

## SERIES SUPPLEMENT FOR SERIES 2020 R3

THIS SERIES SUPPLEMENT FOR SERIES 2020 R3 (the “*Supplement*”) is entered into as of April 20, 2020 by and between the CITY OF MILWAUKEE, WISCONSIN (the “*City*”) and U.S. BANK NATIONAL ASSOCIATION (the “*Bank*”) pursuant to and to supplement and amend that Revolving Loan Agreement dated as of December 20, 2018 (the “*Agreement*”) in order to establish and provide the terms of the City of Milwaukee Tax Exempt General Obligation Promissory Notes Series 2020 R3 (the “*Series Notes*”). All capitalized terms used in this Supplement and not otherwise defined shall have the meaning provided in the Agreement. This Supplement together with the Agreement as amended, modified and supplemented by this Supplement constitute the governing document for the Series Notes and the Series hereby established. In that regard the City and the Bank hereby agree as follows:

**Section 1. Definitions.** With respect to the Series described in this Supplement, the following terms shall have meanings set for the below:

“*Issue Date*” means, for the Series Notes, April 20, 2020.

“*Maximum Federal Corporate Tax Rate*” means the maximum rate of income taxation imposed on corporations pursuant to Section 11(b) of the Internal Revenue Code, as in effect from time to time or, if as a result of a change in the Internal Revenue Code the rate of income taxation imposed on corporations generally shall not be applicable to the Bank, the maximum statutory rate of federal income taxation which could apply to the Bank. As of the Issue Date, the Maximum Federal Corporate Tax Rate is 21%.

“*Maturity Date*” means January 29, 2021.

“*Series Notes*” means the City of Milwaukee Tax Exempt General Obligation Promissory Notes Series 2020 R3.

“*Taxable Rate*” means an interest rate per annum equal to the product of the Interest Rate on the Series Notes then in effect multiplied by the quotient of (a) one divided by (b) one minus the Maximum Federal Corporate Tax Rate in effect on the date of calculation.

### **Section 2. Terms of the Series Notes.**

(a) ***Commitment.*** The aggregate Commitment for the Series is \$120,000,000. On the Issue Date, upon satisfaction of the conditions set forth in the Agreement, the Bank shall advance the entire amount of the Commitment to the City as a single Loan under the Series Notes. No Draw Notice shall be required in connection with such advance. Upon making such advance the Commitment will terminate. Amounts loaned under the Series Notes and repaid may not be reborrowed.

(b) ***Tax Treatment and Interest Rate.*** The Series Notes shall be Tax Exempt Notes evidencing a Tax Exempt Loan. The Series Notes shall bear interest at a per annum

rate of interest (the “Interest Rate”), initially 1.35%, found on the Level in the grid below on which the applicable General Obligation Debt Rating (determined as provided in this paragraph) is found. The Interest Rate will be increased or reduced upon any downgrade or upgrade of a General Obligation Debt Rating and (i) if the General Obligation Debt Ratings assigned by two or all three of the Rating Agencies are on the same Level, the Interest Rate will be the interest rate on the Level on which the General Obligation Debt Ratings assigned by such two or three Rating Agencies, as applicable, are found, (ii) if the General Obligation Debt Ratings are assigned by all three of the Rating Agencies and each rating is on a different Level, the Interest Rate will be the interest rate on the Level on which the middle of the three ratings is found and (iii) if only two Rating Agencies assign General Obligation Debt Ratings and the two ratings are on different Levels, the Interest Rate will be the interest rate on the Level on which the lower of the two ratings is found. Upon the occurrence of a Termination Event (which includes a General Obligation Debt Rating being reduced to or below Baa2, BBB or BBB by any one Rating Agency or being suspended or withdrawn by any one Rating Agency for credit related reasons), the interest rate on the Series Notes shall equal the Default Rate. On and after the Taxable Date, the Interest Rate shall equal the Taxable Rate, as defined in this Supplement.

<b>Level</b>	<b>Moody’s Rating</b>	<b>S&amp;P Rating</b>	<b>Fitch Rating</b>	<b>Interest Rate</b>
1	Aa3 or higher	AA- or higher	AA- or higher	1.35%
2	A1	A+	A+	1.55%
3	A2	A	A	1.75%
4	A3	A-	A-	2.00%
5	Baa1	BBB+	BBB+	2.50%
6	Baa2 or below	BBB or below	BBB or below	Default Rate

The term “Rating” as used above means the General Obligation Debt Ratings assigned by Moody’s, S&P or Fitch (each, a “*Rating Agency*” and collectively, the “*Rating Agencies*”), as applicable. The determination of a Rating and its impact, if any, on the Interest Rate will, for purposes of this definition, be the date on which the rating agency in question shall have publicly announced a change in the General Obligation Debt Rating.

References to the ratings above are to rating categories as determined by Moody’s, Fitch or S&P as of the Issue Date and, in the event of the adoption of any new or changed rating system by such rating agency, including, without limitation, any recalibration or realignment of the General Obligation Debt Rating in connection with the adoption of a “global” rating scale, the ratings from the rating agency in question referred to above shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category in effect on the Issue Date.

(c) **Issuance Date.** The Issuance Date for the Series Notes is April 20, 2020. On or before such Issuance Date all conditions set forth in Sections 4.01 and 4.02 of the Agreement with respect to the Series shall be satisfied. Upon satisfaction of such conditions the Bank shall be committed to make an advance under the Series Notes in an aggregate amount equal to the Commitment in accordance with the terms of the Agreement.

(d) **Maturity.** The Series Notes shall mature on the Maturity Date. Notwithstanding anything in the Agreement to the contrary, including, without limitation, Section 2.06, all outstanding principal and interest on the Series Notes shall be due and payable in full on the Maturity Date. No Amortization Period shall be applicable to the Series Notes.

(e) **Commitment Fee.** Since there will be no Undrawn Amount under this Supplement, the commitment fee (“*Commitment Fee*”) for the Series Notes is \$0.

(f) **Purpose of Loan.** Amounts advanced under the Series Notes may only be used to fund expenditures authorized by the Resolution, and covered by an opinion of Bond Counsel that such expenditures are qualified expenditures of a tax exempt issue.

**Section 3. Conditions.** On or prior to the Issue Date all conditions set forth in Section 4.01 and 4.02 of the Agreement shall be satisfied with respect to the Agreement and the Series.

**Section 4. Miscellaneous Provision.**

(a) **Agreement.** The Agreement is hereby amended to the extent provided in this Supplement to provide for the terms of the Series and, except as specifically provided herein, the Agreement shall remain in full force and effect in accordance with its terms.

(b) **Governing Law.** This Supplement shall be governed by Section 9.11 of the Agreement.

(c) **Section Headings.** Section heading in this Supplement are included herein for convenience of reference only and shall not have any effect for purposes of interpretation or construction of the terms of this Supplement.

(d) **Counterparts.** This First Amendment may be signed in any number of counterpart copies, and all such copies shall constitute one and the same instrument.

(e) **Representations.** Each party hereto represents and warrants to the other that this Supplement has been duly authorized and validly executed by it and that the Agreement as hereby amended, modified and supplemented constitutes its valid obligation, enforceable in accordance with its terms, except to the extent that the enforceability thereof may be limited by bankruptcy, insolvency or other laws affecting creditors’ rights generally and subject to the application of general principles of equity including but not limited to the right of specific performance. Further, the City represents and warrants that its representations and warranties made in the Agreement are true and correct on the date

hereof as if made on such date and no Termination Event and no event which, with the giving notice or the passage of time or both, would constitute a Termination Event has occurred under the Agreement.

(f) **Severability.** In case any one or more of the provisions contained herein should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired hereby.

(g) **Electronic Signatures.** The parties agree that the electronic signature of a party to this Supplement (or any amendment or supplement of this Supplement) shall be as valid as an original signature of such party and shall be effective to bind such party to this Supplement. The parties agree that any electronically signed document (including this Supplement) shall be deemed (i) to be “written” or “in writing,” (ii) to have been signed, and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. For purposes hereof, “electronic signature” means a manually signed original signature that is then transmitted by electronic means; “transmitted by electronic means” means sent in the form of a facsimile or sent via the Internet as a pdf (portable document format) or other replicating image attached to an e mail message; and, “electronically signed document” means a document transmitted by electronic means and containing, or to which there is affixed, an electronic signature. Paper copies or “printouts”, if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule.

## **Section 5. Special Provisions.**

(a) **Restriction on Prepayments.** Notwithstanding Section 2.05 of the Agreement, the City may not prepay amounts outstanding under the Series Notes prior to December 1, 2020.

(b) **Permitted Prepayment.** On and after December 1, 2020, the City may prepay the amounts outstanding under the Series Notes pursuant to the process set forth in Section 2.05 of the Agreement. Interest accrued on any principal of the Series Notes being prepaid shall be due on and payable on the date such principal is prepaid.

(c) **Security.** The Series Notes constitute General Obligation Debt and are also secured by a pledge by the City of certain revenues described in and pledged pursuant to Common Council Resolution File No. 191402 adopted by City on January 21, 2020 (the “Pledged Revenues”).

*[Remainder of page intentionally left blank; signatures on next page.]*

IN WITNESS WHEREOF, the parties hereto have caused this Supplement to be duly executed as of the date first above written.

**CITY OF MILWAUKEE**

\_\_\_\_\_  
Mayor

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

COUNTERSIGNED:

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

Approved as to form, content and execution.  
This \_\_\_\_ day of \_\_\_\_\_, 2020.

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

**U.S. BANK NATIONAL ASSOCIATION**

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