

AMENDMENT NO. 3

dated as of December 23, 2011

to the

STANDBY BOND PURCHASE AGREEMENT

dated as of December 23, 2003,

among

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY,

and

FEDERAL HOME LOAN BANK OF CHICAGO,

and

**WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Trustee**

\$24,860,000

**Wisconsin Housing and Economic Development Authority
Housing Revenue Bonds
2003 Series A, B, D, and E**

AMENDMENT NO. 3, dated as of December 23, 2011 (this “Amendment”) to that certain Standby Bond Purchase Agreement dated as of December 23, 2003, among the Wisconsin Housing and Economic Development Authority, a body politic and corporate of the State of Wisconsin (the “Authority”), the Federal Home Loan Bank of Chicago, a United States banking corporation, as provider of the Agreement, and its successors (the “Bank”), and Wells Fargo Bank, National Association, as trustee (the “Trustee” (the “Original Agreement”), as amended by Amendment No. 1 dated as of December 23, 2008 (“Amendment No. 1”), and as further amended by Amendment No. 2 dated as of January 23, 2009 (“Amendment No. 2”). The Original Agreement, together with Amendment No. 1 and Amendment No. 2 are referred to as the “Agreement”.

RECITALS:

A. The Authority, the Bank, and the Trustee entered into the Agreement, pursuant to which the Bank provides liquidity in the event that variable rate bonds issued by the Authority from one or more series of bonds (the “Bonds”) are unable to be remarketed. The Bonds covered by the Agreement include 2003 Series A (Variable Rate Demand Bonds Due May 1, 2034), Series B (Variable Rate Demand Bonds Due May 1, 2034), Series D (Variable Rate Demand Bonds Due May 1, 2044), and Series E (Variable Rate Demand Bonds Due May 1, 2043), which were issued by the Authority under its Housing Revenue Bond Resolution, adopted by the Authority on March 12, 1974, as amended and restated on March 15, 2002 and supplemented to the date hereof. The Expiration Date of the Original Agreement was December 23, 2008 and the December 23, 2011 by Amendment No. 2.

B. Section 8.7 of the Agreement provides that if the Bank does not notify the Authority, the Trustee, and the Remarketing Agent in writing of its intention to terminate the Agreement at least 60 days prior to the Expiration Date (and thereby the Commitment Period) of the Agreement, then the Expiration Date will be automatically extended on the same terms and conditions for a period of one (1) year. The Bank did not provide such a notice within the 60-day period prior to the Expiration Date. However, rather than extend the term of the Agreement for one additional year, the Authority has requested that the Bank extend the Agreement for a period of three (3) years on the revised terms and conditions set forth in this Amendment.

C. Except as otherwise defined in this Amendment, defined terms shall have the meaning given to them in the Agreement or a Related Document, if applicable.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration (the receipt and sufficiency of which are hereby irrevocably acknowledged), the parties agree as follows:

(1) **Amendments.** The Agreement is hereby amended as follows:

(a) Section 1.1, **Definitions.** is amended by revising the definitions as follows:

“**Automatic Termination Event**” is amended in its entirety to read:

“Automatic Termination Event” means any of those Events of Default described in Section 7.1(a), 7.1(f) (provided, however that for purposes of determining whether an Automatic Termination Event has occurred, the amount of the judgment or order shall be \$5,000,000 or more), or 7.1(g), or the occurrence of either of the following: (i) WHEDA or any agency, official, or court having authority over WHEDA shall repudiate or otherwise invalidate WHEDA’s obligations on the Bonds or under the Agreement; or (ii) the Bonds shall be rated below BBB- by S&P and below Baa3 by Moody’s, or the Bonds shall become unrated.

“Available Interest Commitment” is amended by deleting “\$1,319,327” and substituting therefor “\$1,266,838.”

“Available Principal Commitment” is amended by deleting “\$25,890,000” and substituting therefor “\$24,860,000.”

“Default Rate” is amended in its entirety to read:

“Default Rate” means the Prime Rate from time to time in effect plus three percent (3.00%).

“Expiration Date” is amended by deleting “December 23, 2011” and substituting therefor “December 23, 2014”.

“Interest Period” is deleted in its entirety and the following substituted therefor:

“Interest Period” means the period (i) initially commencing on (and including) a Bank Purchase Date and ending on (but excluding) the date that is three (3) months thereafter (a “Purchased Bond Interest Payment Date”) and (ii) then commencing on (and including) each subsequent Purchased Bond Interest Payment Date and ending on (but excluding) the date that is three (3) months thereafter; provided, however, that if such Interest Period would end on a Purchased Bond Interest Payment Date that is not a Business Day, such Interest Period shall end on the next following Business Day (unless such next following Business Day is the first Business Day of a calendar month, in which case such Interest Period shall end on the Business Day next preceding such day); and provided, further, that no Interest Period may end later than the Expiration Date.

The definition of “LIBOR Rate” is deleted in its entirety.

A new definition of “Prime Rate” is added to Section 1.1 as follows:

“Prime Rate” means the rate published from time to time as the prime rate on the Federal Reserve Statistical Release H.15 (calculated on a basis of a year of 360 days), as determined by the Bank on a daily basis.

- (b) Section 2.5(a), Commitment Fee, is amended by deleting “at the rate of [REDACTED] in line 2 carried over to line 3 and substituting therefor “at the rate of [REDACTED].
- (c) Section 3.1(a), Purchased Bond Rate, is amended by deleting “LIBOR Rate plus one-half of one percent (0.50%)” in line 6 and substituting therefor “Prime Rate plus one percent (1.00%)”.
- (d) Section 3.2(a)(iii), Payment of Interest, is amended by deleting “Interest Payment Date” in line 7 carried over to line 8 and substituting therefor “the last day of each Interest Period”.
- (e) Section 3.2(b), Maturity and Redemption of Purchased Bonds, is amended by replacing the first sentence thereof with the following sentence:
“Notwithstanding anything to the contrary contained in the Bonds, the Authority agrees that any Purchased Bond that has not been remarketed within 60 days (which may be extended to 90 days upon written notice by the Authority to the Bank prior to the expiration of the 60-day period) following the Bank Purchase Date with respect thereto shall become an Amortizing Purchased Bond.”
- (f) Section 8.9(g), Notices, is amended by replacing the notice address for the Bank with the following:

Federal Home Loan Bank of Chicago
200 East Randolph Drive, Suite 1800
Chicago, Illinois 60601
Attention: Members and Markets/Kalyan Madhavan
Telephone: (312) 552-1202
Facsimile: (312) 565-5688

(2) **Conditions Precedent.** It shall be a condition precedent to the Bank's obligation to enter into this Amendment that the Bank shall have received on or prior to December 23, 2011 the following, which shall be in form and substance satisfactory to the Bank and dated as of December 23, 2011:

- (a) True and complete executed originals of this Amendment;
- (b) A certificate of the Authority stating that (i) the representations and warranties of the Authority herein are true and correct on and as of

December 23, 2011, (ii) no Default, Event of Default, or Automatic Termination Event has occurred and is continuing, and (iii) that the Bond Insurance Policy remains in full force and effect;

- (c) Favorable opinions of the general counsel to the Authority as to the due execution, validity and enforceability of this Amendment; and
- (d) That the following shall have occurred on or before December 23, 2011:
 - (i) Payment by the Authority of fees and disbursements of counsel to the Bank, which shall not exceed [REDACTED]; and
 - (ii) There shall have been no material adverse change in the Authority's financial condition and operations from that reflected in the Authority's consolidated financial statements for the fiscal year ended June 30, 2011.

(3) Each party represents to the other party that all representations, warranties and covenants contained in the Agreement applicable to the Amendment are true and accurate as of the date of this Amendment and that such representations, warranties and covenants are deemed to be given or repeated by each party, as the case may be, on the date of this Amendment, and with respect to the Agreement as amended hereby.

(4) All other provisions of the Agreement shall remain in full force and effect upon approval of this Amendment, except as may otherwise be agreed to in writing by the parties.

(5) This Amendment constitutes the entire agreement and understanding of the parties with respect to its subject matter and supersedes all oral communications and prior writings (except as otherwise provided herein) with respect thereto.

(6) No amendment, modification or waiver in respect of the matters contemplated by this Amendment shall be effective unless made in accordance with the terms of the Agreement.

(7) This Amendment may be executed and delivered in counterparts, each of which will be deemed an original and all of which shall constitute but one and the same instrument.

(8) This Amendment shall be governed by and construed in accordance with the internal laws of the State of Wisconsin, without regard for the principles of choice of law.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 3 to the Standby Bond Purchase Agreement to be duly executed by their duly authorized officers, all as of the day and year first above written.

**WISCONSIN HOUSING AND ECONOMIC
DEVELOPMENT AUTHORITY**

By: 

Name: Wyman B. Wustan
Title: Executive Director

FEDERAL HOME LOAN BANK OF CHICAGO

By: _____

Name: Sanjay K. Bhasin
Title: Executive Vice President

**WELLS FARGO BANK, NATIONAL
ASSOCIATION**

By: _____

Name:
Title

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Title:

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By: 
Name: Sanjay K. Bhasin
Title: Executive Vice President

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By: _____
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Title:

FEDERAL HOME LOAN BANK OF CHICAGO

By: _____
Name: Sanjay K. Bhasin
Title: Executive Vice President

**WELLS FARGO BANK, NATIONAL
ASSOCIATION**

By: 
Name:
Title: Dawn L. Hill
Vice President