

Redevelopment Authority of the City of Milwaukee

Resolution No.: 10333
Adopted on: January 19, 2012
Project / Area: Bonds
Aldermanic District: 3rd

Resolution Authorizing Issuance and Sale of Redevelopment Refunding Revenue Bonds, Series 2012 (The UWM Real Estate Foundation, Inc.)

Whereas, the Redevelopment Authority of the City of Milwaukee, Wisconsin (the "Authority") is a redevelopment authority organized by the City of Milwaukee, Wisconsin (the "City"), and existing under and pursuant to the laws of the State of Wisconsin and is authorized by Wisconsin Statutes section 66.1333, as amended (the "Act"):

1. To assist private acquisition, improvement and development of blighted property;
2. To enter into contracts with redevelopers of property; and
3. To issue bonds or other indebtedness to finance its activities.

Whereas, on August 21, 2009, the Authority issued \$15,000,000 in principal amount of its Senior Redevelopment Revenue Bonds, Series 2009A (University of Wisconsin – Milwaukee Cambridge Commons Housing Project) (the "Series 2009A Bonds") and loaned the proceeds thereof to The UWM Real Estate Foundation, Inc., a Wisconsin nonstock corporation (the "Borrower"), to finance in part the costs of acquiring, constructing and equipping an approximately 240,000 square foot, 700-bed student housing facility located at 1436 East North Avenue in the City of Milwaukee (the "Cambridge Commons Project"); and

Whereas, on June 30, 2010 the Authority issued \$28,065,000 in principal amount of its Refunding Revenue Bonds, Series 2010 (University of Wisconsin – Milwaukee Riverwest Housing Project) (the "Series 2010 Bonds") and loaned the proceeds to the Borrower to refinance bonds previously issued by the Authority which financed the costs of acquiring, constructing and equipping an approximately 147,000 square foot student housing facility located at 2340 North Commerce Street in the City of Milwaukee (the "Riverwest Project"); and

Whereas, the Borrower has requested the Authority to issue up to \$44,000,000 of its revenue bonds (the "Series 2012 Bonds"), in one or more series, the proceeds of which will be used to (a) refinance the Series 2009 Bonds, (b) refinance other indebtedness incurred in connection with the construction of the Cambridge Commons Project, (c) pay interest on the Authority's Subordinate Redevelopment Revenue Bonds, Series 2009B (University of Wisconsin – Milwaukee Cambridge Commons Project) (the "Series 2009B Bonds"), (d) refinance in part the Series 2010 Bonds and (e) to pay certain bond issuance costs; and

Whereas, the Borrower has presented the Authority with proposed documentation for the Series 2012 Bonds, as follows:

- (a) a Supplement No. 1 to Trust Indenture (the "Indenture Supplement") to be entered into between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee") (which supplements the Trust Indenture dated as of August 1, 2009 (the "Original Indenture") between the

Authority and the Trustee), providing for the issuance of the Series 2012 Bonds, the terms thereof and the security therefor;

(b) a Supplement No. 1 to Loan Agreement (the "Loan Agreement Supplement") to be entered into between the Authority and the Borrower (which supplements the Loan Agreement dated as of August 1, 2009 (the "Original Loan Agreement") between the Authority and the Borrower), providing for a loan of the Series 2012 Bond proceeds to the Borrower on repayment terms scheduled to provide the Authority with revenues sufficient to retire the Series 2012 Bonds in accordance with their terms;

(c) two Promissory Notes, to be dated on or prior to the date of issuance of the Series 2012 Bonds (collectively, the "Promissory Note"), to be issued by the Borrower payable to the order of the Authority in the aggregate principal amount equal to the principal amount of the Series 2012 Bonds as evidence of the borrowing provided for in the Supplemental Loan Agreement and to be assigned by the Authority to the Trustee; and

(d) a Tax Exemption Certificate and Agreement (the "Tax Exemption Agreement"), to be entered into by the Authority, the Borrower and the Trustee setting forth certain representations, warranties and covenants relating to the interest on certain of the Series 2012 Bonds being exempt from federal income tax.

Whereas, it is the finding and determination of this body that the public interest will be served if the Authority were to provide the requested refinancing of the Project under the Act; now, therefore, be it

Resolved:

1. Additional Findings and Determinations. The Authority finds and determines and hereby declares that:

(a) The Cambridge Commons Project and the Riverwest Project are each a "redevelopment project" under the Act; and

(b) the Original Loan Agreement, as supplemented by the Loan Agreement Supplement (as so supplemented, the "Loan Agreement"), will constitute a revenue agreement providing the Authority with income and revenues sufficient for the prompt payment of the principal of and interest on the Series 2012 Bonds.

2. Contract with Borrower. The Loan Agreement Supplement in substantially the form presented is hereby approved. The Chairperson or Vice Chairperson and the Executive Director or Assistant Executive Director are hereby authorized for and in the name of the Authority to execute and deliver the Loan Agreement Supplement in the form thereof presented herewith or with such insertions therein or corrections thereto as shall be approved by them consistent with this resolution, their execution thereof to constitute conclusive evidence of their approval and the Authority's approval of any such insertions and corrections.

3. Authorization to Borrow and to Lend. The Authority, at the request of the Borrower, shall borrow, but only in the manner herein recited, the sum of up to \$44,000,000 for the purpose of refinancing the Series 2009A Bonds and other indebtedness incurred by the Borrower to fund costs of the Cambridge Commons Project, paying interest accrued on the Series 2009B Bonds, refinancing in part the Series 2010 Bonds and paying the costs of issuance of the Series 2012 Bonds. Said borrowing shall be accomplished through the sale of the Series 2012 Bonds issued pursuant to the Act. The Trustee, on behalf of the Authority, shall lend the Bond proceeds to the Borrower pursuant to the terms of the

Supplemental Loan Agreement, and the Borrower's repayment obligations shall be evidenced by the Promissory Note.

4. Designation, Denomination, Tenor and Maturity of Series 2012 Bonds Created for Issuance. The Series 2012 Bonds shall be issued in one or two series in an aggregate principal amount of up to \$44,000,000. The Series 2012A Bonds shall be initially designated:

REDEVELOPMENT AUTHORITY OF THE CITY OF MILWAUKEE
SENIOR REDEVELOPMENT REVENUE BONDS, SERIES 2012A
(THE UWM REAL ESTATE FOUNDATION, INC.)

If two series of Series 2012 Bonds are issued, the second series shall be initially designated:

REDEVELOPMENT AUTHORITY OF THE CITY OF MILWAUKEE
TAXABLE SENIOR REDEVELOPMENT REVENUE BONDS, SERIES 2012B
(THE UWM REAL ESTATE FOUNDATION, INC.)

The entire principal amount of the Series 2012 Bonds shall become due and payable no later than August 1, 2039 (the "Maturity Date").

The Series 2012 Bonds shall initially be in the Initial Rate Mode (as defined in the Original Indenture, as supplemented by the Indenture Supplement (as so supplemented, the "Indenture")). While in the Initial Rate Mode the Series 2012A Bonds shall bear interest at the rate of 5.15% per annum and the Series 2012B Bonds shall bear interest at the rate of 6.50% per annum. The interest rate on the Series 2012A Bonds is subject to adjustment if the interest on the Series 2012A Bonds is not excludable from gross income for federal income tax purposes, as more fully set forth in the Indenture. The interest rate on the Series 2012 Bonds is also subject to adjustment from and after the occurrence of an event of default under the Indenture.

At the election of the Borrower, the interest rate on the Series 2012 Bonds may be converted from time to time to a Daily Mode, Weekly Mode, Adjustable Long Mode, Commercial Paper Mode or Fixed Mode, all as described in, and subject to the conditions set forth in, the Indenture. During each interest rate mode, the interest rate on the Series 2012 Bonds may be adjusted from time to time as set forth in the Indenture.

The Series 2012 Bonds shall specify, as their original issue date, the date of initial issuance thereof. Each Series 2012 Bond shall be dated, as its registration date, the date of its authentication.

The Series 2012 Bonds shall be issuable as fully registered bonds in Authorized Denominations, as defined in the Indenture. Series 2012 Bonds and the interest thereon shall be payable as provided in the Indenture. The Series 2012 Bonds may be issued in book-entry form only and registered in the name of The Depository Trust Company ("DTC") or its nominee. The principal of, premium, if any, and interest on the Series 2012 Bonds shall be payable in lawful money of the United States of America at the designated corporate trust office of the Trustee, as paying agent, or the office of any successor or additional paying agent designated by the Authority and approved by the Borrower.

The Series 2012 Bonds shall be issued in form therefor as set forth in the Indenture Supplement, with such insertions therein as shall be necessary to comply with the terms of this Resolution and with such corrections therein, if any, as the approving bond attorney may require for conformity with the terms of this Resolution, the Indenture and the Act.

5. Execution and Authentication of Series 2012 Bonds. The Series 2012 Bonds shall be executed on behalf of the Authority by the Chair or Vice Chair and by its Executive Director or Assistant Executive

Director. The signatures of the Chair or Vice Chair and the Executive Director or Assistant Executive Director may be manual or facsimile. No Series 2012 Bond shall be issued unless first authenticated by the Trustee, to be evidenced by the manual signature of an authorized signatory of the Trustee on each Series 2012 Bond.

6. Series 2012 Bonds as Limited Obligations. The Series 2012 Bonds shall be limited obligations of the Authority, payable by it solely from the revenues pledged to such payment under the Indenture and shall not constitute a general or moral obligation or a pledge of the faith or credit of the Authority or the City or any taxing power of the City. The Authority has no taxing power. The Series 2012 Bonds and the interest thereon shall not be a debt of the City, the State of Wisconsin or any subdivision thereof nor shall any of them be liable thereon. The Series 2012 Bonds shall not in any event be payable out of any funds or property other than such pledged revenues. The members of the governing body of the Authority and all officers, agents or employees of the Authority shall have no personal liability on the Series 2012 Bonds or for any act or omission related to the authorization or issuance of the Series 2012 Bonds.

7. Source of Payment; Pledge of Revenues. The Series 2012 Bonds shall be limited obligations of the Authority payable by it solely from revenues and income derived by or for the account of the Authority from or for the account of the Borrower including, without limitation, (i) all payments by the Borrower on the Promissory Note or pursuant to the terms of the Loan Agreement, (ii) all cash and securities held from time to time in the Trust Funds, and the investment earnings thereon, (iii) if a Letter of Credit (as defined in the Indenture) is in effect, all payments by the issuer of such Letter of Credit thereunder and (iv) proceeds realized by the exercise by the Trustee of its rights under the Collateral Documents (as defined in the Indenture); but excluding any amounts derived by the Authority for its own account pursuant to the terms of the Loan Agreement.

As security for the payment of the principal of, premium, if any, and interest on the Series 2012 Bonds, the Authority shall pledge and assign to the Trustee all of its right, title and interest in and to the Promissory Note, the Loan Agreement (except for its rights to receive and enforce payment of certain expenses and indemnity payments from the Borrower as set forth in the Indenture and the Loan Agreement), the Collateral Documents and the trust funds held by the Trustee under the Indenture.

8. Redemption of Series 2012 Bonds Prior to Maturity; Optional and Mandatory Tender of Bonds. The Series 2012 Bonds shall be subject to redemption prior to maturity as provided in the Indenture. In addition, the Series 2012 Bonds shall be subject to mandatory or optional tender by the owners thereof for purchase as provided in the Indenture.

9. Determination of Revenue Payment. The amount necessary in each year to pay the principal of, premium, if any, and interest on the Series 2012 Bonds is the sum of (i) the amount of principal becoming due in such year (as reduced from time to time by reason of prior redemptions and purchases of Series 2012 Bonds for cancellation in accordance with the Indenture); plus (ii) the amount of interest on the Series 2012 Bonds becoming due in such year.

In expressing the Borrower's obligation to make the necessary revenue payments, it shall suffice herein and in the Loan Agreement to state that the Borrower shall be obligated to pay the Authority (or the Trustee for the account of the Authority) amounts sufficient to pay when due the principal of, premium, if any, and interest on the Series 2012 Bonds.

The Loan Agreement contains provisions, adequate in the judgment of this body, requiring the Borrower to provide for the maintenance of the Project and the carrying of all proper insurance with respect thereto. Consequently, the Borrower need not be required to pay amounts into any reserve funds for the retirement of the Bonds or for the maintenance of the Project.

10. Award of Series 2012 Bonds. The Borrower has negotiated for the sale of the Bonds to RCI FirstPathway Partners, LLC, a Wisconsin limited liability company, or its affiliates (the "Purchaser") at a price of 100% of the principal amount of the Series 2012 Bonds. Given the purposes of the financing and the involvement of the Authority therewith, it is the determination of this body that the Series 2012 Bonds shall be hereby awarded to the Purchaser at such price with delivery to follow subject to the conditions set forth in the Indenture.

11. Execution and Delivery of the Indenture Supplement and the Tax Exemption Agreement; Assignment of the Promissory Note and Collateral Documents. The terms and provisions of the Promissory Note, the Tax Exemption Agreement and the Indenture Supplement in substantially the forms presented are hereby approved. The Chair or Vice Chair and the Executive Director or Assistant Executive Director are hereby authorized for and in the name of the Authority to execute and deliver (a) the Indenture Supplement, the Tax Exemption Agreement and the assignment of the Promissory Note in the respective forms thereof presented herewith, or with such insertions therein or corrections thereto as shall be approved by the Chair or Vice Chair and Executive Director or Assistant Executive Director consistent with this Resolution and the terms of the Act, their execution thereof to constitute conclusive evidence of their approval and the Authority's approval of any such insertions and corrections and (b) the assignment to the Trustee of the Authority's rights under any documents executed by the Borrower or any other person securing the obligations of the Borrower under the Promissory Note and Loan Agreement or otherwise securing the payment of the Series 2012 Bonds.

12. Utilization of DTC Book-Entry System. In order to make the Series 2012 Bonds eligible for DTC's book-entry system, the Authority agrees to the provisions of the Blanket Issuer Letter of Representations previously executed by the Authority and on file in the office of the Authority.

13. Execution and Delivery of the Series 2012 Bonds. The Chair or Vice Chair and the Executive Director or Assistant Executive Director are hereby authorized for and in the name of the Authority to execute the Series 2012 Bonds in the manner authorized by paragraph 5 of this Resolution. Subject to the terms and conditions of the Indenture, the Authority shall deliver the Series 2012 Bonds to the Purchaser.

14. Authority Fee. In consideration of the issuance of the Series 2012 Bonds by the Authority, the Borrower shall be required to pay a fee to the Authority on the date of issuance of the Series 2012 Bonds in an amount equal to .75% of the principal amount of the Series 2012 Bonds, payable in three equal annual installments, with the first payment due at the time of issuance of the bonds.

15. General Authorizations. The Chair or Vice Chair and the Executive Director or Assistant Executive Director and the appropriate deputies and officials of the Authority in accordance with their assigned responsibilities are hereby each authorized to execute, publish, file and record such other documents, assignments of collateral documents, instruments, notices (including Internal Revenue Service form 8038) 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 Authority under the Series 2012 Bonds, the Loan Agreement, the Tax Exemption Agreement and the Indenture. In particular, they are authorized and directed to publish the Notice to Electors (attached hereto as Exhibit A) pursuant to Wis. Stats. § 893.77.

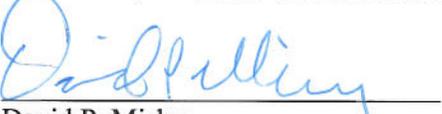
In the event that said officers shall be unable by reason of death, disability, absence or vacancy of office to perform in timely fashion any of the duties specified herein (such as the execution of the Series 2012 Bonds, the Loan Agreement, the Tax Exemption Agreement, the Indenture or the assignment of the Promissory Note), such duties shall be performed by the officer or official succeeding to such duties in accordance with law and the rules of the Authority.

16. Effective Date; Conformity. This Resolution shall be effective immediately upon its passage and approval. To the extent that any prior resolutions of this body are inconsistent with the provisions hereof, this Resolution shall control and such prior resolutions shall be deemed amended to such extent as may be necessary to bring them in conformity with this Resolution.

CERTIFICATION

I certify that the forgoing is a true and exact copy of a resolution adopted by the Redevelopment Authority of the City of Milwaukee, WI on the date set forth above.

(seal)



David P. Misky
Assistant Executive Director – Secretary

EXHIBIT A

**NOTICE TO ELECTORS OF THE CITY OF MILWAUKEE
RELATING TO BOND SALE**

On January 19, 2012 a resolution was adopted and approved by the Redevelopment Authority of the City of Milwaukee (the "Authority") authorizing the Authority to issue revenue bonds in the face amount of up to \$44,000,000. It is anticipated that the closing of this bond sale will be held on or about January 31, 2012. A copy of all proceedings had to date with respect to the authorization and sale of said bonds is on file and may be examined in the office of the said Authority.

This notice is given pursuant to Section 893.77, Wisconsin Statutes, which provides that an action or proceeding to contest the validity of such municipal financing, for other than constitutional reasons, must be commenced within 30 days after the date of publication of this Notice.

/s/ David P. Misky
Assistant Executive Director

Publication Date: _____, 2012.