The City shall be obligated to levy ad valorem taxes upon all taxable property in the City for the payment of the Debt Service on the Note, without limitation as to rate or amount, including as set forth in **Section 5.1**.

**Section 2.2. Description of the Note.** Notwithstanding the interest rate set forth in Section 2.2 (b) below and notwithstanding the Alternate Rate and the Default Rate as set forth herein, the rate of interest applicable to the Note and to this Agreement shall not exceed the Maximum Rate.

(a) **Form of Note.** The Note shall consist of a fully registered Note without coupons and numbered R-1. The Note shall be dated as of the date of this Agreement which shall be treated as the date of its original issuance and delivery and shall become due on the Maturity Date.

(b) **Rate of Interest.** The principal amount outstanding under this Note will bear interest at a rate per annum (calculated on the basis of the actual number of days that principal is outstanding over a year of 360 days equal to the sum of (A) the Daily LIBOR Rate plus (B) fifty (50) basis points (0.50%) (the “**Applicable LIBOR**”). The Note shall contain additional provisions regarding determination of LIBOR. Notwithstanding the interest rate specified above, the interest rate will not exceed the Maximum Rate.

If the Bank or Registered Owner determines (which determination shall be final and conclusive) that, by reason of circumstances affecting the eurodollar market generally, deposits in dollars (in the applicable amounts) are not being offered to banks in the eurodollar market for the selected term, or adequate means do not exist for ascertaining the Daily LIBOR Rate, then the Bank or Registered Owner shall give notice thereof to the City. Thereafter, until the Bank or Registered Owner notifies the City that the circumstances giving rise to such suspension no longer exist, the interest rate for all amounts outstanding under the Note shall be equal to the Alternate Rate.

In addition, if, after the date of this Note, the Bank or Registered Owner shall determine (which determination shall be final and conclusive) that any enactment, promulgation or adoption of or any change in any applicable law, rule or regulation, or any change in the interpretation or administration thereof by a governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Bank or Registered Owner with any guideline, request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency shall make it unlawful or impossible for the Bank or Registered Owner to make or maintain or fund loans based on the Daily LIBOR Rate, the Bank or Registered Owner shall notify the City. Upon receipt of such notice, until the Bank or Registered Owner notifies the City that the circumstances giving rise to such determination no longer apply, the interest rate on all amounts outstanding under the Note shall be the Alternate Rate.

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

(d) **Excess Interest Amount.** Any interest that would have been due and payable for any period but for the operation of subclause (c) shall accrue and be payable as provided in this subclause and shall, less interest actually paid to the Registered Owner 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 Rate until payment to the Registered Owner of the entire Excess Interest Amount.

(e) **Payment of Interest; Default Rate.** Interest shall be paid quarterly in arrears and shall be due and payable on each April 1, July 1, October 1 and January 1 (each, a “Quarterly Payment Date”) and on the Maturity Date. Upon maturity, whether by acceleration, demand or otherwise, and at the Bank’s option, such option shall be exercised by prior written notice to the City and Paying Agent, upon the

occurrence of any Event of Default (as hereinafter defined) and during the continuance thereof, amounts outstanding under the Note shall bear interest at the Default Rate. It is understood that a grace period is provided for payments of principal and interest on the Note as set forth in Section 7.1(a) hereof (other than at acceleration) and the Note shall not bear interest at the Default Rate for an interest installment or principal amount payment during the grace period for that interest installment or principal payment. The Default Rate shall continue to apply whether or not judgment shall be entered on the Note. The Default Rate is imposed as liquidated damages for the purpose of defraying the Bank's expenses incident to the handling of delinquent payments, but is in addition to, and not in lieu of, the Bank's exercise of any rights and remedies hereunder, under the Note or under applicable law, and any fees and expenses of any agents or attorneys which the Bank may employ. In addition, the Default Rate reflects the increased credit risk to the Bank of carrying a loan that is in default. The City and the Bank agree that the Default Rate is a reasonable forecast of just compensation for anticipated and actual harm incurred by the Bank, and that the actual harm incurred by the Bank cannot be estimated with certainty and without difficulty. Interest shall be computed on the basis of the actual number of days that principal is outstanding over a year of 360 days and paid for actual days elapsed.

(f) **Non-Usage Fee.** The City shall pay a Non-Usage Fee on the daily average unused portion of the Maximum Amount at an annual rate of 20/100 percent (0.20%) (the "**Non-Usage Fee**"). Said Non-Usage Fee shall be (i) calculated on a daily basis and (ii) payable quarterly in arrears and shall be due and payable on each April 1, July 1, October 1 and January 1 and on the Maturity Date. The Non-Usage Fee shall be computed on the basis of the actual number of days in the period over a year of 360 days and paid for actual days elapsed. No Non-Usage fee shall be owed for any period of time after the Bank has declared a Termination Event, the Commitment has been terminated and the Bank is under no further obligation to make any Advances hereunder or under the Note, or any principal outstanding has been converted to a Term Loan as defined in the Note. In addition, no Non-Usage Fee shall be owed for any period of time during which the Bank refuses to make an Advance hereunder when it is otherwise obligated to do so under the terms of this Agreement. It is understood that a grace period is provided for payment of the Non-Usage Fee as set forth in Section 7.1(a) hereof.

(g) **Form of Note.** The Note shall be substantially in the form provided in **Article IV** hereof, and shall be subject to registration, transfer and exchange as provided in **Section 2.5** hereof. Notwithstanding the Maturity Date of the Note, any unpaid principal of, interest on and other amounts due and payable on the Note on the Maturity Date shall not be extinguished but shall remain outstanding and the payment obligation of the City shall continue until the principal of, interest on and other amounts due and payable on the Note are paid in full.

(h) **Notice by Bank.** The Bank shall give notice to the City by first class mail by deposit in the United States mail, postage pre-paid, and either by electronic mail or by facsimile, of the amount of the quarterly principal and interest payment owed to the Bank on the Note on the 20th day of the month immediately prior to the Quarterly Payment Date provided, however, if such day is not a Business Day, notice shall be given on the immediately following Business Day and such invoice shall reflect interest accrued on the Note to but not including the Accrual Date (the "Accrual Date"), which is the 20th day of the month preceding each Quarterly Payment Date. The interest payment due on each Quarterly Payment Date shall be interest on the Note to the Accrual Date immediately preceding the Quarterly Payment Date for the quarterly interest period beginning with the immediately preceding Accrual Date (and in the case of the first interest payment, from the Dated Date) and ending on such Accrual Date.

(i) **Monthly Statement.** Upon the request of the City each month, the Bank will provide a monthly statement to the City setting forth the principal amount then outstanding under the Note and interest accrued thereon.

**Section 2.3. *Designation of Paying Agent and Note Registrar.*** PNC Bank, National Association is the City's paying agent for the payment of principal of and interest on the Note and the registrar and transfer agent with respect to the registration, transfer and exchange of the Note (the "**Paying Agent**" and "**Note Registrar**") and by its execution of this Agreement, the Bank accepts such designations.

**Section 2.4. *Method and Place of Payment of Note.*** The principal of and interest on the Note shall be payable to the Registered Owner thereof in lawful money of the United States of America as it becomes due at the principal corporate office of the Paying Agent. No Registered Owner of any Note shall be required to surrender such Note in connection with the payment or prepayment of all or any portion of the principal amount thereof. The Registered Owner shall, after receipt of any payment or prepayment of principal on the Note, note such payment or prepayment on Schedule A of the Note, to be applied to the particular Advance as directed in writing by a Designated Official of the City to the Paying Agent. The failure of the Registered Owner to so note the payment or prepayment on the Note shall not affect the rights of the Registered Owner, or any transferee hereof, with respect to the Note. In the event that the Registered Owner and the Note Registrar are different Persons, the Registered Owner will, at the request of the Note Registrar, inform the Note Registrar of the principal amount of the Note then outstanding.

**Section 2.5. *Registration Provisions.*** The City shall, as long as the Note herein authorized remains outstanding, cause to be kept at the office of the Note Registrar, books for the registration of the Note as herein provided. The Note when issued shall be registered in the names of the owners thereof on the books of registration of the City to be kept in the principal corporate office of the Note Registrar for that purpose.

The Note shall be made payable to the Registered Owner thereof. The Note shall be transferable in whole but not in part only upon the registration books maintained by the Note Registrar by the Registered Owner thereof in person or by his/her attorney duly authorized in writing, upon surrender thereof at the principal corporate office of the Note Registrar together with a written instrument of transfer satisfactory to the Note Registrar duly executed by the Registered Owner or his/her duly authorized attorney. Upon the transfer of the Note, the Note Registrar shall issue in the name of the transferee the Note of the same aggregate principal amount and maturity as the surrendered Note, registered in the name of the transferee, in any denomination herein authorized. Nothing in this Section 2.5 shall affect the Bank's right to sell participations in the Note pursuant to the provisions of Section 10.5 of this Agreement.

The Note, upon surrender thereof at the principal corporate office of the Note Registrar with a written instrument of transfer satisfactory to the Note Registrar, duly executed by the Registered Owner or his/her duly authorized attorney, may, at the option of the Registered Owner thereof, be exchanged for a Note of an equal aggregate principal amount.

The Registered Owner requesting any registration of transfer or exchange shall pay any resulting tax or other governmental charge. The Note Registrar shall provide the City with a copy of any transfer or exchange request prior to effecting such transfer or exchange.

The City, the Note Registrar and the Paying Agent may deem and treat the person in whose name the Note shall be registered as the absolute owner of such Note, whether such Note shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal amount and interest on such Note and for all other purposes, and all such payments so made to any such Registered Owner or upon his/her order shall be valid and effectual to satisfy and discharge the liability upon such Note to the extent



of the sum or sums so paid, and neither the City, the Note Registrar nor the Paying Agent shall be affected by any notice to the contrary, but such registration may be changed as herein provided.

In all cases in which the privilege of exchanging Note or transferring Note is exercised, the Note Registrar shall cause the City to execute and deliver the Note in accordance with the provisions of this Agreement. In the event that any Note is mutilated, lost, stolen or destroyed, the City may execute a new Note of like date, maturity and denomination in accordance with this Agreement, and the City and the Note Registrar may charge the Registered Owner of such Note with their reasonable fees and expenses in connection therewith and may also require satisfactory indemnity in the case of a Note lost, stolen or destroyed while in the sole possession of the Registered Owner.

**Section 2.6. *Execution and Delivery of the Note.*** The City shall execute and deliver the Note to the Note Registrar with instructions to deliver the Note to the Registered Owner.

The Note shall be executed in the name and for and on behalf of the City by the manual or facsimile signatures of the Mayor, City Clerk, countersigned by the Comptroller, and shall be attested by the facsimile signatures of the Commissioners of the Public Debt and, and the seal, if any, of the City shall be affixed to or imprinted on the Note; provided, however, that at least one of the signatures of the Mayor, City Clerk, or Comptroller shall be a manual signature.

The Note signed and sealed as herein provided shall be and constitute valid and binding obligations of the City according to the terms hereof, although the exchange or transfer thereof may be made at a date or dates after any official whose signature is affixed thereto shall have ceased to be the incumbent of his/her office.

**Section 2.7. *Destruction of Note.*** Whenever the Note shall be delivered to the Paying Agent and the Note Registrar for cancellation pursuant to this Agreement, such Note shall be promptly cancelled and cremated or otherwise destroyed by the Note Registrar, and counterparts of a certificate of destruction shall be furnished by the Paying Agent and the Note Registrar to the City.

### **ARTICLE III. PREPAYMENT**

**Section 3.1. *Prepayment.*** The Note shall be subject to prepayment prior to maturity without penalty, at the option of the City, without notice, at a prepayment price equal to 100% of the principal amount thereof being prepaid, together with accrued interest thereon to the prepayment date.

### **ARTICLE IV. FORM OF NOTE**

**Section 4.1. *Form of Note.*** The Note shall be in substantially the form attached to this Agreement as Exhibit B, with appropriate variations, omissions and insertions as permitted or required by this Agreement:

### **ARTICLE V. TAX LEVY**

**Section 5.1. *Security for the Note and Tax Levy.*** The Note shall be a direct and general obligation of the City and the full faith and credit of the City are irrevocably pledged to the punctual payment of the principal of and interest on the Note. The City intends to pay such amounts when due from any legally available funds of the City. In the event that funds sufficient to make any such payment

when due are not available or are not reasonably expected to be available in the treasury of the City for such purposes, the City shall be obligated to levy ad valorem taxes upon all taxable property in the City without limitation as to rate or amount to provide sufficient moneys for such purposes. In order to provide for the collection of a direct annual tax sufficient to pay the Debt Service on the Note promptly when and as the same falls due, and to pay and discharge the principal thereof on the Maturity Date or Term Loan Maturity Date, there shall be levied upon all of the taxable property within the City a direct annual tax for each of the years while the Note is outstanding, in amounts sufficient for that purpose. The Comptroller is hereby directed to file with the City Clerk, an order providing that there be levied upon all of the taxable property in the City, a direct annual tax in an amount sufficient to produce the sums necessary to pay Debt Service on the Note as it falls due and pay and discharge the principal thereof on the Maturity Date or Term Loan Maturity Date, in addition to all other taxes levied by the City.

The foregoing amounts to be produced from each such tax levy shall be sufficient to pay the Debt Service on the Note payable during the calendar year commencing in the year following such tax levy year. For purposes of determining the amount of the above taxes levied for the payment of the principal of and interest on the Note, interest shall be deemed to accrue at that rate which, in the reasonable estimation of the Comptroller as he may from time to time determine, will be sufficient to pay the Debt Service.

Debt Service coming due at any time when there are not sufficient funds on hand from the foregoing tax levy to pay the same shall be paid from current funds on hand of the City, and the fund from which such payment was made shall be reimbursed out of the taxes hereby levied when the same shall be collected.

The City covenants and agrees with the Bank and the Registered Owner that so long as the Note remains outstanding, the City will take no action or fail to take any action which in any way would adversely affect the ability of the City to levy and collect the foregoing tax levy, unless the abatement of any particular tax levy amount has been provided for through the deposit of moneys in a segregated account, and the City and its officers will comply with all present and future applicable laws in order to assure that the foregoing taxes will be levied, extended and collected as provided herein and deposited in a segregated fund established to pay the Debt Service on the Note.

The funds derived from the tax levy be and the same are hereby appropriated and set aside for the sole and only purpose of paying Debt Service on the Note when and as the same becomes due.

## **ARTICLE VI.**

### **PAYMENT OF THE NOTE; CITY COVENANTS AND REPRESENTATIONS**

**Section 6.1.   *No Other Note or Obligations.*** The City has not issued and, while the Note is outstanding, will not issue, any Note or Notes or any other obligations pursuant to the Resolution.

**Section 6.2.   *Covenants of the City.*** The City covenants and agrees that, from the date of this Agreement and until the obligations of the City to the Registered Owner and Bank under the Note and this Agreement are satisfied in full, the City will comply or cause compliance, as the case may be, with the following covenants:

(a)   ***Existence.*** The City will perform all acts necessary to maintain and preserve its existence as a body politic and corporate and to maintain this Agreement and the Note as the legal, valid and binding obligation of the City.

(b) **Insurance.** The City shall maintain adequate insurance with responsible companies or associations (or a self-insurance program funded in accordance with its current actuarial projections) against fire and other casualties and public liability customarily insured against by Governmental Authorities.

(c) **Payment of Indebtedness.** The City will punctually pay and discharge, when due (taking into account any cure periods provided for hereunder), or renew or extend (i) any general obligation debt issued under Chapter 67 of the Wisconsin Statutes and (ii) to the extent funds are lawfully available from such pledged revenues, revenue bonds or notes issued under Section 66.0621 of the Wisconsin Statutes heretofore or hereafter incurred by it, and discharge, perform and observe the covenants, provisions and conditions to be performed, discharged and observed on the part of the City, in connection therewith, other than indebtedness whose validity, enforceability, amount or collectibility is being contested in good faith; provided that while such indebtedness is being contested, the City shall maintain adequate reserves to pay, perform, discharge and observe such indebtedness in the event such contest is ultimately determined adversely to the City.

(d) **Payment of Non-Usage Fee:** The City shall pay to the Bank the Non-Usage Fee(s) as defined in **Section 2.2(f)** due on the daily average unused portion of the Maximum Amount.

(e) **Financial Statements.** During the term of this Agreement, the City shall furnish as soon as available, but in any event, within 270 days after the end of each fiscal year, audited financial statements, including accountants' letters, of the City. The City may furnish the documents by filing of the documents with the EMMA.

(f) **Notice of Defaults.** The City shall promptly notify the Bank when the City learns of the occurrence of (i) any event which constitutes an Event of Default or a default under this Agreement or the Note or a Termination Event, together with a detailed statement by a responsible officer or designated person of the City of the steps being taken to cure the effect of such Event of Default or default under this Agreement or the Note or Termination Event; or (ii) any claims made against the City which in the reasonable judgment of the City (through consultation with the City Attorney) have merit and might result in a Material Adverse Change, or any litigation filed affecting the City which in the reasonable judgment of the City (through consultation with the City Attorney) have merit and if decided adversely would result in a Material Adverse Change.

(g) **Use of Note Proceeds.** The proceeds of the Note and Line of Credit shall be used for the governmental purposes of the City as provided in the Resolution and this Agreement and shall not be used to violate any of the foreign asset control regulations of the Office of Foreign Assets Control or any enabling statute or Executive Order relating thereto and shall comply with all applicable Bank Secrecy Act laws and regulations.

(h) **Other Information.** The City agrees to provide the Bank with such other information or documentation as the Bank may from time to time reasonably specify, including without limitation budgets and forecasts that have been produced by the City for public disclosure, and to permit an examination of the properties, books, records, journals, accounts or other financial records of the City as the Bank may reasonably request.

**Section 6.3. Representations of the City.** The City makes the following representations to the Bank and covenants and agrees that on the date of this Agreement and from and after the date hereof and until the obligations of the City to the Registered Owner and Bank under the Note and this Agreement are satisfied in full, the City will cause such representations to be true and correct:

(a) ***Status; Due Execution and Delivery.*** The City is a municipal corporation of the State of Wisconsin, is organized and existing under the laws of the State of Wisconsin, with all requisite power and authority to execute and deliver, and to perform its obligations under this Agreement and the Note and to issue, execute and deliver the Note, and the City has taken all necessary action to authorize the execution, delivery and performance of this Agreement and the Note. This Agreement and the Note have been duly executed and delivered by the City by appropriate and all required action, and the City has obtained all requisite consents to the transactions contemplated thereby under any instrument to which it is a party, and this Agreement and the Note constitute the legal, valid and binding obligations of the City enforceable in accordance with their respective terms.

(b) ***No Breach of Other Instruments.*** Neither the execution and delivery of this Agreement or the Note nor compliance by the City with the terms and conditions of this Agreement or the Note, nor the consummation of the transactions contemplated hereby and thereby, will conflict with or result in a breach of any of the terms, conditions or provisions of its organizational documents or any agreement or instrument or other restriction or law, regulation, rule or order of any court, governmental body or agency to which the City is now a party or is subject, or constitute a default thereunder, or result in the creation or imposition of a lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the City in violation of the terms of any such agreement or instrument, which would, in any such cases, result in a Material Adverse Change.

(c) ***Governmental Consent.*** Neither the nature of the City or of any of its businesses or property, nor any relationship between the City and any other person, nor any circumstance in connection with the execution of this Agreement and the Note or consummation of the transactions therein or herein contemplated is such as to require a consent, approval or authorization of, or filing, registration or qualification with, any Governmental Authority on the part of the City as a condition to the execution and delivery of this Agreement or the Note not already made.

(d) ***Absence of Defaults, etc.*** There exists no default under any material contract to which the City is a party, material violation by the City of any law or any court order, or condition, event or act which constitutes, or after notice or lapse of time would constitute, an Event of Default or which would result in a Material Adverse Change.

(e) ***Litigation.*** Except as disclosed in writing to the Bank, at the date of this Agreement, there is no litigation, legal or administrative proceeding, investigation or other action of any nature pending, or to the knowledge of the City, threatened against or affecting the City seeking to restrain, enjoin or in any way limit the approval of this Agreement or the Note, or which would result in a Material Adverse Change in the City's business, assets, operations or financial condition or which challenges the existence or powers of the City to enter into and carry out the transactions contemplated by this Agreement or the Note, or wherein an unfavorable determination could materially and adversely affect the validity or enforceability of this Agreement or the Note or the ability of the City to perform its obligations hereunder and thereunder.

(f) ***Representations and Warranties.*** The City represents and warrants that all of the representations and warranties of the City in this Agreement and the Note were true and correct in all material respects when made and are true and correct in all material respects on the date hereof (or such other date as may be expressly provided therein).

(g) ***Financial Statements.*** The City's latest financial statements provided to the Bank are true, complete and accurate in all material respects and fairly present the financial condition, assets and liabilities, whether accrued, absolute, contingent or otherwise, and the results of the City's operations for the period specified therein. The City's financial statements have been prepared in accordance with

generally accepted accounting principles consistently applied from period to period subject, in the case of interim statements, to normal year-end adjustments. Since the date of the latest financial statements provided to the Bank, the City has not suffered any damage, destruction or loss which would result in a Material Adverse Change in its business, assets, operations, financial condition or results of operations.

(h) ***Default; Termination Event.*** No Event of Default or Default or Termination Event has occurred and is continuing.

(i) [INTENTIONALLY OMITTED]

(j) ***Pledge of Taxes.*** (i) The Note when issued and delivered by the City will constitute a general obligation of the City (1) to which the full faith and credit of the City is pledged, and (2) for the payment of principal of and interest on which taxes will be levied, and proceeds of taxes levied will be applied as provided in and to the extent required in, this Agreement and the Note.

(ii) The proceeds of any taxes levied or required to be levied pursuant to this Agreement or the Note for payment of the Note have not been, and will not be, pledged by the City to the payment of any other obligation (except a parity pledge on other general obligation debt of the City issued under Chapter 67 of the Wisconsin Statutes) other than the Note.

## **ARTICLE VII. DEFAULTS AND REMEDIES**

**Section 7.1. *Events of Default.*** Each of the following events shall constitute an “**Event of Default**” hereunder:

(a) (i) any principal due on the Note is not paid within fifteen (15) calendar days of the date when due, whether on any regularly scheduled principal payment date, at maturity or upon redemption or otherwise (other than acceleration) or (ii) any interest due on the Note on any regularly scheduled interest payment date, upon maturity, upon redemption or otherwise (other than acceleration) is not paid within fifteen (15) calendar days of the due date or (iii) any interest or principal due on the Note is not paid when due at acceleration or (iv) any amount due under Section 2.2(f) of this Agreement is not paid within fifteen (15) calendar days of the date when due or (v) any other amounts due and payable on the Note or under this Agreement is not paid within fifteen (15) calendar days of the date when due; or

(b) any principal or interest payable on any general obligation debt of the City issued under Chapter 67 of the Wisconsin Statutes is not paid when due, whether on any regularly scheduled interest payment date, at maturity, upon redemption or acceleration or otherwise; or

(c) a proceeding is instituted in a court having jurisdiction in the premises seeking an order for relief, rehabilitation, reorganization, conservation, liquidation or dissolution in respect to the City or for any substantial part of its property under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or for the appointment of a receiver, liquidator, assignee, custodian, trustee or sequestrator (or other similar official) and such proceeding is not dismissed or stayed within thirty (30) days of commencement (provided that the Bank shall not be required to advance funds hereunder or under the Note during such period) or such court enters an order granting the relief sought in such proceeding, or the City shall institute or take any corporate action for the purpose of instituting any such proceeding, or a moratorium, debt restructuring, debt adjustment, or comparable extraordinary restriction with respect to the payment of principal or interest on the Note is declared by any Governmental Authority of competent jurisdiction, or the City becomes insolvent within the meaning of Section 101(32) of the Bankruptcy Code, shall commence a voluntary case under any applicable bankruptcy, insolvency or other

similar law now or hereafter in effect, shall consent to the entry of an order for relief in an involuntary case under any such law or shall consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian or sequestrator (or other similar official) of the City or for any substantial part of its property, or shall make a general assignment for the benefit of creditors, or the City shall declare a moratorium, debt restructuring, debt adjustment, or comparable extraordinary restriction with respect to the payment of principal of or interest on the Note, or shall take any corporate action in furtherance of any of the foregoing.

**Section 7.2. Remedies for Events of Default.** The provisions of this Agreement, including the covenants and agreements herein contained, shall constitute a contract between the City and the Registered Owner of the Note. Upon the occurrence of any Event of Default, the Registered Owner of the Note shall have the right:

(a) By mandamus or other suit, action or proceedings at law or in equity to enforce his, her or their rights against the City and its officials, agents and employees, and to require and compel duties and obligations required by the provisions of this Agreement or by the Constitution and laws of the State of Wisconsin;

(b) By suit, action or other proceedings in equity or at law to enjoin any acts or things which may be unlawful or in violation of the rights of the Registered Owner of the Note; and

(c) By notice to the City, (i) terminate the Commitment, and thereupon the Commitment shall terminate immediately, and (ii) declare the Note and any payment obligations under this Agreement then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Note so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the City accrued hereunder, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the City; and in case of any event with respect to the City described in **Section 7.1(c)**, the Commitment shall automatically terminate and the principal of the Note then outstanding, together with accrued interest thereon and all fees and other obligations of the City accrued hereunder, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the City.

Upon the occurrence of an Event of Default, the Bank shall be under no further obligation to make advances hereunder or under the Note and, at the Bank's option, the Note will bear interest at the Default Rate from the date which is the later of (i) the occurrence of the Event of Default or (ii) the date which is 90 days prior to the date of the Bank's notice to the City which advises the City that the Bank has exercised its option to impose the Default Rate in accordance with this Agreement.

**Section 7.3. Termination Events.** Each of the following events shall constitute a "Termination Event" hereunder:

(a) any representation or warranty made by the City in this Agreement or the Note (or incorporated herein or therein by reference) or in any certificate, document, instrument, opinion or financial or other statement contemplated by or made or delivered pursuant to or in connection with this Agreement or the Note, shall prove to have been incorrect, incomplete or misleading in any material respect when made or deemed to have been made; or

(b) (i) default in the due observance or performance by the City of covenants contained in 6.2 of this Agreement or (ii) default in the due observance or performance by the City of any other covenants

or agreements contained in this Agreement or in the Note, other than those events specifically itemized as other Termination Events or Events of Default; or

(c) one or more final, unappealable judgments in the amount of \$15,000,000 or more against the City for the payment of money, and not covered by insurance, shall remain unappealed, unstayed, undischarged, unbonded or undismissed for a period of sixty (60) days of entry thereof or shall remain unpaid for a period of ninety (90) days after entry thereof; or

(d) this Agreement or the Note or any material provision hereof or thereof shall for any reason cease to be valid and binding on the City; or

(e) a default shall occur (following the exhaustion of any applicable cure periods) and be continuing under any other agreement between the City and the Bank or under any other obligation owed by the City to the Bank; or

(f) a downgrade of City's General Obligation long-term, unenhanced issuer rating below Baa1 or BBB+ by Moody's or S&P has occurred or the or long-term issuer rating of the City is suspended or withdrawn by Moody's or S&P for credit reasons; or

(g) (1) the City has defaulted in payment on any revenue bonds or notes issued by the City under Section 66.0621 of the Wisconsin Statutes or (2) the City has defaulted in the due observance or performance of any material covenant or other agreement of the City contained in any agreement, note, bond or other instrument relating to general obligation debt issued under Chapter 67 of the Wisconsin Statutes or debt in connection with any revenue bonds or notes issued by the City under Section 66.0621 of the Wisconsin Statutes;

(h) any Material Adverse Change has occurred; or

(i) the City sends a written notice to the Bank that it elects to terminate the Commitment (the "City Termination Notice").

**Section 7.4. Remedies for Termination Event.** The provisions of this Agreement, including the covenants and agreements herein contained, shall constitute a contract between the City and the Registered Owner of the Note. Upon the occurrence of any Termination Event other than a termination by the City pursuant to a City Termination Notice, the Bank, by notice to the City, may terminate the Commitment and thereupon the Commitment shall terminate immediately and thereafter the Bank shall be under no further obligation to make any Advances hereunder or under the Note and any principal outstanding shall be converted to a Term Loan as defined in the Note, and the Term Loan shall bear interest as provided in the Note, payable on the dates as provided in the Note, and principal shall be payable in the amounts and at the times provided in the Note. Upon the Bank's receipt of the City's Termination Notice, the Commitment shall terminate immediately, without any further action required, and thereafter the Bank shall be under no further obligation to make any Advances hereunder or under the Note and any principal outstanding and any unpaid accrued interest and unpaid accrued Non-Usage Fees shall be immediately due and payable and must be paid by the City by no later than three (3) Business Days following the date of the City Termination Notice. For clarification purposes, if the Commitment is terminated by the City pursuant to a City Termination Notice, all unpaid amounts due under this Agreement and the Note including all unpaid and accrued Non-Usage Fees must be paid in full by the City within three (3) Business Days of the date of the City Termination Notice and there shall be no conversion of the outstanding principal to a Term Loan.

**Section 7.5. *Agreements and Waivers.*** The City agrees that, from the date hereof, this Agreement and the Note are fully enforceable in accordance with the provisions thereof. The City and Bank hereby irrevocably agree and the Registered Owner by its acceptance of the Note irrevocably agrees that any action or proceeding to enforce or defend any rights of the Bank or the City or the Registered Owner or arising from any dispute or controversy under or in connection with this Agreement or the Note shall be litigated only in any local, state or federal court having situs within the County of Milwaukee, Wisconsin. The City hereby waives any right it may have to transfer or change the venue of any litigation brought against the City and/or by the Bank or brought against the Bank and/or by the City in accordance with this Section. The Bank hereby waives any right it may have to transfer or change the venue of any litigation brought against the Bank and/or by the City or brought against the City and/or by the Bank in accordance with this Section. The Registered Owner by its acceptance of the Note hereby waives any right it may have to transfer or change the venue of any litigation brought against the Registered Owner and/or by the City or brought against the City and/or by the Registered Owner in accordance with this Section.

**Section 7.6. *Remedies Cumulative.*** No remedy conferred herein upon the Registered Owner of the Note is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred herein. No waiver of any default or Termination Event or breach of duty or contract by the Registered Owner of the Note shall extend to or affect any subsequent default or Termination Event or breach of duty or contract or shall impair any rights or remedies thereon. No delay or omission of any Registered Owner to exercise any right or power accruing upon any default or Termination Event shall impair any such right or power or shall be construed to be a waiver of any such default or Termination Event or acquiescence therein. Every substantive right and every remedy conferred upon the Registered Owner of the Note by this Agreement may be enforced and exercised from time to time and as often as may be deemed expedient. In case any suit, action or proceedings taken by any Registered Owner on account of any default or Termination Event or to enforce any right or exercise any remedy shall have been discontinued or abandoned for any reason, or shall have been determined adversely to such Registered Owner, then, and in every such case, the City and the Registered Owner of the Note shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Registered Owner of the Note shall continue as if no such suit, action or other proceedings had been brought or taken.

## **ARTICLE VIII. PAYING AGENT AND NOTE REGISTRAR**

### **Section 8.1. *Successor Paying Agent and Note Registrar.***

(a) Except as may be required by a Governmental Authority, any corporation or association into which the Paying Agent and Note Registrar may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, shall be and become the successor Paying Agent and Note Registrar hereunder, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereof, anything herein to the contrary notwithstanding.

(b) The Paying Agent or Note Registrar may at any time resign by giving thirty (30) days' notice to the City. Such resignation shall not be effective until the appointment and acceptance of a successor.



(c) The Paying Agent or Note Registrar may be removed at any time by an instrument in writing delivered to the Paying Agent and Note Registrar by the Registered Owner of not less than a majority in outstanding principal amount of the Note.

(d) In case the Paying Agent or Note Registrar shall resign or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting as Paying Agent and Note Registrar, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor shall be appointed by the City. Every successor Paying Agent or Note Registrar appointed pursuant to the provisions of this Section shall be, if there be such an institution willing, qualified and able to accept the duties of the Paying Agent and Note Registrar upon customary terms, a bank or trust company in good standing and having reported capital and surplus of not less than \$100,000,000. Written notice of such appointment shall immediately be given by the City to the owners of the Note. Any successor Paying Agent or Note Registrar shall execute and deliver an instrument accepting such appointment and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all rights, powers, duties and obligations of its predecessor, with like effect as if originally named as Paying Agent or Note Registrar, but such predecessor shall nevertheless, on the written request of the City, or of the successor, execute and deliver such instruments and do such other things as may reasonably be required to more fully and certainly vest and confirm in such successor all rights, powers, duties and obligations of such predecessor. If no successor Paying Agent or Note Registrar has accepted appointment in the manner provided above within 90 days after the Paying Agent and Note Registrar has given notice of its resignation as provided above, the Paying Agent and Note Registrar may petition any court of competent jurisdiction for the appointment of a temporary successor Paying Agent or Note Registrar; provided that any Paying Agent and Note Registrar so appointed shall immediately and without further act be superseded by a Paying Agent or Note Registrar appointed by the City as provided above. Nothing shall prevent the City from appointing itself (and if it does so it shall notify the Bank and Registered Owner of a specific officer or department of the City as the contact designee for such purposes) as the Paying Agent or Note Registrar.

## **ARTICLE IX. PAYMENT AND DISCHARGE**

**Section 9.1. *Payment and Discharge.*** When the principal of, interest on and other amounts due and payable on the Note and all other payment obligations under this Agreement shall have been paid and discharged, then the requirements contained in this Agreement, except for the indemnification provisions contained in the Note, and all other rights granted hereby shall terminate.

## **ARTICLE X. MISCELLANEOUS PROVISIONS**

**Section 10.1. *Governing Law.*** This Agreement shall be governed exclusively by and construed in accordance with the applicable laws of the State of Wisconsin (excluding its conflict of laws rules).

**Section 10.2. *Amendment and Modification.*** This Agreement may not be repealed, amended or modified while the Note is outstanding, except for such amendments which are consented to in writing by the City and the Registered Owner of the Note.

**Section 10.3. *Further Authorization.*** The officers, officials and employees of the City are hereby authorized, empowered and directed to do all such acts and things and to execute, acknowledge and deliver all such documents (including, without limiting the generality of the foregoing, any bond purchase agreement requested by any purchaser of the Note, any closing certificate or other documents or

certificates required by the Bank in connection with the issuance of the Note) as may in his or their discretion be deemed necessary or desirable in order to carry out or comply with the terms and provisions of this Agreement, and to make ministerial alterations, changes or additions in the foregoing agreements, statements, instruments or other documents herein approved, authorized and confirmed which they may approve and the execution or taking of such action shall be taken as conclusive evidence of its necessity or advisability. All of the acts and undertakings of such officers which are in conformity with the intent and purposes of this Agreement, whether heretofore or hereafter taken or done shall be and the same are hereby in all respects, ratified, confirmed and approved.

**Section 10.4. *Effective Date.*** This Agreement shall take effect and be in full force from and after its dated date.

**Section 10.5. *Participations; Sale, Assignment or Transfer.*** The Bank may, in its sole discretion, sell participations in the Note and disclose information to prospective participants and share, at its options, any fees with such participants. The City agrees that the Bank may at any time sell, assign or transfer one or more interests or participations in all or any part of its rights and obligations in the Note described in this Agreement to one or more purchasers whether or not related to the Bank. The Bank shall provide a subsequent notice to the City of any such sale, assignment or transfer.

**Section 10.6. *Information Sharing.*** The City agrees that the Bank may provide any information or knowledge the Bank may have about the City or about any matter relating to the Agreement and the Note described in this Agreement to any of its subsidiaries or affiliates or their successors, or to any one or more purchasers, potential purchasers, participants or assignees of the Note and this Agreement. As such, the City is under no obligation to provide non-public information regardless of whether such information is required to be disclosed under this Agreement.

**Section 10.7. *Yield Protection.*** On written demand, together with written evidence of the justification therefor, the City agrees to pay the Bank all direct costs incurred, any losses suffered or payments made by the Bank as a result of any Change in Law (hereinafter defined), imposing any reserve, deposit, allocation of capital or similar requirement (including without limitation, Regulation D of the Board of Governors of the Federal Reserve System) on the Bank, its holding company or any of their respective assets relative to the Line of Credit or this Agreement or the Note or the Term Loan.

“**Change in Law**” means the occurrence, after the date of this Note, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any governmental authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any governmental authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued.

Notwithstanding anything to the contrary contained herein, the Bank agrees that the City will not be liable for any costs described in this Section 10.7 for any period of time more than 180 days prior to the date on which the Bank has given the City written notice (the “Notification Date”) that the Bank is charging the City for any amount under this Section 10.7. In addition, any such payment shall not be due by the City until 90 days after the Notification Date. In the event that, within such 90-day period, the City has paid in full all amounts owed to the Bank under this Agreement and the Note and has terminated in

full this Agreement and the obligation of the Bank to make any Advances under this Agreement, then the City shall not be liable to the Bank for payment of additional amounts pursuant to this Section 10.7. However, in the event that the City has not paid in full all amounts owed to the Bank and terminated in full this Agreement and the obligations of the Bank to make Advances under this Agreement not later than the date which is 90 days following the Notification Date, the City shall immediately pay the Bank all amounts owed under this Section 10.7, as determined in accordance with the written notice given by the Bank to the City. Any costs charged pursuant to this Section 10.7 shall be considered an increase in the rate of interest described in Section 2.2(b) of this Agreement, subject to the Maximum Rate, and shall automatically be effective without any further written amendment or modification of this Agreement or the Note. If for any reason on the Maturity Date or a Termination Date, any costs incurred pursuant to this Section have not been fully paid to the Bank and provided that no Event of Default shall have occurred and then be continuing, such additional amounts shall be added to the principal amount of the Loans outstanding and become an additional portion of the Term Loan which is described in the Note and the City agrees to repay such principal on the aggregate Term Loan as provided in the Note together with interest accrued thereon, on the dates and at the interest rates as provided in the Note. In the event that any Event of Default has occurred and is continuing, such amounts shall be immediately due and payable and owed by the City to the Bank.

**Section 10.8. Expenses.** The City will reimburse the Bank for the Bank's out-of-pocket expenses incurred or to be incurred at any time in conducting UCC or other public record searches, and in filing and recording documents in the public records to perfect the Bank's security interest. The City shall also reimburse the Bank for the Bank's expenses (including the reasonable fees and expenses of the Bank's outside and in-house counsel) in documenting and closing this transaction, in connection with any amendments, modifications or renewals of the Line of Credit, and in connection with the collection of all of the City's obligations to the Bank, including but not limited to, enforcements actions relating to the Line of Credit. For those expenses to be incurred by the Bank in connection with the documenting and closing of this transaction only, the Bank shall provide, in advance, the nature and amount of such expenses to be incurred for the City's approval prior to incurring such expenses.

**Section 10.9. Bank Not Responsible for Damages.** The Bank will not be responsible for any damages, consequential, incidental, special, punitive or otherwise, that may be incurred or alleged by any person or entity, including the City, as a result of this Agreement or the Note, the transactions contemplated hereby or thereby, or the use of the proceeds of the Line of Credit.

**Section 10.10. WAIVER OF JURY TRIAL.** THE CITY AND THE BANK AND THE REGISTERED OWNER BY ITS ACCEPTANCE OF THE NOTE EACH IRREVOCABLY WAIVES ANY AND ALL RIGHTS IT MAY HAVE TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR CLAIM OF ANY NATURE RELATING TO THIS AGREEMENT OR THE NOTE, ANY DOCUMENTS EXECUTED IN CONNECTION WITH THIS AGREEMENT OR THE NOTE OR ANY TRANSACTION CONTEMPLATED IN ANY OF SUCH DOCUMENTS. THE CITY AND THE BANK EACH ACKNOWLEDGES THAT THE FOREGOING WAIVER IS KNOWING AND VOLUNTARY.

**Section 10.11 Indemnification.** The City agrees to indemnify each of the Bank, each legal entity, if any, who controls, is controlled by or is under common control with the Bank, and each of their respective directors, officers and employees (the "**Indemnified Parties**"), and to save and hold each Indemnified Party harmless from and against any and all claims, damages, losses, liabilities and expenses (including all reasonable fees and charges of external counsel with whom any Indemnified Party may consult and all expenses of litigation and preparation therefor) which any Indemnified Party may incur or which may be asserted against any Indemnified Party by any person, entity or governmental authority (including any person or entity claiming derivatively on behalf of the City), in connection with or arising

out of or relating to the matters referred to in this Note or in the other Loan Documents (as defined in the Note) or the use of any Advance under the Note, whether (a) arising from or incurred in connection with any breach of a representation, warranty or covenant by the City, or (b) arising out of or resulting from any suit, action, claim, proceeding or governmental investigation, pending or threatened against the City, whether based on statute, regulation or order, or tort, or contract or otherwise, before any court or governmental authority; provided, however, that the foregoing indemnity agreement shall not apply to any claims, damages, losses, liabilities and expenses solely attributable to an Indemnified Party's negligence, gross negligence or willful misconduct. The indemnity agreement contained in this Section shall survive the termination of this Note, payment of any advance hereunder and the assignment of any rights hereunder. The City may participate at its expense in the defense of any such action or claim. No indemnity shall be payable by the City pursuant to this Section 10.11 if the Bank makes any settlement of any such claim without the consent of the City, which consent shall not be withheld unreasonably. The Bank shall promptly notify the City of any such claim. The City reserves the right to intervene in any action based on such claim and the Bank shall not oppose such intervention, unless the Bank determines in its reasonable discretion, that a conflict of interest exists between the Bank and the City or additional defenses are available to the Bank which are not otherwise available to the City.

**Section 10.12 *Representation by Counsel.*** Each party to this Agreement hereby represents that it has been represented by competent counsel of its choice, or has knowingly waived its right to use and retain counsel, in the negotiation and execution of this Note and the other Loan Documents; that it has read and fully understood the terms hereof; that each party and any retained counsel by it have been afforded the opportunity to review, negotiate and modify the terms of this Note and the other Loan Documents; and that it intends to be bound hereby. In accordance with the foregoing, the general rule of construction to the effect that any ambiguities in a contract are to be resolved against the party drafting the contract shall not be employed in the construction and interpretation of this Note or the other Loan Documents.

**Section 10.13 *Notices; Effectiveness; Electronic Communication.***

(a) Notices Generally. Except as otherwise expressly provided herein, including, without limitation, as provided in Section 2.2(h) hereof, and except as provided in subsection (b) below, all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile and in the case of notice of amounts due as provided in Section 2.2(h) hereof, such notice may be given by first class United States mail to the address specified for such Person in Section 10.13(d) hereof and by electronic mail address or facsimile to the electronic mail address or facsimile number specified for such Person in Section 10.13(d) hereof.

Notices and other communications sent by hand or overnight courier service shall be deemed to have been given upon delivery if hand-delivered or upon deposit with a nationally recognized overnight commercial carrier, airbill prepaid. Notices or other communications sent by first class, certified or registered mail shall be deemed to have been given when deposited in the United States mail, postage pre-paid. Notices and other communications sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices and other communications delivered through electronic communications to the extent provided in subsection (b) below, shall be effective as provided in such subsection (b).

(b) Electronic Communications. Notices by the Bank of the payment amount owed as described in Section 2.2(h) may be delivered or furnished by electronic communication (including e-mail). Such notices sent to an e-mail address shall be deemed given when sent by the Bank to the City.

(c) Change of Address, Etc. Each of the Bank, the City, the Paying Agent and the Registered Owner may change its address, facsimile or e-mail address for notices and other communications hereunder by notice to the other parties hereto.

(d) Notice Addresses. The notices to the Bank, the Paying Agent and the Registered Owner shall be made to:

PNC Bank, National Association

\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_  
Facsimile: \_\_\_\_\_  
Email Address: \_\_\_\_\_

Notices to the City shall be sent to:

City of Milwaukee

\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_  
Facsimile: \_\_\_\_\_  
Email Address: \_\_\_\_\_

## **ARTICLE XI. CONDITIONS**

The Bank's obligation to make any advance under the Line of Credit is subject to the conditions that as of the date of the advance:

**Section 11.1. *No Event of Default.*** No Default or Event of Default or Termination Event shall have occurred and be continuing, and the Bank shall have received a certificate signed by an authorized officer of the City dated as of the date of this Agreement, stating that on such date no Default or Event of Default or Termination Event has occurred and is continuing, and no default or event of default with respect to any other general obligation debt of the City issued under Chapter 67 of the Wisconsin Statutes or any debt of the City in connection with revenue bonds or notes issued under Section 66.0621 of the Wisconsin Statutes has occurred or is continuing.

**Section 11.2. *Authorization Documents.*** The Bank shall have received a certificate, dated as of the date of this Agreement and signed by the \_\_\_\_\_ of the City, certifying as appropriate as to: (a) a copy of the resolutions of the Common Council in form and substance reasonably satisfactory to the Bank, authorizing the execution, delivery and performance of this Agreement and the Loan Documents, (b) the names of the Required Agreement Signers and the Required Note Signers authorized to sign the Loan Documents and their true signatures together with specimens of such signatures, and (c) the names of the Designated Officials who are authorized to request Advances under this Agreement and their true signatures together with specimens of such signatures.

**Section 11.3. *Receipt of Loan Documents.*** The Bank shall have received the Loan Documents and such other instruments and documents which the Bank may reasonably request in connection with the

transactions provided for in this Agreement and all such documents shall be in form and substance satisfactory to the Bank, which shall include an opinion of bond counsel for the City in form and substance satisfactory to the Bank.

**Section 11.4. *No Material Adverse Change.*** Since the date of the most recent audited financial statements of the City provided to the Bank, no event or condition shall have occurred or shall exist that has resulted or could result in a Material Adverse Change.

**Section 11.5. *Litigation.*** There is no litigation, legal or administrative proceeding, investigation or other action of any nature pending, or to the knowledge of the City, threatened against or affecting the City seeking to restrain, enjoin or in any way limit the approval of this Agreement or the Note, or which would result in a Material Adverse Change in the City's business, assets, operations or financial condition (and there is no basis known to the City or its officers for any such action, suit proceedings or investigation) or which challenges the existence or powers of the City to enter into and carry out the transactions contemplated by this Agreement or the Note, or wherein an unfavorable determination could materially and adversely affect the validity or enforceability of this Agreement or the Note or the ability of the City to perform its obligations hereunder and thereunder, and the City has no material outstanding additional contingent obligations.

**Section 11.6. *Fees.*** The Bank shall have received all fees payable to the Bank on or prior to the date of this Agreement, including pursuant to **Section 10.8**, including, without limitation, legal fees for counsel to the Bank.

**Section 11.7. *Line of Credit Agreement.*** The City shall have entered into this Agreement and executed and delivered the Note to the Bank.

**Section 11.8. *General Obligation.*** The City shall have provided to the Bank evidence that the obligations for Debt Service arising under this Agreement and the Note are unlimited general obligations of the City.

**Section 11.9. *Resolutions, Other Documents.*** The Bank shall have reviewed the underlying bond documents, Resolutions and other similar agreements related to debt secured by the general obligations of the City and such documentation shall be satisfactory to the Bank.

**Section 11.10. *Certificate.*** The City shall provide a certificate to the Bank to the effect that no event of default or default has occurred and is continuing with respect to any other indebtedness which constitutes a general obligation of the City.

**Section 11.11. *Other.*** All documents delivered in connection with this Agreement shall have been reasonably approved as to form and substance by the Bank. The City shall furnish such additional documents as may be requested reasonably by the Bank or its counsel and which are related to the Line of Credit.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the City and Bank have executed this Agreement as of the day and year first above written.

**CITY OF MILWAUKEE, MILWAUKEE  
COUNTY, WISCONSIN**

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Clerk

Countersigned:

\_\_\_\_\_  
City Comptroller

Approved as to form, content and execution.

This \_\_\_\_\_ day of \_\_\_\_\_, 2013

\_\_\_\_\_  
Assistant City Attorney

**PNC BANK, NATIONAL ASSOCIATION**

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



**Exhibit A**

**FORM OF REQUEST FOR ADVANCE ON LINE OF CREDIT**

The undersigned Designated Official of the City of Milwaukee, Milwaukee County, Wisconsin (the “**City**”), hereby requests an advance (the “**Advance**”) pursuant to that Line of Credit Agreement, dated as of \_\_\_\_\_, 2013 between PNC Bank, National Association. (the “**Bank**”) and the City (the “**Agreement**”) as set forth below.

The amount of the Advance requested: \$\_\_\_\_\_ on \_\_\_\_\_[insert date]

Wire or deposit instructions for such Advance: \_\_\_\_\_

In connection with such Advance the undersigned certifies as follows:

1. The City is not in default under the Agreement.
2. The amount of the Advance requested together with all outstanding principal on the Note does not exceed \$\_\_\_\_\_.
3. The City has satisfied, in form and substance satisfactory to the Bank, the conditions set forth in Article XI of this Agreement.

**CITY OF MILWAUKEE, WISCONSIN**

\_\_\_\_\_  
Title:\_\_\_\_\_

**Exhibit B**  
**FORM OF NOTE**

UNITED STATES OF AMERICA  
STATE OF WISCONSIN  
COUNTY OF MILWAUKEE  
CITY OF MILWAUKEE  
PROMISSORY NOTE

No. R-1

Registered Owner: PNC Bank, National Association

Principal Amount: \$50,000,000.00

Dated Date: \_\_\_\_\_, 2013

Interest Rate: Interest Rate set forth below

Maturity Date: \_\_\_\_\_, 2016 or such earlier date as to which payment of this Note has been accelerated pursuant to the Agreement

Term Maturity Date: has the meaning as set forth below

**Payment Terms.** The City of Milwaukee, Wisconsin (the “**City**”), for value received, hereby promises to pay to the Registered Owner specified above or registered assigns, on the Maturity Date, the principal sum of **FIFTY MILLION AND 00/100 DOLLARS (\$50,000,000.00)** or such lesser amount as may be advanced to or for the benefit of the City hereunder, together with interest accruing on the outstanding principal balance from the date hereof, all as provided below, quarterly in arrears which shall be payable on each April 1, July 1, October 1 and January 1 (each, a “Quarterly Payment Date”) and on the Maturity Date. The outstanding principal balance and any accrued but unpaid interest shall be due and payable on the Maturity Date. Both principal of, interest on and other amounts due and payable on this Note are payable at the principal corporate office of PNC Bank, National Association (the “**Paying Agent**”). From and after the Maturity Date, and at the Bank’s option after the occurrence of any Event of Default (as hereafter defined) and during the continuance thereof, the interest on this Note shall be calculated on the principal balance from time to time outstanding thereon at the Default Rate. Notwithstanding the Maturity Date of this Note, if no Event of Default has occurred and is continuing, any unpaid principal of, interest on and other amounts due and payable on this Note on the Maturity Date or on the date of a Termination Event shall not be extinguished and shall automatically convert to a Term Loan as defined below and shall remain outstanding and be evidenced by this Note and the payment obligation of the City shall continue until the principal of, interest on and other amounts due and payable on this Note, including, without limitation, all payments due under the Term Loan as described below, are paid in full.

The Bank shall give notice to the City by first class mail by deposit in the United States mail postage pre-paid and either by electronic mail or by facsimile, of the principal and interest amount owed to the Registered Owner on the Note on the 20th day of the month immediately prior to the Quarterly Payment Date provided, however, if such day is not a Business Day, notice shall be given on the immediately following Business Day and such invoice shall reflect interest accrued on the Note to but not including the Accrual Date (the "Accrual Date"), which is the 20th day of the month immediately preceding each Quarterly Payment Date. The interest payment due on each Quarterly Payment Date shall be interest on the Note to the Accrual Date immediately preceding the Quarterly Payment Date for the quarterly interest period beginning with the immediately preceding Accrual Date (and in the case of the first interest payment, from the Dated Date) and ending on such Accrual Date.

For the prompt payment of this Note, with interest thereon as aforesaid, and the levying and collection of taxes sufficient for that purpose, the full faith, credit and resources of the City of Milwaukee, Wisconsin, are hereby irrevocably pledged. This Note was issued pursuant to and in all respects in compliance with the provisions of Chapters 65 and 67, including particularly Section 67.12(12), of the Wisconsin Statutes, and acts supplementary thereto, the Charter of the City of Milwaukee, and resolutions duly adopted by the Common Council of the City.

**Authorization.** This Note is authorized to be issued by the Common Council of the City (the "Common Council") for its corporate purposes and is issued under and pursuant to the Constitution and laws of the State of Wisconsin under the Constitution of the State of Wisconsin and pursuant to a Resolution adopted by the Common Council on \_\_\_\_\_, 2013 (the "Resolution"). This Note is further issued pursuant to the provisions of a Line of Credit Agreement dated \_\_\_\_\_, 2013 (the "Agreement") between the City and PNC Bank, National Association (the "Bank"). All capitalized words and terms used herein but not defined herein shall have the respective meanings set forth for such words and terms in the Agreement.

**Advances.** This Note is authorized to be issued in the aggregate principal amount at any time of not to exceed \$50,000,000 to provide funds for the purpose of providing funds to finance the City's short-term cash flow needs, all in furtherance of the City's corporate purposes. This Note evidences a line of credit and Advances under this Note may be requested in writing by a Designated Official of the City in the form attached to the Agreement as Exhibit A and shall be paid as directed pursuant to such request and in accordance with the requirements of the Agreement. The Bank will have no obligation to advance funds on this Note to the City following the occurrence of an Event of Default or Termination Event pursuant to the Agreement. The City may borrow under this Note until the Maturity Date (\_\_\_\_\_). The Bank may terminate the Commitment upon the occurrence of an Event of Default or Termination Event. The City acknowledges and agrees that in no event will the Bank be under any obligation to extend or renew this Note beyond the Maturity Date. In no event shall the aggregate outstanding principal amount of advances made under this Note exceed the face amount of this Note.

The Bank will enter on its books and records, which entry when made will be presumed correct, the date and amount of each advance, as well as the date and amount of each payment made by the City.

The City may from time to time during the term of this Note borrow, reborrow and partially or wholly repay its outstanding borrowings, subject to all of the limitations, terms and conditions of this Note and of any document executed in connection with or governing this Note; provided however, that the total outstanding borrowings under this Note shall not at any time exceed \$50,000,000.

**Rate of Interest.** The principal amount outstanding under this Note will bear interest at a rate per annum (calculated on the basis of the actual number of days that principal is outstanding over a year of

360 days equal to the sum of (A) the Daily LIBOR Rate plus (B) fifty (50) basis points (0.50%) (the “**Applicable LIBOR**”). Notwithstanding the interest rate set forth in the preceding sentence and notwithstanding the Alternate Rate and the Default Rate as set forth below, the rate of interest applicable to this Note shall not exceed the Maximum Rate. For the purpose hereof, the following terms shall have the following meanings:

“**Base Rate**” shall mean the higher of (A) the Prime Rate, (B) the sum of the Federal Funds Open Rate plus fifty (50) basis points (0.50%), (C) the Daily LIBOR Rate plus one hundred (100) basis points (1.00%), and (D) 7.50%. If and when the Base Rate (or any component thereof) changes, the rate of interest with respect to any amounts hereunder to which the Base Rate applies will change automatically without notice to the City, effective on the date of any such change. Interest on Base Rate borrowings will be calculated based on the actual number of days that principal is outstanding over a year of 365 or 366 days, as the case may be.

“**Business Day**” means any day other than a Saturday or Sunday or a legal holiday on which commercial banks are authorized or required to be closed for business in New York, New York, Pittsburgh, Pennsylvania, or Milwaukee, Wisconsin.

“**Daily LIBOR Rate**” shall mean, for any day, the rate per annum determined by the Bank by dividing (A) the Published Rate by (B) a number equal to 1.00 minus the percentage prescribed by the Federal Reserve for determining the maximum reserve requirements with respect to any Eurocurrency fundings by banks on such day. The rate of interest will be adjusted automatically as of each Business Day based on changes in the Daily LIBOR Rate without notice to the City.

“**Federal Funds Open Rate**” shall mean, for any day, the rate per annum (based on a year of 360 days and actual days elapsed) which is the daily federal funds open rate as quoted by ICAP North America, Inc. (or any successor) as set forth on the Bloomberg Screen BTMM for that day opposite the caption “OPEN” (or on such other substitute Bloomberg Screen that displays such rate), or as set forth on such other recognized electronic source used for the purpose of displaying such rate as selected by the Bank (an “**Alternate Source**”) (or if such rate for such day does not appear on the Bloomberg Screen BTMM (or any substitute screen) or on any Alternate Source, or if there shall at any time, for any reason, no longer exist a Bloomberg Screen BTMM (or any substitute screen) or any Alternate Source, a comparable replacement rate determined by the Bank at such time (which determination shall be conclusive absent manifest error); provided however, that if such day is not a Business Day, the Federal Funds Open Rate for such day shall be the “open” rate on the immediately preceding Business Day. The rate of interest charged shall be adjusted as of each Business Day based on changes in the Federal Funds Open Rate without notice to the City.

“**Prime Rate**” shall mean the rate publicly announced by the Bank from time to time as its prime rate. The Prime Rate is determined from time to time by the Bank as a means of pricing some loans to its borrowers. The Prime Rate is not tied to any external rate of interest or index, and does not necessarily reflect the lowest rate of interest actually charged by the Bank to any particular class or category of customers.

“**Published Rate**” shall mean the rate of interest published each Business Day in the Wall Street Journal “Money Rates” listing under the caption “London Interbank Offered Rates” for a one month period (or, if no such rate is published therein for any reason, then the Published Rate shall be the eurodollar rate for a one month period as published in another publication selected by the Bank).

If the Bank determines (which determination shall be final and conclusive) that, by reason of circumstances affecting the eurodollar market generally, deposits in dollars (in the applicable amounts) are not being offered to banks in the eurodollar market for the selected term, or adequate means do not exist for ascertaining the Daily LIBOR Rate, then the Bank shall give notice thereof to the City. Thereafter, until the Bank notifies the City that the circumstances giving rise to such suspension no longer exist, the interest rate for all amounts outstanding under the Note shall be equal to (A) the Federal Funds Open Rate plus (B) fifty (50) basis points (0.50%) (the “**Alternate Rate**”).

In addition, if, after the date of this Note, the Bank shall determine (which determination shall be final and conclusive) that any enactment, promulgation or adoption of or any change in any applicable law, rule or regulation, or any change in the interpretation or administration thereof by a governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Bank with any guideline, request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency shall make it unlawful or impossible for the Bank to make or maintain or fund loans based on the Daily LIBOR Rate, the Bank shall notify the City. Upon receipt of such notice, until the Bank notifies the City that the circumstances giving rise to such determination no longer apply, the interest rate on all amounts outstanding under the Note shall be the Alternate Rate.

Interest will be calculated based on the actual number of days that principal is outstanding over a year of 360 days. In no event will the rate of interest hereunder exceed the Maximum Rate.

At the Maturity Date or date of a Termination Event and provided that no Event of Default has occurred and is continuing, principal amounts outstanding under this Note shall automatically convert to a term loan (the “**Term Loan**”). The term loan shall be evidenced by this Note. Principal on the Term Loan shall be payable in equal semiannual installments of principal commencing on the earlier of: (a) the date which is commensurate with the appropriation of the City’s succeeding fiscal year tax levy and (b) 12 months after the earlier of the Maturity Date or the date a Termination Event has occurred. The final principal installments due on the Term Loan shall be paid not later than two (2) years from the earlier of (a) the Maturity Date or (b) the date a Termination Event has occurred (the “**Term Loan Maturity Date**”).

The principal amount outstanding under this Note constituting the Term Loan will bear interest at a rate per annum (calculated on the basis of the actual number of days that principal is outstanding over a year of 360 days equal to the following, and subject to the Maximum Rate:

- (a) for the first six months of the Term Loan, the sum of (A) the Daily LIBOR Rate plus (b) seventy (70) basis points (0.70%);
- (b) for the second six month period of the Term Loan, the sum of (A) the Daily LIBOR Rate plus (b) eighty-five (85) basis points (0.85%);
- (c) for the third six month period of the Term Loan, the sum of (a) the Daily LIBOR Rate plus (b) one hundred ninety-five (195) basis points (1.95%); and
- (d) for the fourth six month period of the Term Loan, the sum of (a) the Daily LIBOR Rate plus (b) two hundred ninety-five (295) basis points (2.95%).

Interest shall be paid on the Term Loan quarterly in arrears on each April 1, July 1, October 1 and January 1 (“Quarterly Payment Date”) and on the date on which the final payment is due on the Term Loan. Interest for each quarterly period shall constitute interest on the Term Loan to but not including the

Accrual Date immediately preceding each Quarterly Payment Date for the quarterly interest period beginning with the immediately preceding Accrual Date.

It is understood that a grace period is provided for payment of principal and interest on the Note as set forth in Section 7.1(a) of the Agreement defined below (other than amounts due at accelerations) and that the Note shall not bear interest at the Default Rate for an interest installment or principal payment during the grace period for the interest installment or principal payment.

**Default Rate.** Upon maturity, whether by acceleration, demand or otherwise, and at the option of the Bank, with notice to the City pursuant to the terms of the Agreement, upon the occurrence of any Event of Default (as defined in the Agreement) and during the continuance thereof, amounts outstanding under this Note shall bear interest at a rate per annum which shall be three percentage points (3.00%) in excess of the Base Rate, in effect from time to time but not more than the Maximum Rate (the “**Default Rate**”). The Default Rate shall continue to apply whether or not judgment shall be entered on this Note. The Default Rate is imposed as liquidated damages for the purpose of defraying the Bank’s expenses incident to the handling of delinquent payments, but is in addition to, and not in lieu of, the Bank’s exercise of any rights and remedies hereunder, under the other Loan Documents (as defined below) or under applicable law, and any fees and expenses of any agents or attorneys which the Bank may employ. In addition, the Default Rate reflects the increased credit risk to the Bank of carrying a loan that is in default. The City agrees that the Default Rate is a reasonable forecast of just compensation for anticipated and actual harm incurred by the Registered Owner, and that the actual harm incurred by the Registered Owner cannot be estimated with certainty and without difficulty. The Agreement provides a grace period for the payment of interest and principal on this Note as set forth in the Agreement (other than upon acceleration) and the Default Rate shall not accrue during such grace period.

**Levy of Ad Valorem Taxes.** This Note shall be a direct and general obligation of the City and the full faith and credit of the City are hereby irrevocably pledged to the punctual payment of the principal of and interest on this Note. The City shall be obligated to levy ad valorem taxes upon all taxable property in the City for the payment of this Note and the interest thereon, without limitation as to rate or amount.

**Prepayment.** This Note shall be subject to prepayment prior to maturity without penalty, at the option of the City, without notice, at a prepayment price equal to 100% of the principal amount thereof being prepaid, together with accrued interest thereon to the prepayment date. This Note is an accelerable instrument and is subject to prepayment on acceleration by the Bank following the occurrence of an Event of Default (as defined in the Agreement).

The Registered Owner of this Note shall not be required to surrender this Note in connection with the payment or prepayment of all or any portion of the principal amount hereof.

**Other Loan Documents.** This Note is issued in connection with the Agreement, as well as the other agreements or documents executed and/or delivered in connection therewith or referred to therein, the terms of which are incorporated herein by reference (as amended, modified or renewed from time to time, the “**Loan Documents**”).

**Transfer of Note.** This Note may be transferred only by the Note Register in whole but not in part upon surrender hereof to the Note Registrar duly endorsed for transfer or accompanied by an assignment duly executed by the Registered Owner or his attorney or legal representative in such form as shall be satisfactory to the Note Registrar. The Registered Owner shall pay any resulting tax or other governmental charge.

**Incorporation of Agreement.** Reference is made hereby to the Agreement, a conformed copy of which is being held by the Paying Agent for a description of the provisions, among others, with respect to the nature and extent of the rights, duties, and obligations of said City, the Bank, the Note Registrar, the Paying Agent and the Registered Owner of this Note. The Registered Owner of this Note, by acceptance hereof, is deemed to have agreed and consented to the terms and provisions of the Agreement.

A direct annual irrepealable tax has been levied by the City sufficient to pay the interest on this Note when it falls due and also to pay and discharge the principal of this Note upon its maturity.

It is hereby certified, noted, and represented that all acts, conditions, and things required to be done, to happen and to exist, precedent to and in the issuance of this Note, in order to make the same legal, valid, and binding obligations of said City, have been done, have happened, and do exist in proper form, time, and manner, as required by law; that the aggregate indebtedness of the City, including this Note and other indebtedness authorized simultaneously herewith, does not exceed any limitation imposed by law or the Constitution of the State of Wisconsin.

IN TESTIMONY WHEREOF, the City of Milwaukee, Wisconsin, has caused this Note to be executed on its behalf by the manual or facsimile signature of its Mayor, and City Clerk, countersigned by the Comptroller under the manual or facsimile seal of said City, this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

ATTEST:

_____ Commissioner of the Public Debt	_____ Mayor
_____ Commissioner of the Public Debt	_____ City Clerk
_____ Commissioner of the Public Debt	_____ Comptroller



(FORM OF ASSIGNMENT)

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

\_\_\_\_\_  
(Please Print or Typewrite Name, Address and Social Security Number or Taxpayer Identification Number of Transferee)

the within mentioned Note and all rights thereunder, and hereby constitutes and appoints to transfer the within mentioned Note on the books kept for registration thereof, with full power of substitution in the premises.

Date: \_\_\_\_\_

NOTICE: No transfer will be registered and no new Note will be issued in the name of the transferee unless the signature(s) to this assignment correspond with the name as it appears upon the face of the within Note in every particular, without alteration or enlargement or any change whatever and the Social Security or Federal Employer Identification Number of the transferee is supplied.

Signature Guaranteed By:

\_\_\_\_\_  
(Eligible Guarantor Institution)

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

**SCHEDULE A**

**ADVANCES AND PAYMENTS OF PRINCIPAL**

<b><u>Date</u></b>	<b><u>Additions to Principal Amount</u></b>	<b><u>Principal Amount Paid</u></b>	<b><u>Outstanding Principal Amount</u></b>	<b><u>Authorized Signatory of Bank</u></b>
_____, 20__	\$	\$	\$	
_____, 20__				
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_____, 20__				
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