

\$6,660,000
City of La Crosse, Wisconsin
Industrial Development Revenue Bonds, Series 2017
(DuraTech Industries, Inc. Project)

FIRST AMENDMENT TO BOND AGREEMENT

This First Amendment to Bond Agreement (the “Amendment”) is made and entered into as of September 18, 2017 by and among the CITY OF LA CROSSE, WISCONSIN (the “Issuer”), COMMERCIAL PROPERTIES PARTNERS, LLC, as Wisconsin limited liability company (“CPP”), DURATECH INDUSTRIES, INC., a Wisconsin corporation (“DuraTech” and collectively with CPP, the “Borrower”), BMO HARRIS BANK N.A., as trustee (the “Trustee”), and BMO HARRIS BANK N.A., as purchaser (the “Original Purchaser”), in conjunction with the \$6,660,000 City of La Crosse, Wisconsin Industrial Development Revenue Bonds, Series 2017 (DuraTech Industries, Inc. Project) (the “Bonds”).

RECITATIONS:

WHEREAS, the Bonds were issued on April 7, 2017 pursuant to a Bond Agreement dated as of April 1, 2017 by and among the Issuer, the Borrower, the Original Purchaser, and the Trustee (as amended by this Amendment, the “Bond Agreement”);

WHEREAS, the Original Purchaser is the owner of 100% of the Bonds, and the outstanding principal balance as of the date of this Amendment is \$6,660,000;

WHEREAS, the Borrower and the Original Purchaser have agreed to modify certain of the terms and provisions of the Bond Agreement and the Bonds;

WHEREAS, to give effect to such modifications, the Borrower and the Original Purchaser have requested that the Issuer amend the Bond Agreement and amend its \$6,660,000 Industrial Development Revenue Bonds, Series 2017 (DuraTech Industries, Inc. Project) (the “Amended Bonds”); and

WHEREAS, Section 10.02 of the Bond Agreement provides that the Bond Agreement may be amended with the consent of the Borrower and approved by requisite consent of the bondowners, and the Borrower and the Original Purchaser (as the sole bondowner under the Bond Agreement) have given such consent as evidenced by their respective signatures to this Amendment.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Issuer, the Borrower, the Original Purchaser and the Trustee hereby amend the Bond Agreement as follows:

1. Amendment to Section 2.03 of Bond Agreement. Effective as of April 7, 2017, Section 2.03 of the Bond Agreement shall be replaced in its entirety as follows:

“Section 2.03 – Interest on the Bonds.

(a) Commencing on the Original Issue Date through December 31, 2017, the Bonds shall bear interest at a variable rate, adjusted monthly, calculated pursuant to the following formula:

$$(\text{LIBOR Rate} \times \text{Tax-Exempt Multiplier}) + \text{Credit Spread}$$

(b) Commencing on January 1, 2018 through April 1, 2047, the Bonds shall bear interest at a rate selected by the Borrower with the consent of the Original Purchaser, which shall be reset on each Reset Date thereafter for such Reset Period, equal to:

(i) A variable rate equal to:

$$(\text{LIBOR Rate} \times \text{Tax-Exempt Multiplier}) + \text{Credit Spread}$$

- OR -

(ii) A fixed rate equal to:

$$(\text{3-year LIBOR Swap Rate} \times \text{Tax-Exempt Multiplier}) + \text{Credit Spread}$$

-OR-

$$(\text{5-year LIBOR Swap Rate} \times \text{Tax-Exempt Multiplier}) + \text{Credit Spread}$$

-OR-

$$(\text{7-year LIBOR Swap Rate} \times \text{Tax-Exempt Multiplier}) + \text{Credit Spread}$$

-OR-

$$(\text{10-year LIBOR Swap Rate} \times \text{Tax-Exempt Multiplier}) + \text{Credit Spread}$$

The Borrower shall have the option to convert from a variable rate to a fixed rate, for the remainder of such Reset Period, equal to the rate determined according to the above fixed rate formula as selected by the Borrower in writing and accepted by the Original Purchaser.

The Bonds, if bearing interest at the variable rate, shall bear interest at the rate determined according to the above variable rate formula, adjusted monthly, during such Reset Period.

The Bonds, if bearing interest at the fixed rate, shall bear interest at the rate determined according to the above fixed rate formula as selected by the Borrower in writing and accepted by the Original Purchaser and delivered to the Trustee not less than 30 days prior to the next succeeding Reset Date (provided that if no election is made by the Borrower during such notice period, then the Borrower shall be deemed to have made an election at the variable rate), which election shall be irrevocable, for such Reset Period for the duration of such Reset Period. Such fixed rate shall be

determined not less than two (2) nor more than three (3) Business Days prior to the end of the applicable Reset Period. Notwithstanding the foregoing, the interest rate on the Bonds shall never exceed the Maximum Rate.

(c) The following definitions are applicable to the foregoing formulas and to the remainder of this Section 2 and Section 8:

(i) “3-Year LIBOR Swap Rate” means the International Swaps and Derivatives Association (ISDA) mid-market par interest rate swap rates as most recently published by the Board of Governors of the Federal Reserve System, Published in Release H.15 (currently available at www.federalreserve.gov/releases/h.15/update) for three (3) years determined two Business Days prior to the applicable Reset Date; provided, however, that if such rate is not available on H.15 then such offered rate shall be otherwise independently determined by the Original Purchaser from an alternate, substantially similar independent source available to the Original Purchaser. Each determination of the 3-Year LIBOR Swap Rate made by Original Purchaser shall be final and conclusive, absent manifest error.

(ii) “5-Year LIBOR Swap Rate” means the International Swaps and Derivatives Association (ISDA) mid-market par interest rate swap rates as most recently published by the Board of Governors of the Federal Reserve System, Published in Release H.15 (currently available at www.federalreserve.gov/releases/h.15/update) for five (5) years determined two Business Days prior to the applicable Reset Date; provided, however, that if such rate is not available on H.15 then such offered rate shall be otherwise independently determined by the Original Purchaser from an alternate, substantially similar independent source available to the Original Purchaser. Each determination of the 5-Year LIBOR Swap Rate made by Original Purchaser shall be final and conclusive, absent manifest error.

(iii) “7-Year LIBOR Swap Rate” means the International Swaps and Derivatives Association (ISDA) mid-market par interest rate swap rates as most recently published by the Board of Governors of the Federal Reserve System, Published in Release H.15 (currently available at www.federalreserve.gov/releases/h.15/update) for seven (7) years determined two Business Days prior to the applicable Reset Date; provided, however, that if such rate is not available on H.15 then such offered rate shall be otherwise independently determined by the Original Purchaser from an alternate, substantially similar independent source available to the Original Purchaser. Each determination of the 7-Year LIBOR Swap Rate made by Original Purchaser shall be final and conclusive, absent manifest error.

(iv) “10-Year LIBOR Swap Rate” means the International Swaps and Derivatives Association (ISDA) mid-market par interest rate swap rates as most recently published by the Board of Governors of the Federal Reserve System, Published in Release H.15 (currently available at www.federalreserve.gov/releases/h.15/update) for ten (10) years determined two Business Days prior to the applicable Reset Date; provided, however, that if such rate is not available on H.15 then such offered rate shall be otherwise independently determined by the Original Purchaser from an alternate, substantially similar independent source available to the Original Purchaser. Each determination of the 10-Year LIBOR Swap Rate made by Original Purchaser shall be final and conclusive, absent manifest error.

(v) “Credit Spread” means initially (a) 1.48% or (b) such other Credit Spread as determined by the Original Purchaser for a similarly situated borrower as the Borrower based on the Original Purchaser’s then-current underwriting standards, and with credit committee oversight, including, without limitation, factors such as the current credit profile, market conditions and current and historical operating performance and which Credit Spread in the opinion of Bond Counsel will not adversely affect any exemption from federal income taxation to which the Bonds would otherwise be entitled; *provided, however*, that if at any time the Borrower’s Debt Service Coverage Ratio (as defined in the Credit Agreement) falls below 1.40, the Credit Spread shall be increased by 50 basis points.

(vi) “LIBOR Rate” means the one-month London Interbank Offered Rate (LIBOR) as reported on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the Original Purchaser from time to time) as reported two London Business Days prior to the fifteenth day of such month, unless such rate is no longer available or published, in which case such rate shall be at a comparable index rate selected by the Original Purchaser with notice to the Borrower, provided that in no event shall the “LIBOR Rate” be less than 0.00%. The Original Purchaser shall determine the interest rate applicable to the Bonds based on the foregoing, and its determination thereof shall be conclusive and binding except in the case of manifest error.

(vii) “Maximum Rate” means twenty percent (20%) per annum.

(viii) “Put Date” means January 1, 2028 and each applicable Reset Date thereafter.

(ix) “Reset Date” means the first day of each Reset Period.

(x) “Reset Period” means each period of three (3), five (5), seven (7) or ten (10) years from each Reset Date, as selected by the Borrower, through the day immediately preceding the next Reset Date or the maturity date of the Bonds (as applicable).

(xi) “Tax-Exempt Multiplier” means the tax-exempt multiplier determined from time to time by the Original Purchaser or as modified by change in law as shown on its internal pricing sheets for tax-exempt interest rates which are not bank-qualified pursuant to Section 265 of the Code; the initial Tax-Exempt Multiplier shall be 74%.

(d) The Original Purchaser shall provide the Borrower and the Trustee with such information as to historical and current interest rates as the Borrower and the Trustee shall reasonably request from time to time.

(e) All determinations of the interest rate hereunder shall be final and conclusive absent manifest error.

(f) Interest on the Bonds shall be payable on the fifteenth day of each month, commencing on May 15, 2017. Interest on the Bond is computed on a 360-day year, actual days elapsed; that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under the Bond is computed using this method. This calculation method results in a higher effective interest rate than the numeric interest rate stated in the Bond.

Interest shall accrue only on principal amounts actually deposited and from the date such amounts are actually deposited into the Project Fund pursuant to Section 3.01 of the Bond Agreement, until disbursed from the Project Fund pursuant to Section 4.02 of the Bond Agreement.

(g) In the event of a change in the Corporate Tax Rate (as hereinafter defined) during any period where interest is accruing on a tax-exempt basis causes a reduction in the tax equivalent yield on the Bonds, the interest payable on the Bonds would be increased to compensate for such change in the effective yield to a rate calculated by multiplying the bond interest rate by the ratio equal to $(1 \text{ minus } A) \text{ divided by } (1 \text{ minus } B)$, where A equals the Corporate Tax Rate in effect as of the date of the corporate tax rate adjustment as announced by the IRS and B equals the Corporate Tax Rate in effect on the date of the original issuance of the Bonds. The Corporate Tax Rate would mean the highest marginal statutory rate of federal income tax imposed on corporations organized in the United States applicable to the Original Purchaser (expressed as a decimal).

(h) Overdue principal and interest on the Bonds shall (to the extent legally enforceable) bear interest at the Default Rate. Any interest on any Bond which is payable, but is not punctually paid or duly provided for, may be paid in any lawful manner, at the discretion of the Trustee. All unpaid principal and interest shall be paid on April 1, 2047.”

2. Amendment of Bonds.

a. The Amended Bonds shall be amended in the form attached hereto as Exhibit A. The Amended Bonds shall be executed in the manner set forth in Section 2.15 of the Bond Agreement and authenticated as provided in Section 2.16 of the Bond Agreement.

b. Upon execution of this Amendment, the Original Purchaser shall surrender the Bonds and the Trustee shall deliver the duly executed and authenticated Amended Bonds to the Original Purchaser.

3. Terms of Bond Agreement Remain in Effect Except as Amended. Except as specifically amended by this Amendment, the terms and provisions of the Bond Agreement and the Amended Bonds issued pursuant thereto shall remain in full force and effect.

4. Representations and Warranties of the Borrower. The Borrower hereby represents and warrants that:

a. All of the representations and warranties made by the Borrower in the Bond Agreement are true and correct on the date of this Amendment;

b. No Default or Event of Default under the Bond Agreement has occurred and is continuing as of the date of this Amendment;

c. The making, execution and delivery of this Amendment and performance of and compliance with the terms of the Bond Agreement (as amended by this Amendment) have been duly authorized by the Borrower; and

d. The Borrower’s consent, pursuant to Section 10.03 of the Bond Agreement, to the amendment of the Bond Agreement by this Amendment, is evidenced by the Borrower’s execution of this Amendment.

5. Representations and Warranties of the Original Purchaser. The Original Purchaser hereby represents and warrants that:

- a. Original Purchaser is the lawful holder of all (100%) of the Amended Bonds issued pursuant to the Bond Agreement;
- b. Original Purchaser hereby waives notice as required under Section 10.02 of the Bond Agreement;
- c. Original Purchaser's making, execution and delivery of this Amendment has been duly authorized by all necessary action by Original Purchaser; and
- d. Original Purchaser's consent, pursuant to Section 10.02 of the Bond Agreement, to the amendment of the Bond Agreement by this Amendment, is evidenced by the Original Purchaser's execution of this Amendment.

6. Representations and Warranties of the Trustee. The Trustee hereby represents and warrants that:

- a. Trustee has accepted and hereby reaffirms acceptance of the powers and duties of the Trustee as set forth in Article VII of the Bond Agreement; and
- b. Trustee's making, execution and delivery of this Amendment has been duly authorized by all necessary action by Trustee.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the undersigned have caused this First Amendment to Bond Agreement to be executed all as of the date first above written.

CITY OF LA CROSSE, WISCONSIN

By: _____
Timothy Kabat, Mayor

By: _____
Teri Lehrke, City Clerk

COMMERCIAL PROPERTIES PARTNERS, LLC

By: Pretasky Enterprises, LLC, its Sole Member

By: _____
David H. Pretasky, Managing Member

DURATECH INDUSTRIES, INC.

By: _____
Peter L. Johnson, President

BMO HARRIS BANK N.A., as Original Purchaser

By: _____
Name: _____
Title: _____

BMO HARRIS BANK N.A., as Trustee

By: _____
Name: _____
Title: _____

EXHIBIT A
FORM OF AMENDED BOND

[SEE ATTACHED]