Redevelopment Authority of the City of Milwaukee

Resolution No.:	**10358**
Adopted on:	June 21, 2012
Project / Area:	Bonds/Reed Street Yards
Aldermanic District:	12th

Resolution authorizing the issuance of redevelopment revenue bonds (Water Accelerator Project).

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 Statute section 66.1333 (the "Act"):

1. To carry out redevelopment and urban renewal projects within the City;

2. To assist private acquisition, improvement and development of blighted property;

3. To enter into contracts with redevelopers of property; and

4. To issue bonds or other indebtedness to finance its activities;

Whereas, pursuant to Resolution Number 10322, the Authority gave conditional approval to issue revenue bonds of the Authority pursuant to the Act in one or more series in an aggregate amount not to exceed $14,000,000 (the "Bonds") to finance a project on behalf of Water Accelerator, LLC, a Wisconsin limited liability company (the "Project Owner");

Whereas, such project will be owned by the Project Owner and consist of the following (collectively, the "Project"):

(i) acquisition of real property located at 223 West Pittsburgh Avenue in the City (the "Project Site"), the renovation and refurbishment of an existing approximately 88,025 square foot seven story building located thereon and related improvements to be leased and/or used by private companies, universities, existing water-related companies, the Milwaukee Water Council, companies promoting business development, and incubator space for new and emerging water-related companies; and

(ii) payment of certain expenses incurred in connection with the issuance of the Bonds;

Whereas, by Resolution Number _____ adopted on June 21, 2012, following a public hearing, the Authority designated the Project Site as blighted property within the meaning of Section 66.1333(2m)(bm) of the Act;

Whereas, the Project Owner has estimated that the cost of the Project and related costs and expenses would not be less than $21,500,000 and the Project Owner has represented to the Authority that it would be an encouragement and inducement for the Project Owner to proceed with the Project if it could be financed with revenue bonds issued by the Authority;

Whereas, the proceeds of the Bonds (the "Proceeds") would be lent to Water Accelerator Leverage Lender LLC, a Wisconsin limited liability company (the "Leverage Lender");

Whereas, the Leverage Lender would lend the Proceeds directly to Water Council Investment Fund, LLC, a Missouri limited liability company (the "Investment Fund");

Whereas, the Investment Fund would loan a portion of the Proceeds and contribute as a capital contribution the remainder of the Proceeds directly to WCDLF SUB CDE XXX, LLC, a Wisconsin limited liability company (the "Lender");

Whereas, the Lender would lend the Proceeds, together with other funds of the Lender, directly to the Project Owner to finance the Project; and

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

Resolved, by the Redevelopment Authority of the City of Milwaukee that:

1. Additional Findings and Determinations. It has been found and determined and is declared as follows:

   (a) the Project is a "Redevelopment Project" within the meaning of the Act;

   (b) the purpose of the Authority financing the costs of the Project is and the effect thereof will be to promote the public purposes set forth in the Act;

   (c) it is desirable that revenue bonds in the aggregate principal amount not exceeding $11,000,000 (the "Bond Amount") be issued by the Authority, maturing at such dates and in such amounts and at interest rates, such that the weighted average interest rate does not exceed 10%, and upon the terms to be set forth in:

      (i) a Bond Agreement (the "Bond Agreement") to be entered into among the Authority, the Leverage Lender and FPP WC Funding LLC, a Wisconsin limited liability company (the "Bond Purchaser"), providing for the creation of the Bonds, the terms thereof, and the security therefor, providing for a loan of the Proceeds from the Authority to the Leverage Lender (the "Loan") to permit the Leverage Lender to indirectly loan the Proceeds to the Project Owner to enable the Project Owner to acquire, renovate and refurbish the Project and providing the terms and conditions on which the Authority will sell, and the Bond Purchaser will purchase, the Bonds;

      (ii) a Promissory Note (the "Note"), to be issued by the Leverage Lender payable to the order of the Authority, in the principal amount of the Bonds as evidence of the Loan, and to be assigned by the Authority to the Bond Purchaser; and

      (iii) a No Arbitrage Certificate (the "No Arbitrage Certificate") and a Tax Agreement (the "Tax Agreement"), each to be dated the date of initial delivery of the Bonds, to be entered into among the Authority and other transaction participants, setting forth certain undertakings in order to ensure compliance under the applicable requirements of the Internal Revenue Code of 1986, as amended (the "Code") relating to the tax exempt status of the Bonds;

   (d) the estimated aggregate cost of financing the Project and paying the costs incident to the financing is not less than the Bond Amount;

(e) the loan repayments required to be made by the Leverage Lender under the Bond Agreement and the Note will be sufficient to produce income and revenue to provide for prompt payment of principal of and interest on and premium, if any, on all Bonds issued under the Bond Agreement when due; the amount necessary in each year to pay principal and interest on the Bonds due in such year, whether on a stated payment date, a redemption date, or otherwise; and the Bond Agreement provides that the Leverage Lender shall cause the Project Owner to provide for the maintenance of the Project in good repair and keeping it properly insured; and

(f) on June 6, 2012, a Public Hearing Notice was published in *The Daily Reporter*, and on June 21, 2012, a public hearing was held before a staff member of the Department of City Development, on behalf of the Authority in order to comply with the requirements of Section 147(f) of the Code.

2. Designation, Denomination, Tenor and Maturity of Bonds Created for Issuance; Parameters Resolution. The Bonds shall be issued in the aggregate principal amount not to exceed $11,000,000 and shall be designated as follows:

REDEVELOPMENT AUTHORITY OF THE CITY OF MILWAUKEE, WISCONSIN
REDEVELOPMENT REVENUE BONDS, SERIES 2012
(WATER ACCELERATOR PROJECT)

The Bonds shall be issued in the form and upon the terms to be set forth in the Bond Agreement, which terms, including without limitation interest rates, redemption provisions and maturity, shall be subject to approval by the Authority as provided in this Resolution and shall comply with and conform to the terms of this Resolution and the Act. The terms of the Bond Agreement shall be subject to the following parameters:

(a) the initial interest rate on the Bonds shall be 5.25% per annum and shall be subject to change after the initial Reset Date (as defined in the Bond Agreement) as provided in the Bond Agreement;

(b) the sale and funding of the Bonds shall occur prior to July 31, 2012;

(c) the final maturity date of the Bonds shall be no later than 30 years after the date of issuance; and

(d) the maximum Bond Amount shall not exceed $11,000,000.

If the Bonds are sold and issued in conformity with the parameters set forth herein, no further authorization by the Authority is required and the Chairperson and Assistant Executive Director are authorized and directed to execute and deliver the documents as set forth in Paragraph 4 below.

In the event that the Bonds cannot be sold and issued in conformity with the parameters set forth above, no Bonds may be issued without approval of the Issuer pursuant to a Resolution approving the terms of the Bonds.

3. Execution of Bonds. Subject to the parameters set forth herein, the Bonds shall be executed on behalf of the Authority with the facsimile or manual signature of its Chairperson or Vice Chairperson, countersigned with the facsimile or manual signature of its Executive Director/Secretary or Assistant Executive Director/Secretary and shall have impressed, imprinted or otherwise reproduced thereon an official seal of the Authority or a facsimile thereof, if any.

4. Approvals and Authorizations. Subject to the parameters set forth herein, the Chairperson or the Vice Chairperson and the Assistant Executive Director of the Authority are authorized and directed in the name and on behalf of the Authority to execute such documents to which the Authority is a

party, and either one of them or both of them are authorized and directed to execute such other documents, agreements, instruments, certificates, 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 Bond Agreement, the Bonds, the No Arbitrage Certificate and any related documents. 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 above-referenced documents), such duties shall be performed by the officer or official succeeding to such duties in accordance with law and the rules of the Authority.

5. Bonds as Limited Obligations. The Bonds and interest thereon shall never be or be considered a general obligation of the Authority or the City or an indebtedness of the Authority or the City within the meaning of any State constitutional provision or statutory limitation, and shall not constitute or give rise to a pecuniary liability of the Authority or the City or a charge against their general credit or the City's taxing powers. The Authority has no taxing power.

6. Source of Payment; Pledge of Revenues. The 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 Leverage Lender pursuant to the terms of the Bond Agreement and the Note, including, without limitation, (i) all payments by the Leverage Lender on the Note or pursuant to the terms of the Bond Agreement and (ii) all amounts held from time to time in the trust funds, and the investment earnings thereon. As security for the payment of the principal of and interest on the Bonds, the Authority shall pledge and assign to the Bond Purchaser all of its right, title, and interest in and to the property described in the Bond Agreement.

7. Redemption of Bonds Prior to Maturity. In addition to scheduled principal payments, the Bonds shall be subject to mandatory and optional redemptions prior to maturity as provided in the Bond Agreement.

8. Trust Funds. The trust funds and accounts created under the Bond Agreement to be held in the custody of the Bond Purchaser and applied for the uses and purposes provided in the Bond Agreement are authorized and approved. Any moneys held as a part of such trust funds may be invested and reinvested by the Bond Purchaser in accordance with the Bond Agreement.

9. Execution and Delivery of Documents. Subject to the parameters set forth herein and the approval of counsel to the Authority, the Chairperson or the Vice Chairperson and the Assistant Executive Director of the Authority are authorized for and in the name of the Authority to execute and deliver the Bond Agreement, the Bonds, the Authority's assignment of the Note, the No Arbitrage Certificate and any related documents. The execution and delivery of any such documents by the Chairperson or Vice Chairperson or the Assistant Executive Director of the Authority shall be conclusive evidence of the approval of the Authority of such document in accordance with the terms thereof.

10. Execution and Delivery of the Bonds. The Chairperson or Vice Chairperson and the Executive Director/Secretary or Assistant Executive Director/Secretary are hereby authorized for and in the name of the Authority to execute the Bonds in the manner authorized by Section 3 hereof. Subject to the terms and conditions of the Bond Agreement, the Authority shall deliver the Bonds to the Bond Purchaser.

11. Effective Date; Conformity. This Resolution shall be effective immediately upon its passage and approval. To the extent that any prior resolutions of the Authority 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.

12. Authority Fee. Issuance of the Bonds is expressly conditioned on the Authority being paid, upon issuance, a fee equal to 0.75% of the principal amount of Bonds issued.

13. Irrepealability. After the Bonds are delivered by the Authority to the Bond Purchaser upon receipt of payment therefor, this Resolution shall be and remain irrepealable until the Bonds and interest thereon shall have been fully paid, canceled, and discharged.

EXHIBIT A

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

On June 21, 2012, a resolution was offered, read, approved, and adopted by the Redevelopment Authority of the City of Milwaukee (the "Authority"), whereby the Authority authorized a contract to sell redevelopment revenue bonds in a principal amount not to exceed $11,000,000. It is anticipated that the closing of this bond financing will be held prior to July 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 Assistant Executive Director of the Authority, 809 North Broadway, Milwaukee, Wisconsin.

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: June __, 2012

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