

**MATC Vision**

**MATC is the premier, comprehensive technical college  
that provides excellence in education  
to enrich, empower, and transform lives.**

July 10, 2014

NOTICE TO RESIDENTS OF THE MILWAUKEE AREA  
TECHNICAL COLLEGE DISTRICT, WISCONSIN

**THE ANNUAL ORGANIZATIONAL MEETING\* OF THE MILWAUKEE AREA  
TECHNICAL COLLEGE DISTRICT BOARD, WISCONSIN**, will be held on  
**MONDAY, JULY 14, 2014**, beginning at **5:00 P.M.** in the **BOARD ROOM, ROOM  
M210**, of **MILWAUKEE AREA TECHNICAL COLLEGE, 700 WEST STATE  
STREET, MILWAUKEE, WISCONSIN**, to consider items set forth on the agenda of  
said meeting as presented here.

A. Roll Call

B. Compliance with the Open Meetings Law

C. Election of Officers

1. Chairperson
2. Vice Chairperson
3. Secretary
4. Treasurer

D. 2014-15 Board Committees Appointments\*\*

E. 2014-15 Selection of Wisconsin Technical College District Boards Association  
Representatives\*\*

F. 2014-15 Board Representatives to Associated Groups\*\*

G. 2014-15 Board Meeting Schedule

**H. Action Item**

H-1 Resolution (BD0022-7-14) Authorizing the Sale of \$1,500,000.00 General  
Obligation Promissory Notes, Series 2014-2015B of Milwaukee Area  
Technical College District, Wisconsin

I. Adjournment

- \* This meeting may be conducted in part by telephone. Several participants in the meeting may participate by telephone. Telephone speakers will be available to allow the public to hear those parts of the proceedings that are open to the public.
  
- \*\* Assignments will be announced at the August 26, 2014, regular board meeting.

*Reasonable accommodations are available through the ADA Office for individuals who need assistance. Please call 414-297-6610 to schedule services at least 48 hours prior to the meeting.*



### **C. ELECTION OF BOARD OFFICERS**

According to Wisconsin Statutes 38.08(3), the MATC District Board shall elect from among its members a Chairperson, Vice Chairperson, Secretary, and Treasurer.

According to Policy A0107, the MATC District Board shall conduct election of officers in the following order:

Chairperson

Vice Chairperson

Secretary

Treasurer



#### **D. BOARD COMMITTEES APPOINTMENTS**

At the present time, the board has three standing committees defined under Policy A0111. They are:

**Education, Services, and Institutional Relations Committee**

**Finance, Personnel, and Operations Committee**

**Public Television Committee**

Committee preference sheets will be distributed to board members to be used by the Chairperson when determining committee assignments.



**E. 2014-2015 SELECTION OF WISCONSIN TECHNICAL COLLEGE DISTRICT BOARDS ASSOCIATION REPRESENTATIVES**

WTC-DBA Board of Directors Delegate (one-year term)

Legislative Committee

Human Resources Committee

Program Committee

Marketing/Public Relations & Awards Committee

Interdistrict/Interagency Cooperation Committee

Bylaws, Policies & Procedures Committee

Committee preference sheets will be distributed to board members to be used by the Chairperson when determining committee assignments.



**F. 2014-2015 BOARD REPRESENTATIVES TO ASSOCIATED GROUPS**

Board Representative for Social Development Commission

Board Delegate to Association of Community College Trustees

Board Representative for MATC Foundation

Board Representative to MATC Legislative Task Force

Committee preference sheets will be distributed to board members to be used by the Chairperson when determining committee assignments.



## **G. Board Meeting Schedule**

1. The board will continue to operate with a committee structure. At its first meeting, each committee will establish a meeting date and time to be adhered to each month. Currently the committee meetings are held the week prior to the board meeting.
2. The board meets regularly once a month. Meeting dates will be determined at the Organizational Meeting.
3. Currently board meetings are held on the fourth Tuesday of each month at 5:00 p.m. and are scheduled in the Board Room on the Downtown Milwaukee Campus. The board is normally scheduled to recess in July. The board can and may change the meeting time for the new fiscal year.
4. Additional board meetings, public hearings, and budget review sessions are scheduled as needed.

### **MATC DISTRICT BOARD 2014-2015 TENTATIVE MEETING SCHEDULE**

Tuesday	August 26, 2014	
Tuesday	September 23, 2014	
Tuesday	October 28, 2014	
Tuesday	November 25, 2014	
Tuesday	December 16, 2014	3 <sup>rd</sup> Tuesday (December Holidays)
Tuesday	January 27, 2015	
Tuesday	February 24, 2015	
Tuesday	March 24, 2015	
Tuesday	April 28, 2015	
Tuesday	May 26, 2015	
Tuesday	June 16, 2015	Public Hearing on the Budget
Tuesday	June 23, 2015	
Monday	July 13, 2015	Board Organizational Meeting

**Attachment H-1**

\$1,500,000.00

Milwaukee Area Technical College District, Wisconsin  
General Obligation Promissory Notes, Series 2014-15B

**RESOLUTION AUTHORIZING THE SALE OF \$1,500,000.00  
GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2014-15B**  
**Resolution BD0022-7-14**

WHEREAS, pursuant to Section 67.12(12) of the Wisconsin Statutes, as amended (the "Act"), the Milwaukee Area Technical College District, Wisconsin (the "District"), is authorized to issue notes of the District in the aggregate amount of \$1,500,000.00 for the public purpose of financing building remodeling and improvement projects, consisting of projects included in the District's 2014-2015 building remodeling and improvement program (the public purpose projects described above are hereafter referred to as the "Public Purposes"); and

WHEREAS, on June 24, 2014, the District authorized the issuance of \$1,500,000.00 General Obligation Promissory Notes, Series 2014-15B (the "Notes") for the Public Purposes; and

WHEREAS, the District has prepared and distributed a Preliminary Official Statement, dated July 8, 2014 (the "Preliminary Official Statement"), describing the Notes and the security therefor; and

WHEREAS, the District has examined proposed documentation for the Notes (collectively, the "Note Documents"), as follows:

- (a) an Official Notice of Sale issued by the District and a Parity Bid Form (the "Note Purchase Agreement") to be entered into between the District and the Underwriter, providing for the sale of the Notes; and
- (b) the Preliminary Official Statement.

WHEREAS, it is now expedient and necessary for the District to issue its general obligation promissory notes in the amount of \$1,500,000.00 for the Public Purposes;

NOW, THEREFORE, the District hereby resolves as follows:

Section 1. Definitions. The following terms shall have the following meanings in this Resolution unless the text expressly or by implication requires otherwise:

"Act" shall mean Section 67.12(12) of the Wisconsin Statutes;

"Code" shall mean the Internal Revenue Code of 1986, as amended;



“Continuing Disclosure Agreement” shall mean the Continuing Disclosure Agreement, executed and delivered by the Issuer, dated August 4, 2014 (the “Continuing Disclosure Agreement”), delivered by the District for the purpose of complying with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended;

“Dated Date” shall mean August 4, 2014;

“Debt Service Fund” shall mean the Debt Service Fund of the District, which shall be the “special redemption fund” as such term is defined in the Act;

“District” shall mean the Milwaukee Area Technical College District, Wisconsin;

“Fiscal Agent” shall mean the Treasurer of the District;

“Governing Body” shall mean the Board of the District, or such other body as may hereafter be the chief legislative body of the District;

“Initial Resolution” shall mean the “Resolution Authorizing the Issuance of \$1,500,000.00 General Obligation Promissory Notes, Series 2014-15B of Milwaukee Area Technical College District, Wisconsin”, adopted by the Governing Body on June 24, 2014;

“Note Registrar” means the Secretary of the District;

“Notes” shall mean the \$1,500,000.00 General Obligation Promissory Notes, Series 2014-15B, of the District;

“Public Purposes” shall mean the public purpose of financing \$1,500,000.00 of building remodeling and improvement projects, consisting of projects included in the District's 2014-2015 building remodeling and improvement program;

“Purchase Price” shall mean \$1,526,680.00 (\$1,500,000.00 par amount of Notes, plus premium of \$31,600.00, less underwriter's discount of \$4,920.00);

“Record Date” shall mean the close of business on the fifteenth day of the calendar month next preceding any principal or interest payment date;

“Securities Depository” means The Depository Trust Company, New York, New York, or its nominee; and

“Underwriter” means Hutchinson, Shockey, Erley & Co.

Section 2. Authorization of the Notes. For the purpose of financing the Public Purposes, there shall be borrowed on the full faith and credit of the District the sum of

\$1,500,000.00; and fully registered general obligation promissory notes of the District are authorized to be issued in evidence thereof.

Section 3. Sale of the Notes. To evidence such indebtedness, (i) the Chairperson or the Vice Chairperson and (ii) the Secretary of the District are hereby authorized, empowered and directed to make, execute, issue and sell to the Underwriter for, on behalf of and in the name of the District, general obligation promissory notes in the aggregate principal amount of One Million Five Hundred Thousand Dollars (\$1,500,000.00) for the Purchase Price, plus accrued interest to the date of delivery.

Section 4. Terms of the Notes. The Notes shall be designated "General Obligation Promissory Notes, Series 2014-15B"; shall be dated the Dated Date; shall be numbered one and upward; shall bear interest as shown on the Maturity Schedule below; shall be issued in denominations of \$5,000 or any integral multiple thereof; and shall mature on the dates and in the amounts as set forth below. Interest on the Notes shall accrue from the Interest Accrual Date and shall be payable semi-annually on June 1 and December 1 of each year, commencing on December 1, 2014.

#### **MATURITY SCHEDULE**

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
June 1, 2016	\$350,000	2.000%
June 1, 2017	\$500,000	1.500%
June 1, 2018	\$500,000	1.500%
June 1, 2019	\$150,000	2.000%

The Notes of this issue shall not be subject to call and payment prior to maturity.

Section 5. Form, Execution, Registration and Payment of the Notes. The Notes shall be issued as registered obligations in substantially the form attached hereto as Exhibit A and incorporated herein by this reference.

The Notes shall be executed in the name of the District by the manual signatures of (i) the Chairperson or the Vice Chairperson and (ii) the Secretary, and may be sealed with its official or corporate seal, if any.

The principal of, premium, if any, and interest on the Notes shall be paid by the Fiscal Agent.

Both the principal of and interest on the Notes shall be payable in lawful money of the United States of America by the Fiscal Agent. Payment of principal of the final maturity on the Notes will be payable upon presentation and surrender of the Notes to the Fiscal Agent. Payment of principal on the Notes (except the final maturity) and each installment of interest shall be made to the registered owner of each Note who shall appear on the registration books of the District, maintained by the Note Registrar, on the

Record Date and shall be paid by check or draft of the Fiscal Agent and mailed to such registered owner at the address appearing on such registration books or at such other address may be furnished in writing to such registered owner to the Note Registrar.

Section 6. Note Proceeds. The sale proceeds of the Notes (exclusive of accrued interest, printing distribution and filing fees, and any premium received) shall, forthwith upon receipt, be placed in and kept by the District Treasurer as a separate fund to be known as the Promissory Notes, Series 2014-15B, Borrowed Money Fund (hereinafter referred to as the "Borrowed Money Fund"). Moneys in the Borrowed Money Fund shall be used solely for the purposes for which borrowed or for transfer to the Debt Service Fund as provided by law.

Section 7. Tax Levy. In order to provide for the collection of a direct annual tax sufficient in amount to pay and for the express purpose of paying the interest on the Notes as it falls due and also to pay and discharge the principal thereof at maturity, there is hereby levied upon all of the taxable property in the District, in addition to all other taxes, a nonrepealable, direct, annual tax in an amount sufficient for that purpose. This tax shall be from year to year carried into the tax roll of the District and collected in addition to all other taxes and in the same manner and at the same time. Said tax is to be for the following years and in the following minimum amounts:

<u>Year of Levy</u>	<u>Amount of Tax</u>
2013	\$8,125
2014	\$25,000
2015	\$371,500
2016	\$514,250
2017	\$506,750
2018	\$151,500

The District shall be and continue without power to repeal such levy or obstruct the collection of said tax until all such payments have been made or provided for. After the issuance of the Notes, said tax shall be carried into the tax rolls of the District and collected as other taxes are collected, provided that the amount of tax carried into said tax rolls with respect to the Notes may be reduced by the amount of any surplus money in the Debt Service Fund created pursuant to Section 8 below.

If there shall be insufficient funds from the tax levy to pay the principal of or interest on the Notes when due, the said principal or interest shall be paid from other funds of the District on hand, said amounts to be returned when said taxes have been collected.

There be and there hereby is appropriated from taxes levied by the District in anticipation of the issuance of the Notes and other funds of the District on hand a sum sufficient to be deposited in the Debt Service Fund to meet payments with respect to debt service due for the year 2014.

Section 8. Debt Service Fund. Within the debt service fund previously established within the treasury of the District, there be and there hereby is established a separate and distinct fund designated as the “Debt Service Fund for \$1,500,000.00 General Obligation Promissory Notes, Series 2014-15B, dated August 4, 2014” (the “Debt Service Fund”), and such fund shall be maintained until the indebtedness evidenced by the Notes is fully paid or otherwise extinguished. The District Treasurer shall deposit in such Debt Service Fund (i) all accrued interest received by the District at the time of delivery of and payment for the Notes; (ii) the taxes herein levied for the specific purpose of meeting principal of and interest on the Notes when due; (iii) such other sums as may be necessary at any time to pay principal of and interest on the Notes when due; (iv) any premium which may be received by the District above the par value of the Notes and accrued interest thereon; (v) surplus moneys in the Borrowed Money Fund for the Notes; and (vi) such further deposits as may be required by Section 67.11 of the Wisconsin Statutes.

No money shall be withdrawn from the Debt Service Fund and appropriated for any purpose other than the payment of principal of and interest on the Notes until all such principal and interest has been paid in full and canceled; provided (i) the funds to provide for each payment of principal of and interest on the Notes prior to the scheduled receipt of taxes from the next succeeding tax collection may be invested in direct obligations of the United States of America maturing in time to make such payments when they are due or in other investments permitted by law; and (ii) any funds over and above the amount of such principal and interest payments on the Notes may be used to reduce the next succeeding tax levy, or may, at the option of the District, be invested by purchasing the Notes as permitted by and subject to Section 67.11(2)(a) of the Wisconsin Statutes in interest-bearing obligations of the United States of America, in other obligations of the District or in other investments permitted by law, which investments shall continue as a part of the Debt Service Fund.

When all of the Notes have been paid in full and canceled, and all permitted investments disposed of, any money remaining in the Debt Service Fund shall be deposited in the general fund of the District, unless the District Board directs otherwise.

Section 9. Deposits and Investments. The Debt Service Fund shall be kept apart from moneys in the other funds and accounts of the District and the same shall be used for no purpose other than the prompt payment of principal of and interest on the Notes as the same becomes due and payable. All moneys therein shall be deposited in special and segregated accounts in a public depository selected under Chapter 34 of the Wisconsin Statutes and may be temporarily invested until needed in legal investments subject to the provisions of Sections 66.0603(1m) and 67.10(3) of the Wisconsin Statutes. All income derived from such investments shall be regarded as revenues of the District. No such investment shall be in such a manner as would cause the Notes to be “arbitrage bonds” within the meaning of Section 148 of the Code or the Regulations of the Commissioner of Internal Revenue thereunder.

The District Treasurer shall, on the basis of the facts, estimates and circumstances in existence on the date of closing, make such certifications as are necessary to permit

the conclusion that the Notes are not “arbitrage bonds” under Section 148 of the Code or the Regulations of the Commissioner of Internal Revenue thereunder.

Section 10. Sale of Notes. The terms, conditions and provisions of the Notes and the Note Documents are, in all respects, authorized and approved. The form of the Note Purchase Agreement is hereby approved. The Notes shall be sold and delivered in the manner, at the Purchase Price, plus interest accrued from the Interest Accrual Date to the closing date, pursuant to the terms and conditions set forth in the Note Purchase Agreement.

The preparation of the Preliminary Official Statement and the Final Official Statement dated July 14, 2014, and their use as contemplated in the Note Purchase Agreement, are hereby approved. The Preliminary Official Statement is “deemed final” as of its date, except for omissions or subsequent modifications permitted under Rule 15c2-12 of the Securities and Exchange Commission. The Chairperson, the Vice Chairperson and Secretary of the District are authorized and directed to do any and all acts necessary to conclude delivery of the Notes to the Underwriter, as soon after adoption of this Resolution as is convenient.

Section 11. Book-Entry Only Notes. The Notes shall be transferable as follows:

(a) Each maturity of Notes will be issued as a single Note in the name of the Securities Depository, or its nominee, which will act as depository for the Notes. During the term of the Notes, ownership and subsequent transfers of ownership will be reflected by book entry on the records of the Securities Depository and those financial institutions for whom the Securities Depository effects book entry transfers (collectively, the “Participants”). No person for whom a Participant has an interest in Notes (a “Beneficial Owner”) shall receive bond certificates representing their respective interest in the Notes except in the event that the Securities Depository or the District shall determine, at its option, to terminate the book-entry system described in this Section. Payment of principal of, and interest on, the Notes will be made by the Fiscal Agent to the Securities Depository which will in turn remit such payment of principal and interest to its Participants which will in turn remit such principal and interest to the Beneficial Owners of the Notes until and unless the Securities Depository or the District elect to terminate the book entry system, whereupon the District shall deliver bond certificates to the Beneficial Owners of the Notes or their nominees. Note certificates issued under this Section may not be transferred or exchanged except as provided in this Section.

(b) Upon the reduction of the principal amount of any maturity of Notes, the Registered Noteowner may make a notation of such redemption on the panel of the Note, stating the amount so redeemed, or may return the Note to the District for exchange for a new Note in a proper principal amount. Such notation, if made by the Noteowner, may be made for reference only, and may not be relied upon by any other person as being in any way determinative of the principal amount of such Note Outstanding, unless the Note Registrar initialed the notation on the panel.

(c) Immediately upon delivery of the Notes to the purchasers thereof on the delivery date, such purchasers shall deposit the bond certificates representing all of the Notes with the Securities Depository. The Securities Depository, or its nominee, will be the sole Noteowner of the Notes, and no investor or other party purchasing, selling or otherwise transferring ownership of any Notes will receive, hold or deliver any bond certificates as long as the Securities Depository holds the Notes immobilized from circulation.

(d) The Notes may not be transferred or exchanged except:

(1) To any successor of the Securities Depository (or its nominee) or any substitute depository ("Substitute Depository") designated pursuant to (ii) below, provided that any successor of the Securities Depository or any Substitute Depository must be a qualified and registered "clearing agency" as provided in Section 17A of the Securities Exchange Act of 1934, as amended;

(2) To a Substitute Depository designated by or acceptable to the District upon (a) the determination by the Securities Depository that the Notes shall no longer be eligible for depository services or (b) a determination by the District that the Securities Depository is no longer able to carry out its functions, provided that any such Substitute Depository must be qualified to act as such, as provided in subparagraph (1) above; or

(3) To those persons to whom transfer is requested in written transfer instructions in the event that:

(i) The Securities Depository shall resign or discontinue its services for the Notes and, only if the District is unable to locate a qualified successor within two months following the resignation or determination of noneligibility, or

(ii) Upon a determination by the District that the continuation of the book entry system described herein, which precludes the issuance of certificates to any Noteowner other than the Securities Depository (or its nominee) is no longer in the best interest of the Beneficial Owners of the Notes.

(e) The Depository Trust Company, New York, New York, is hereby appointed the Securities Depository for the Notes.

Section 12. Undertaking to Provide Continuing Disclosure. The (i) Chairperson or the Vice Chairperson and (ii) Secretary of the District are hereby authorized and directed to execute on behalf of the District, the Continuing Disclosure Agreement in connection with the Notes for the purpose of complying with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

Section 13. Compliance with Federal Tax Laws.

(a) The District represents and covenants that the project financed by the Notes and their ownership, management and use will not cause the Notes to be “private activity bonds” within the meaning of Section 141 of the Code, and the District shall comply with the provisions of the Code to the extent necessary to maintain the tax-exempt status of the interest on the Notes.

(b) The District also covenants to use its best efforts to meet the requirements and restrictions of any different or additional federal legislation which may be made applicable to the Notes, provided that in meeting such requirements the District will do so only to the extent consistent with the proceedings authorizing the Notes and the laws of Wisconsin, and to the extent there is a reasonable period of time in which to comply.

Section 14. Rebate Fund. If necessary, the District shall establish and maintain, so long as the Notes are outstanding, a separate account to be known as the “Rebate Fund” for the purpose of complying with the rebate requirements of Section 148(f) of the Code. The Rebate Fund is for the sole purpose of paying rebate to the United States of America, if any, on amounts of bond proceeds held by the District. The District hereby covenants and agrees that it shall pay from the Rebate Fund the rebate amounts as determined herein to the United States of America.

The District may engage the services of accountants, attorneys, or other consultants necessary to assist it in determining rebate amounts. Amounts held in the Rebate Fund and the investment income therefrom are not pledged as security for the Notes and may only be used to pay amounts to the United States. The District shall maintain or cause to be maintained records of such determinations until six (6) years after payment in full of the Notes and shall make such records available upon reasonable request therefor.

Section 15. Defeasance. When all Notes have been discharged, all pledges, covenants and other rights granted to the owners thereof by this Resolution shall cease. The District may discharge all Notes due on any date by irrevocably depositing in escrow with a suitable bank or trust company a sum of cash and/or bonds or securities issued or guaranteed as to principal and interest of the U.S. Government, or of a commission, board or other instrumentality of the U.S. Government (“Government Obligations”), or of securities wholly and irrevocably secured as to principal and interest by Government Obligations and rated in the highest rating category of a nationally recognized rating service, maturing on the dates and bearing interest at the rates required to provide funds sufficient to pay when due the interest to accrue on each of said Note to its maturity or, at the District's option, if said Note is prepayable to any prior date upon which it may be called for redemption, and to pay and redeem the principal amount of each such Note at maturity, or at the District's option, if said Note is prepayable, at its earliest redemption date, with the premium required for such redemption, if any, provided that notice of the redemption of all prepayable Notes on such date has been duly given or provided for.

Section 16. Resolution a Contract. The provisions of this Resolution shall constitute a contract between the District and the owner or owners of the Notes, and after issuance of any of the Notes no change or alteration of any kind in the provisions of this Resolution may be made, except as provided in Section 18, until all of the Notes have been paid in full as to both principal and interest. The owner or owners of any of the Notes shall have the right in addition to all other rights, by mandamus or other suit or action in any court of competent jurisdiction, to enforce such owner's or owners' rights against the District, the Governing Body thereof, and any and all officers and agents thereof including, but without limitation, the right to require the District, its Governing Body and any other authorized body, to fix and collect rates and charges fully adequate to carry out all of the provisions and agreements contained in this Resolution.

Section 17. General Authorizations. The Chairperson, the Vice Chairperson and the Secretary of the District and the appropriate deputies and officials of the District in accordance with their assigned responsibilities are hereby each authorized to execute, deliver, publish, file and record such other documents, instruments, notices and records and to take such other actions as shall be necessary or desirable to accomplish the purposes of this Resolution and to comply with and perform the obligations of the District under the Notes. The execution or written approval of any document by the Chairperson, the Vice Chairperson or Secretary of the District herein authorized shall be conclusive evidence of the approval by the District of such document in accordance with the terms hereof.

In the event that said officers shall be unable by reason of death, disability, absence or vacancy of office to perform in timely fashion any of the duties specified herein (such as the execution of Notes), such duties shall be performed by the officer or official succeeding to such duties in accordance with law and the rules of the District.

Any actions taken by the Chairperson, the Vice Chairperson and Secretary consistent with this Resolution are hereby ratified and confirmed.

Section 18. Amendment to Resolution. After the issuance of any of the Notes, no change or alteration of any kind in the provisions of this Resolution may be made until all of the Notes have been paid in full as to both principal and interest, or discharged as herein provided, except: (a) the District may, from time to time, amend this Resolution without the consent of any of the owners of the Notes, but only to cure any ambiguity, administrative conflict, formal defect, or omission or procedural inconsistency of this Resolution; and (b) this Resolution may be amended, in any respect, with a written consent of the owners of not less than two-thirds (2/3) of the principal amount of the Notes then outstanding; provided, however, that no amendment shall permit any change in the pledge of tax revenues of the District or the maturity of any Note issued hereunder, or a reduction in the rate of interest on any Note, or in the amount of the principal obligation thereof, or in the amount of the redemption premium payable in the case of redemption thereof, or change the terms upon which the Notes may be redeemed or



make any other modification in the terms of the payment of such principal or interest without the written consent of the owner of each such Note to which the change is applicable.

Section 19. Illegal or Invalid Provisions. In case any one or more of the provisions of this Resolution or any of the Notes shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Resolution or of the Notes.

Section 20. Conflicting Resolutions. All ordinances, resolutions, or orders, or parts thereof heretofore enacted, adopted or entered, in conflict with the provisions of this Resolution, are hereby repealed and this Resolution shall be in effect from and after its passage.

[SIGNATURE PAGE TO FOLLOW]

Adopted: July 14, 2014.

District \_\_\_\_\_, Chairperson of the

Attest:

\_\_\_\_\_  
Lauren Baker  
Secretary of the District

Recorded on July 14, 2014.

\_\_\_\_\_  
Lauren Baker  
Secretary of the District

EXHIBIT A

UNITED STATES OF AMERICA  
STATE OF WISCONSIN  
MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT  
GENERAL OBLIGATION PROMISSORY NOTE, SERIES 2014-15B

<u>Number</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>Principal Amount</u>	<u>CUSIP</u>
R-__	__%	June 1, 20__	_____, 2014	\$_____	

FOR VALUE RECEIVED, Milwaukee Area Technical College District, Wisconsin, promises to pay to CEDE & CO., or registered assigns, the principal sum of \_\_\_\_\_ (\$\_\_\_\_\_) on the maturity date specified above, together with interest thereon from August 4, 2014 or the most recent payment date to which interest has been paid, unless the date of registration of this Note is after the 15th day of the calendar month immediately preceding an interest payment date, in which case interest will be paid from such interest payment date, at the rate per annum specified above, such interest being payable on June 1 and December 1 of each year, with the first interest on this issue being payable on \_\_\_\_\_.

The Notes of this issue shall not be subject to call and payment prior to maturity.

Both principal hereof and interest hereon are hereby made payable to the registered owner in lawful money of the United States of America, and 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 District are hereby irrevocably pledged. The principal of this Note shall be payable only upon presentation and surrender of this Note to the District Treasurer at the principal office of the District. Interest hereon shall be payable by check or draft dated as of the applicable interest payment date and mailed from the office of the District Treasurer to the person in whose name this Note is registered at the close of business on the fifteenth day of the calendar month next preceding each interest payment date.

This Note is transferable only upon the books of the District kept for that purpose by the District Secretary at the principal office of the District, by the registered owner in person or his duly authorized attorney, upon surrender of this Note together with a written instrument of transfer (which may be endorsed hereon) satisfactory to the District Secretary duly executed by the registered owner or his duly authorized attorney. Thereupon a new Note or Notes of the same aggregate principal amount, series and

maturity shall be issued to the transferee in exchange therefor. The District may deem and treat the person in whose name this Note is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal or interest hereof and for all other purposes. The Notes are issuable solely as negotiable, fully registered Notes without coupons in authorized denominations of \$5,000 or any whole multiple thereof.

This Note is one of an issue aggregating \$1,500,000.00 issued pursuant to the provisions of Section 67.12(12) of the Wisconsin Statutes, for the public purpose of financing \$1,500,000.00 building remodeling and improvement projects, consisting of projects included in the District's 2014-2015 building remodeling and improvement program (the public purpose projects described above are hereafter referred to as the "Public Purposes") and is authorized by a resolution of the District Board of the District, duly adopted by said District Board at its meeting duly convened on July 14, 2014, which resolution is recorded in the official book of its minutes for said date.

It is hereby certified and recited that all conditions, things and acts required by law to exist or to be done prior to and in connection with the issuance of this Note have been done, have existed and have been performed in due form and time; that the aggregate indebtedness of the District, including this Note and others authorized simultaneously herewith, does not exceed any limitations imposed by law or the Constitution of the State of Wisconsin; and that the District has levied a direct, annual irrevocable tax sufficient to pay this Note, together with interest thereon when and as payable.

No delay or omission on the part of the owner hereof to exercise any right hereunder shall impair such right or be considered as a waiver thereof or as a waiver of or acquiescence in any default hereunder.

IN WITNESS WHEREOF, the District Board of Milwaukee Area Technical College District, Wisconsin, has caused this Note to be signed on behalf of said District by its duly qualified and acting Chairperson and Secretary, all as of the date of original issue specified above.

MILWAUKEE AREA TECHNICAL  
COLLEGE DISTRICT, WISCONSIN

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

\_\_\_\_\_  
Chairperson of the District

Attest: \_\_\_\_\_

Lauren Baker  
Secretary of the District

(Form of Assignment)

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

---

---

---

(Please print or typewrite name and address,  
including zip code, of Assignee)

---

(Please print or typewrite Social Security or  
other identifying number of Assignee)

the within Note and all rights thereunder, hereby irrevocably constituting and appointing

---

(Please print or type name of Attorney)

Attorney to transfer said Note on the books kept for the registration thereof with full power of substitution in the premises.

Dated: \_\_\_\_\_

NOTICE: The signature to this assignment must 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.

Signature(s) guaranteed by:

---



# Milwaukee Area Technical College District

Final Pricing Summary  
July 14, 2014

**Rebekah Freitag, Senior Vice President**

[rfreitag@rwbaird.com](mailto:rfreitag@rwbaird.com)

**John A. Mehan, Managing Director**

[jmehan@rwbaird.com](mailto:jmehan@rwbaird.com)

777 East Wisconsin Avenue  
Milwaukee, WI 53202  
Phone 414.765.3827  
[rwbaird.com/publicfinance](http://rwbaird.com/publicfinance)





## Milwaukee Area Technical College District

### Results of Competitive Bids

**\$1,500,000 General Obligation Promissory Notes, Series 2014-15B**  
**Bids Received by 10:30 AM (CT)**  
**Monday, July 14, 2014**

<b>Rank</b>	<b>Bidder</b>	<b>True Interest Cost</b>
1	Hutchinson, Shockey, Erley & Co.	1.0644%
2	Raymond James & Associates, Inc.	1.0791%
3	Oppenheimer & Co. Inc.	1.1061%
4	Piper Jaffray & Company	1.2146%
5	Bernardi Securities, Inc.	1.3434%





## Milwaukee Area Technical College District

<b>Issue Summary</b>	
<b>Description:</b>	General Obligation Promissory Notes, Series 2014-15B
<b>Amount:</b>	\$1,500,000
<b>Dated &amp; Settlement Date:</b>	August 4, 2014
<b>Maturities:</b>	June 1, 2016 - 2019
<b>First Interest Payment:</b>	December 1, 2014
<b>First Call Date:</b>	Noncallable
<b>Moody's Rating:</b>	Aa2
<b>True Interest Cost:</b>	1.0644%
<b>Winning Bidder/Purchaser:</b>	Hutchinson, Shockey, Erley & Co.



## Milwaukee Area Technical College District

### Debt Service

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
08/04/2014					
12/01/2014			8,125	8,125	8,125
06/01/2015			12,500	12,500	
12/01/2015			12,500	12,500	25,000
06/01/2016	350,000	2.000%	12,500	362,500	
12/01/2016			9,000	9,000	371,500
06/01/2017	500,000	1.500%	9,000	509,000	
12/01/2017			5,250	5,250	514,250
06/01/2018	500,000	1.500%	5,250	505,250	
12/01/2018			1,500	1,500	506,750
06/01/2019	150,000	2.000%	1,500	151,500	
12/01/2019					151,500
	1,500,000		77,125	1,577,125	1,577,125



**New Issue: Moody's assigns Aa2 to Milwaukee Area Technical College District, WI's \$1.5M GO Prom. Notes, Ser. 2014-15B; outlook stable**

---

Global Credit Research - 10 Jul 2014

**District has \$127.4M of GOULT debt including current offering**

MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT, WI  
Community College Districts (Tax-backed)  
WI

**Moody's Rating**

<b>ISSUE</b>	<b>RATING</b>
General Obligation Promissory Notes, Series 2014-15B	Aa2
<b>Sale Amount</b>	\$1,500,000
<b>Expected Sale Date</b>	07/17/14
<b>Rating Description</b>	General Obligation

**Moody's Outlook** STA

**Opinion**

NEW YORK, July 10, 2014 --Moody's Investors Service has assigned a Aa2 rating to Milwaukee Area Technical College District, WI's \$1.5 million General Obligation Promissory Notes, Series 2014-15B. Debt service on the notes is secured by the district's general obligation unlimited tax pledge. Proceeds of the notes will finance building remodeling and improvement projects. Moody's maintains the Aa2 rating on the district outstanding general obligation debt. Post-sale, the district will have **\$127.4 million** of outstanding general obligation debt. The district's outlook is stable.

**SUMMARY RATINGS RATIONALE**

The Aa2 rating reflects the district's large and diverse tax base encompassing the greater Milwaukee (GO rated Aa3 stable) region; multi-year tax base declines; operating reserves that have declined in recent years but are expected to remain adequate; a low debt burden and manageable unfunded pension liability; and a sizeable unfunded liability related to the district's other post-employment benefits (OPEB).

The stable outlook reflects our expectation that district management will continue to maintain sound financial operations through proactive management of expenditures, which is critical given the district's limited revenue raising flexibility and trend of enrollment declines. The outlook also reflects the district's sizeable and diverse tax base.

**STRENGTHS**

- Large and diversifying tax base with favorable location within regional Milwaukee economy
- Manageable debt burden and unfunded pension liability

**CHALLENGES**

- Multi-year tax base declines
- Recent and planned draw downs of General Fund reserves
- Limited revenue raising power due to state authority over tuition setting and strict levy limits

- Declining enrollment, in excess of budgeted levels
- Sizeable unfunded OPEB liability

#### DETAILED CREDIT DISCUSSION

#### LARGE AND DIVERSE TAX BASE COVERS METROPOLITAN MILWAUKEE; GREATER THAN BUDGETED ENROLLMENT DECLINES

The district's economy is expected to remain relatively stable, despite recent valuation declines, due to the strength of the diverse commercial sectors within the district's boundaries. The district, which is one of the largest in Wisconsin's (Aa2 stable) technical college system, provides vocational education to residents of Milwaukee County (Aa2 stable), the majority of Ozaukee County (Aaa) and small portions of several other surrounding suburban counties. The City of Milwaukee comprises nearly 40% of the district's equalized valuation and 56% of the district's population, and is Wisconsin's largest urban center and economic hub.

While the district's very large \$70.2 billion tax base experienced solid rates of growth through 2007, it has since declined by an average of 3.2% annually. The regional economy exhibits some manufacturing concentration as the sector represents approximately 15% of area employment, above the 9% national average; however, employment continues to diversify and there is a strong presence in health care, finance, and government. At 7.0% in April 2014, the unemployment rate in Milwaukee County was higher than the state and national 5.9% rates for the same time period.

District enrollment grew by 7% in fiscal 2009 and 9% in fiscal 2010, due to increased demand for education during the economic downturn. In fiscal 2011, this trend reversed and enrollment has since declined annually. Declines in fiscals 2011 through 2013 brought enrollment to approximately 13,200 full time equivalent (FTE) students. The declines in fiscals 2012 and 2013 were greater than what management had anticipated. Going forward, management estimates fiscal 2014 enrollment will decline modestly to 13,000 FTEs. For fiscal 2015 the district is conservatively budgeting for a 350 FTE decline in enrollment to 12,650, inclusive of an expected 300 FTE increase due to the expansion of its health services program. Enrollment is directly linked to multiple major revenue sources of Wisconsin technical colleges and continued declines may pressure the district's finances.

#### GENERAL FUND RESERVES DECLINING BUT EXPECTED TO REMAIN ADEQUATE

While draws on reserves in fiscals 2012 and 2013 and an additional sizeable draw projected for fiscal 2014 will narrow the district's reserves, the district's financial profile should remain adequate due to the implementation of sizeable reductions in personnel costs for fiscal 2015 to promote operational balance. Recent draws on reserves have been driven by enrollment declines, state aid cuts and drops in property tax revenues for general operations. Over the last three years, total General Fund revenues have declined by 10.2% while expenditures have declined by just 3.3%. While technical colleges tend to have strong flexibility to adjust instructional costs in light of enrollment declines, notably this district's instructional expenditures have declined just 1.4% over the last three years while enrollment has dropped by 10%.

For fiscal 2013, management budgeted for an \$11 million use of fund balance, but realized a smaller though still significant \$6.0 million draw. This operating deficit brought General Fund balance to \$34.4 million, or a still satisfactory 19.7% of revenues. For fiscal 2014, the district budgeted for a \$13.8 million draw on fund balance. In March 2014 the district's unionized teachers began to contribute 50% of the total Wisconsin Retirement System (WRS) required pension contribution. The district's positive variances-to-budget from this change, plus those from replacement of retirees with more junior staff are estimated to have driven more favorable results. District estimates indicate that a more modest \$9.0 million draw on reserves will occur, which would bring fund balance to approximately 14.5% of revenues. While district reserves currently remain adequate, they are narrow relative to state and national peers at comparable rating levels.

The district's fiscal 2015 draft budget reflects a modest \$370,000 General Fund operating surplus, with surplus operations supported by a reduction in transfers to the district's enterprise funds. The district has four enterprise funds, consisting of the Television Operations, Food Services, Bookstores, and Childcare Funds. Historically, the four enterprise funds collectively have required approximately \$2.2 million of annual General Fund support to balance operations; however, in fiscal 2015 management intends to reduce General Fund support to \$174,000 and use enterprise reserves and/or transfers among the enterprises to cover any shortfalls.

Looking forward, management does not anticipate additional draws on General Fund reserves beyond fiscal 2015 and expects to implement expenditure adjustments, namely adjustments to salaries and benefits for new hires, to

achieve structural balance. Management notes a commitment to maintaining reserves at a minimum of 10% of revenues, in compliance with the district's official reserve policy.

The district's General Fund unrestricted cash was \$39.8 million, or an adequate 22.7% of revenues, at the end of fiscal 2013. The General Fund holds cash on behalf of the district's enterprise funds. Net of the \$12.8 million due to these funds at the end of fiscal 2013, the district's cash available for general operations was \$27.0 million, or a somewhat narrow 15.4% of revenues.

The General Fund's three primary revenue sources are property taxes, tuition, and state aid, which comprise approximately 60%, 25%, and 10% of General Fund revenues, respectively. All of these revenue streams are constrained by state statute, with the state dictating tuition rates, aid distributions, and setting levy limits.

Starting in fiscal 2015, Wisconsin Act 145 provides property tax relief by shifting a portion of funding for technical college districts from local property taxes to state sources. Specifically, each district will see an approximately 0.9 mill reduction in its operating levy in fiscal 2015 and the state will make each district whole that year. The Act includes a "hold harmless" provision allowing districts to restore levy authority if State funding is not available to make districts whole in subsequent years. Additionally, districts will still be allowed to capture annual revenue growth from net new construction. We expect the Act to be revenue neutral for Wisconsin technical college districts.

#### MODEST DIRECT DEBT AND PENSION BURDENS; LARGE UNFUNDED OPEB LIABILITY

The district's future borrowing needs are expected to remain manageable given aggressive principal retirement and the district's sizeable tax base. The district's 4.9% overall debt burden is above average and reflects significant borrowing of overlapping governmental entities, namely the Milwaukee Metropolitan Sewer District (Aa1 stable) and Milwaukee County. The district's direct debt burden is a more modest 0.2% of full value. Principal is amortized at a rapid 94% in ten years and the district's future borrowing needs are not expected to increase the debt burden substantially. For fiscal 2015, management anticipates issuing an additional \$33.0 million of debt. All of the district's debt is fixed rate and the district is not party to any interest rate swap agreements.

The district has a manageable defined-benefit pension burden, based on unfunded liabilities for its share of two cost sharing plans, the Wisconsin Retirement System and the Employees Retirement System. The district's aggregate pension contributions in calendar year 2012 totaled \$14.3 million, which represented both the district's and employees' shares of required pension contributions. That figure represents a manageable 6.7% of operating revenues, inclusive of the General Fund and Debt Service Fund. The district has historically made its required contributions to the WRS. The three year average (2010-2012) of Moody's adjusted net pension liability (ANPL) for the district, under our methodology for adjusting reported pension data, was 0.12% of full value and 0.41 times operating revenues, both of which are below average among Moody's rated local governments. Moody's ANPL reflects certain adjustments we make to improve comparability of reported pension liabilities. The adjustments are not intended replace the district's reported contribution information, but to improve comparability with other rated entities. We determined the district's share of liability for WRS in proportion to its share of covered payroll.

The district offers a generous OPEB plan to qualifying retirees, including offering health insurance to those who would otherwise qualify for Medicare. As of June 30, 2013, the benefit had a sizeable unfunded actuarially accrued liability (UAAL) of \$251.3 million. The district has funded an OPEB Trust since 2008 and it contains \$21.1 million to date. Officials note that changes to the OPEB plan are possible in the mid-term.

#### OUTLOOK

The stable outlook reflects our expectation that district management will continue to maintain sound financial operations through proactive management of expenditures, which is critical given the district's limited revenue raising flexibility and trend of enrollment declines. The outlook also reflects the district's sizeable and diversifying tax base.

#### WHAT COULD CHANGE THE RATING UP

- Significantly improved regional population and employment trends and socioeconomic indicators, such as resident income levels
- Sustained trend of tax base growth
- Audited results showing stabilization of operations

## WHAT COULD CHANGE THE RATING DOWN

- Weakened socioeconomic indicators
- Declining enrollment trends that would further limit revenue growth
- Deterioration of reserves beyond levels currently contemplated

## KEY STATISTICS:

2013 full valuation: \$70.2 billion

2013 Estimated full value per capita: \$66,191

2008-2012 Milwaukee County median family income (as % of US): 85.7%

Fiscal 2013 available operating fund balance: 16.1% of revenues

Five year change in available operating fund balance: 3.3% of revenues

Fiscal 2013 unrestricted operating cash: 18.7% of revenues

Five year change in unrestricted operating cash: -5.9% of revenues

Institutional framework: Aa

Five year operating history: 1.0 times

Net direct debt: 0.2% of full value; 0.61 times operating revenues

Three year average of Moody's ANPL: 0.12% of full value; 0.41 times operating revenues

## PRINCIPAL METHODOLOGY

The principal methodology used in this rating was US Local Government General Obligation Debt published in January 2014. Please see the Credit Policy page on [www.moody.com](http://www.moody.com) for a copy of this methodology.

## REGULATORY DISCLOSURES

For ratings issued on a program, series or category/class of debt, this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series or category/class of debt or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the rating action on the support provider and in relation to each particular rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on [www.moody.com](http://www.moody.com).

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

Please see [www.moody.com](http://www.moody.com) for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

Please see the ratings tab on the issuer/entity page on [www.moody.com](http://www.moody.com) for additional regulatory disclosures for each credit rating.

## Analysts

Andrea Stenhoff  
Lead Analyst  
Public Finance Group

Moody's Investors Service

Rachel Cortez  
Additional Contact  
Public Finance Group  
Moody's Investors Service

**Contacts**

Journalists: (212) 553-0376  
Research Clients: (212) 553-1653

Moody's Investors Service, Inc.  
250 Greenwich Street  
New York, NY 10007  
USA



© 2014 Moody's Corporation, Moody's Investors Service, Inc., Moody's Analytics, Inc. and/or their licensors and affiliates (collectively, "MOODY'S"). All rights reserved.

**CREDIT RATINGS ISSUED BY MOODY'S INVESTORS SERVICE, INC. ("MIS") AND ITS AFFILIATES ARE MOODY'S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND CREDIT RATINGS AND RESEARCH PUBLICATIONS PUBLISHED BY MOODY'S ("MOODY'S PUBLICATION") MAY INCLUDE MOODY'S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL, FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS AND MOODY'S OPINIONS INCLUDED IN MOODY'S PUBLICATIONS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY'S PUBLICATIONS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY'S ANALYTICS, INC. CREDIT RATINGS AND MOODY'S PUBLICATIONS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND CREDIT RATINGS AND MOODY'S PUBLICATIONS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. NEITHER CREDIT RATINGS NOR MOODY'S PUBLICATIONS COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS AND PUBLISHES MOODY'S PUBLICATIONS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.**

MOODY'S CREDIT RATINGS AND MOODY'S PUBLICATIONS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS FOR RETAIL INVESTORS TO CONSIDER MOODY'S CREDIT RATINGS OR MOODY'S PUBLICATIONS IN MAKING ANY INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.



ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT.

All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the rating process or in preparing the Moody's Publications.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating assigned by MOODY'S.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH RATING OR OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

MIS, a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MIS have, prior to assignment of any rating, agreed to pay to MIS for appraisal and rating services rendered by it fees ranging from \$1,500 to approximately \$2,500,000. MCO and MIS also maintain policies

and procedures to address the independence of MIS's ratings and rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold ratings from MIS and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at [www.moody's.com](http://www.moody's.com) under the heading "Shareholder Relations — Corporate Governance — Director and Shareholder Affiliation Policy."

For Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657 AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail clients. It would be dangerous for "retail clients" to make any investment decision based on MOODY'S credit rating. If in doubt you should contact your financial or other professional adviser.