

Redevelopment Authority of the City of Milwaukee

Resolution No.: 10321
Adopted on: November 17, 2011
Project / Area: Bonds
Aldermanic District: 3rd

Resolution Authorizing the Issuance and Sale of up to \$4,950,000 Subordinate Redevelopment Revenue Bonds, Series 2012 (North End Phase II Project), the Approval and Execution of Related Documents, the Pledge of Revenues, and Other Details

Whereas, the Redevelopment Authority of the City of Milwaukee (the “**Authority**”) is a redevelopment authority organized by the City of Milwaukee, Wisconsin (the “**City**”), and existing under and pursuant to Section 66.1333, Wisconsin Statutes, as amended (the “**Act**”), and is authorized by the Act:

- (a) to carry out redevelopment projects in the City;
- (b) to assist private acquisition, improvement and redevelopment of blighted property;
- (c) to enter into contracts with redevelopers of property in accordance with redevelopment and urban renewal plans; and
- (d) to issue bonds or other indebtedness in furtherance of its purposes; and

Whereas, pursuant to the Act, the Authority has adopted and amended from time to time a renewal plan (the “**Redevelopment Plan**”) for the Park East Redevelopment Area (the “**Project Area**”); and

Whereas, North End Phase II LLC (formerly USL Phase I Land LLC) (the “**Developer**”) has requested that the Authority issue revenue bonds in an amount not to exceed \$4,950,000 (the “**Bonds**”) to provide financing for its proposed development (the “**Project**”) located in the Project Area at 455 East Pleasant Street (the “**Property**”); and

Whereas, appropriate representatives of the Authority have negotiated proposed contracts with the Developer with respect to the Bonds; and

Whereas, the Wisconsin Housing and Economic Development Authority (“**WHEDA**”) and the Developer have entered into a letter agreement whereby WHEDA has committed, subject to certain conditions set forth therein, to issue bonds in an aggregate principal amount equal to \$26,185,000 (the “**WHEDA Bonds**”) and to lend the proceeds thereof to the Developer to provide senior debt financing for the Project (the “**WHEDA Loan**”); and

Whereas, the City and the Developer have negotiated the terms under which, subject to certain conditions, the City will provide funds necessary to lend up to \$4,628,940 to the Developer to finance the Project (the “**TID Loan**”); and

Whereas, the Developer has presented the Authority with proposed documentation for the Bonds as follows:

(a) a Bond Financing Agreement (the “**Bond Financing Agreement**”) to be entered into by and between the Authority and the Developer, providing for the issuance of the Bonds and the loan of the proceeds thereof to the Developer (the “**Loan**”); and

(b) A Land Use Restriction Agreement setting forth certain covenants of the Developer with respect to the Project that shall run with the Property (the “**Land Use Restriction Agreement**”), to be entered into by and between the Developer, the Authority, and WHEDA; and

(c) a Line of Credit Agreement (the “**Line of Credit Agreement**”) to be entered into by and between the Developer and Kenmore Place LLC (the “**Developer Affiliate**”), pursuant to which the Developer Affiliate agrees to make loans to the Developer in certain circumstances, which agreement will be collaterally assigned to the Authority pursuant to the Bond Financing Agreement to secure the Developer’s obligations to repay the Loan; and

(d) a Tax Compliance Agreement (the “**Tax Compliance Agreement**”), to be dated the date of initial delivery of the WHEDA Bonds, to be entered into among the Authority, the Developer, and WHEDA, setting forth certain undertakings in order to ensure compliance under the applicable Internal Revenue Code requirements relating to the tax exempt status of the Bonds and the WHEDA Bonds; and

Whereas, the Loan shall be payable from (i) net revenues of the Project (after payment of operating expenses, the establishment of reserves as provided in the Bond Financing Agreement, and the payment of debt service on the WHEDA Loan and the TID Loan), (ii) borrowed money available for such purpose (including proceeds of the Loan, the WHEDA Loan, the TID Loan, and loans under the Line of Credit Agreement), and (iii) net proceeds (after the payment of debt and other obligations of the Developer as provided in the Bond Financing Agreement) of the sale, condemnation, or other taking of the Project or insured damage to the Project (unless the Developer determines to use insurance proceeds to repair such damage pursuant to the Bond Financing Agreement) (“**Net Capital Event Proceeds**”);

Whereas, pursuant to a resolution adopted by the Authority on July 14, 2011 (the “**Preliminary Resolution**”), the Authority has found that the Project is consistent with the Redevelopment Plan and has given preliminary approval to the issuance of bonds to finance the Project; and

Whereas, development of the Project is expected to result in substantial public benefits, including, but not limited to, the furtherance of the Redevelopment Plan for the Project Area; and

Whereas, the Bonds will be payable solely from all revenues and income derived by or for the account of the Authority from or for the account of the Developer pursuant to the terms of the Bond Financing Agreement and the Line of Credit Agreement; and

Whereas, the Authority deems it to be necessary, desirable and in its interest to authorize and issue the Bonds; now, therefore be it

Resolved that:

Section 1. Additional Findings and Determinations. It has been found and determined and is hereby declared:

(a) That the Project constitutes a “redevelopment project” within the meaning of the Act;

(b) That the estimated aggregate cost of the Project will not be less than \$35,764,000;

(c) That the payments required to be made by the Developer under the Bond Financing Agreement are sufficient in amount to pay when due the principal of and interest on the Bonds; and

(d) That all conditions set forth in the Preliminary Resolution have been satisfactorily met or will be satisfactorily met on or prior to the date of the initial issuance and delivery of the Bonds (the “**Original Issue Date**”).

Section 2. Authorization to Borrow and to Lend. The Authority shall borrow, but only in the manner herein recited, the aggregate sum of not to exceed \$4,950,000 for the purpose of (i) financing and/or refinancing the costs of providing the Project (by making the Loan to the Developer), (ii) paying the costs of selling and issuing the Bonds, and (iii) paying such other costs related thereto as are permitted to be paid with Bond proceeds under the Act. Said borrowing shall be accomplished through the sale of the Bonds issued pursuant to the Act. The Authority shall lend the bond proceeds to the Developer pursuant to the terms of the Bond Financing Agreement, which Loan shall be secured by an assignment of the Line of Credit Agreement.

Section 3. Designation, Denomination, Tenor, and Maturity of Bonds Created for Issuance. The Bonds shall be issued in the aggregate principal amount of not to exceed \$4,950,000 and shall be designated:

Redevelopment Authority of the City of Milwaukee
Subordinate Redevelopment Revenue Bonds, Series 2012
(North End Phase II Project)

The Bonds shall be substantially in the form set forth as Exhibit A hereto, with such insertions therein as shall be necessary to comply with the terms of this resolution and with such corrections therein or additions thereto, if any (including a legend providing notice of the transfer

restrictions contained herein and in the Bond Financing Agreement), as bond counsel may require for conformity with the terms of this resolution and the Act.

The Bonds shall mature on December 1, 2054 and shall bear interest, payable semiannually on the first day of each February and August, commencing with the first such date that occurs at least 30 days after the Original Issue Date (each an “**Interest Payment Date**”), and at maturity, at a rate equal to 9% per annum. Interest will be computed on the basis of a 360-day year of twelve 30-day months. To the extent that, on any Interest Payment Date, there are not sufficient Pledged Revenues (as hereinafter defined) to pay the accrued interest on the Bonds, the failure to pay such interest shall not be a default, but such payment shall be deferred, and any such accrued and unpaid interest shall thereafter bear interest, payable on each succeeding Interest Payment Date and at maturity, at the rate borne by the Bonds. All references in this resolution to accrued interest on the Bonds shall include accrued interest on any such deferred interest. Interest payable on each Bond on each Interest Payment Date will be paid to the person in whose name the Bond is registered on the Bond Register at the end of the fifteenth day of the month preceding the month in which such Interest Payment Date occurs (the “**Record Date**”).

The Bonds shall be issuable as fully-registered bonds without coupons in denominations of \$49,500 and any multiple thereof (except that Bonds representing the unredeemed portion remaining after a mandatory redemption from Net Capital Event Proceeds as described in Section 9 hereof or Bonds tendered but not purchased in whole as described in Section 10 hereof may be issued in denominations equal to the remaining principal amount thereof).

The Bonds shall bear, as their date of issuance, the Original Issue Date. Each Bond shall be dated, as its registration date, the date of its execution and delivery.

Section 4. Execution and Authentication of Bonds. 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 or Assistant Executive Director; provided, that, unless a fiscal agent shall have been appointed to act as authentication agent pursuant to the Bond Financing Agreement, at least one such signature shall be manual; and shall have impressed, imprinted or otherwise reproduced thereon an official seal of the Authority or a facsimile thereof, if any. No Bond shall be issued unless first authenticated by the Developer or a fiscal agent appointed to act as authentication agent pursuant to the Bond Financing Agreement, such authentication to be evidenced by the manual signature of an authorized signatory of the Developer or such authentication agent on the Bond.

The Bonds will be valid and binding even if, before they are delivered, any person whose signature appears on the Bonds is no longer living or is no longer the person authorized to sign the Bonds. In that event, the Bonds will have the same effect as if the person were living or were still the person authorized to sign the Bonds.

Section 5. Bonds as Limited Obligations. The Bonds shall be limited obligations of the Authority, payable by it solely from the Pledged Revenues (as hereinafter defined), and shall not constitute a general or moral obligation or a pledge of the faith or credit or any taxing power of the Authority or the City. The 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 Bonds shall not in any event be payable out of any funds or property other than Pledged Revenues. The Bonds shall not constitute or give rise to any personal liability of any member of the governing body of the Authority or any officers, agents, or employees of the Authority on the Bonds or for any act or omission related to the authorization or issuance of the Bonds.

Section 6. Source of Payment; Pledge of Revenues. The Bonds shall be payable solely from revenues and income derived by or for the account of the Authority from or for the account of the Developer pursuant to the terms of the Bond Financing Agreement and the Line of Credit Agreement, including, without limitation, (i) all payments by the Developer pursuant to the terms of the Bond Financing Agreement and (ii) all advances under the Line of Credit Agreement (collectively, the “**Pledged Revenues**”).

The Authority hereby pledges all of its right, title, and interest in and to the Pledged Revenues and in, to, and under the Bond Financing Agreement and the Line of Credit Agreement (reserving, however, its rights thereunder to receive from the Developer its issuance fee as described in Section 22 hereof, indemnity payments and payments in reimbursement of its expenses as provided in Sections 7.5 and 8.1 of the Bond Financing Agreement and its rights under Sections 6.5 and 8.2 of the Bond Financing Agreement) to the payment of the principal of and interest on the Bonds. The Pledged Revenues will be used for no purpose other than to pay the principal of and interest on the Bonds on the dates on which such amounts are due.

All Bonds will be secured equally by the pledge of the Pledged Revenues. All Bonds shall be of equal rank, and no owner of any Bond shall be accorded a preference or priority over any other owner, except as expressly authorized or provided herein.

The Authority will not be liable for the payment of the principal of and interest on the Bonds, except from the Pledged Revenues as provided in this resolution.

Notwithstanding the foregoing, or any other provision of this resolution, the Authority shall have no obligation to take any action to enforce the Bond Financing Agreement or the Line of Credit Agreement, or to collect the Pledged Revenues.

Section 7. Payment of Bonds. The principal of and interest on the Bonds shall be payable in lawful money of the United States of America at the office of the Developer or a fiscal agent appointed to act as paying agent pursuant to the Bond Financing Agreement. The Developer or such paying agent shall pay the principal of each Bond upon its presentation and surrender on or after its maturity or earlier redemption date at the principal office of the Developer or such paying agent, and the Developer or such paying agent shall pay, on each Interest Payment Date, the interest on each Bond by wire or other electronic transfer or by check drawn upon the Developer or such paying agent sent by first class mail to the person in whose name the Bond is registered on the Bond Register at the end of the day on the applicable Record Date, or in such other manner as the Developer or such paying agent and a registered owner may agree.

In the event any Bond shall not be presented for payment when the principal thereof becomes due, either at stated maturity or on the date fixed for redemption thereof, if funds sufficient to

pay such Bond shall be held for the benefit of the registered owner thereof by the Developer or a fiscal agent appointed to act as paying agent pursuant to the Bond Financing Agreement, all liability of the Authority to the owner thereof for the payment of such Bond shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Developer or such paying agent to hold such funds without liability for interest thereon, for the benefit of the owner of such Bond who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on such person's part with respect to said Bond.

If, on any Interest Payment Date or mandatory redemption date or the stated maturity date of the Bonds, the amount of Pledged Revenues available shall not be sufficient to pay in full the principal and interest then due, such Pledged Revenues shall be applied as follows:

First: To the payment to the persons entitled thereto of all installments of interest then due on the Bonds (including interest on deferred installments of interest), in the order of the maturity of the installments of such interest ratably, according to the amounts due on such installment, to the persons entitled thereto without any discrimination or privilege; and

Second: To the payment to the persons entitled thereto of the unpaid principal of the Bonds which shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to Section 9 of this resolution), ratably, according to the amount of principal, to the persons entitled thereto without any discrimination or privilege.

In any case where the date fixed for the payment of principal of or interest on the Bonds, or for tender or redemption of any Bonds, or for taking any other action hereunder shall not be a business day in the City (or, if a fiscal agent has been appointed to act as paying agent, in the city in which the office of such fiscal agent designated for administration of the Bonds is located), the payment of principal and interest (or, in the case of tender for purchase, the purchase price) need not be made or such other action need not be taken on such date but may be made or taken on the next succeeding business day with the same force and effect as if made or taken on the payment, redemption or purchase date, or on the date fixed for the taking of such other action, and (in the case of any payment due) no additional interest shall accrue with respect to such payment.

Section 8. Registration and Transfer of Bonds. Pursuant to the Bond Financing Agreement, the Developer or a fiscal agent appointed to act as bond registrar pursuant to the Bond Financing Agreement (in either case, the "**Bond Registrar**") shall maintain records for the registration of the Bonds (the "**Bond Register**"). At reasonable times and under reasonable regulations established by the Bond Registrar, the Bond Register may be inspected and copied by the Developer, the Authority, or the registered owner any Bond (or a designated representative thereof, the authority of such designated representative to be evidenced to the satisfaction of the Bond Registrar).

The Authority, the Developer, and any fiscal agent may treat the entity or person in whose name any Bond is registered on the Bond Register as the absolute owner of the Bond for all purposes whatsoever under this resolution.

Subject to the limitations hereinafter set forth, each Bond shall be transferable upon the Bond Register, but only with the consent of the Developer, for a like aggregate principal amount of Bonds in authorized denominations. A transfer may be requested by the registered owner in person or by a person with a written power of attorney. The Bond must be surrendered to the Bond Registrar, together with (i) a written instrument of transfer satisfactory to the Bond Registrar signed by the registered owner or by the person with the written power of attorney, and (ii) a representation letter from the transferee in the form set forth in the Bond Financing Agreement, containing representations to the effect that, among other things, the transferee is (or is holding as custodian for one or more investors, each of which has separately represented in writing to such custodian that it is) an “accredited investor” within the meaning of Regulation D under the federal Securities Act of 1933. The Bond Registrar will issue one or more new fully registered Bonds in the same aggregate principal amount to the transferee or transferees, as applicable, in exchange for the surrendered Bonds and upon the payment of a charge sufficient to reimburse the Authority and the Bond Registrar for any tax, fee, or other governmental charge required to be paid with respect to such registration.

The Bond Registrar will not be required to make any transfer of the Bonds (i) during the 15 calendar days before the date of the sending of notice of any redemption of the Bonds, or (ii) with respect to any particular Bond, after the Bond has been called for redemption.

In the event any Bond is mutilated, lost, stolen or destroyed, the Authority shall execute and the Developer or a fiscal agent appointed to act as authenticating agent pursuant to the Bond Financing Agreement shall authenticate a new Bond of like date and denomination as the Bond mutilated, lost, stolen or destroyed. In the case of any lost, stolen or destroyed Bond, there shall first be furnished to the Authority and the Bond Registrar evidence of such loss, theft or destruction satisfactory to the Authority and the Bond Registrar, together with indemnity satisfactory to them. In the case of any mutilated Bond, such Bond shall be surrendered to the Bond Registrar. The Authority and the Bond Registrar may charge the registered owner of such Bond with their reasonable fees and expenses in this connection.

Section 9. Redemption of Bonds Prior to Maturity. The Bonds shall be subject to redemption prior to maturity only as provided in this Section 9.

The Bonds shall be subject to mandatory redemption, in whole or in part, on the first practicable date after an event giving rise to Net Capital Event Proceeds, at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date, from such Net Capital Event Proceeds. If the Net Capital Event Proceeds are not sufficient to redeem all of the Bonds, then the amount available to pay the redemption price shall be applied to the partial redemption of all Bonds, pro rata, according to the amounts due to the registered owners of the Bonds, in principal amounts equal to the amounts of such redemption price allocable to principal (without preference of principal over accrued interest or accrued interest over principal in such allocation).

The Bonds shall be subject to optional redemption, at the direction of the Developer, in whole or in part (in multiples of the smallest authorized denomination for the Bonds), on any date on or after January 1, 2023, at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date, from prepayments of the Loan by the Developer. If less

than all of the Bonds are to be so redeemed, then the Bond Registrar will randomly select the Bonds to be redeemed. Any such means of selecting Bonds for redemption shall provide for the possibility of partial redemption of any Bond of a denomination greater than the smallest authorized denomination. Particular Bonds may be redeemed only in multiples of the smallest authorized denomination (hereinafter called a “Unit”). In the case of Bonds of denominations greater than a Unit, each Unit shall be treated as though it were a separate Bond in the denomination of a Unit.

If less than all of a particular Bond has been called for redemption, then upon surrender of such Bond to be redeemed, the Authority will issue one or more new Bonds in authorized denominations in the principal amount of the unredeemed portion of such Bond.

Notice of the redemption of any of the Bonds shall be sent by the Bond Registrar, by first class mail not less than 15 and not more than 60 days before the redemption date, to the registered owners of the Bonds to be redeemed; *provided, however*, that failure to give any such notice or any defect therein with respect to any particular Bond shall not affect the validity of any proceedings for the redemption of any other Bond. Each redemption notice shall (a) identify the Bonds to be redeemed by name and maturity date and, if only a portion of the Bonds are to be redeemed, the certificate numbers and the respective principal amounts to be redeemed, (b) identify the redemption date, (c) state the redemption price, (d) state that interest on the Bonds or the portions thereof called for redemption will cease to accrue from and after the redemption date if funds sufficient for their redemption and available for the purpose are available for such purpose on the redemption date, and (e) state that payment for the Bonds will be made on the redemption date upon the surrender of the Bonds to be redeemed during normal business hours at the office of the Developer or (if applicable) a fiscal agent appointed to act as paying agent pursuant to the Bond Financing Agreement.

If payment of a Bond called for redemption has been made or provided for, then interest on the Bond shall stop accruing on the stated redemption date.

Section 10. Tender for Purchase. The registered owner of any Bond shall have the right to tender such Bond, in whole or part, for purchase on December 15, 2030 (the “**Tender Date**”) as provided in this Section 10. Upon demand of the registered owner thereof, any Bond, or any portion thereof in a multiple of a Unit, shall be purchased on the Tender Date by the Developer (or, if applicable, by a fiscal agent appointed to act as paying agent pursuant to the Bond Financing Agreement), on behalf of the Authority, but only from the funds available pursuant to the Bond Financing Agreement, at a purchase price equal to 100% of the principal amount thereof, plus accrued interest to the Tender Date. The registered owner of a Bond may demand purchase of such Bond by delivery to the Bond Registrar, not less than 30 days nor more than 90 days before the Tender Date, of a notice (a “**Purchase Demand**”), which shall (i) state the name and taxpayer identification number of the registered owner, (ii) state the principal amount of the Bond to be tendered, and (iii) demand the purchase thereof on the Tender Date.

The Bond Financing Agreement will require the Bond Registrar to send notice (in the manner provided in Section 9 of this resolution) to each registered owner, not less than 90 nor more than 120 days before the Tender Date, which notice shall (i) identify the Tender Date, (ii) state that the Bonds are subject to tender for purchase on the Tender Date upon the demand of the

registered owners thereof, and (iii) include a form of Purchase Demand; provided that no failure to give any such notice, nor any defect therein, shall affect the rights of the registered owners to require purchase of their Bonds.

Delivery of a Purchase Demand shall be irrevocable and shall bind the registered owner to tender each Bond (or portion thereof) identified in the Purchase Demand for purchase on the Tender Date; and such Bond (or portion thereof) shall be deemed to have been tendered, whether or not actually tendered on the Tender Date. Upon tender of such Bond to the Developer or (if applicable) a fiscal agent appointed to act as paying agent pursuant to the Bond Financing Agreement, on or after the Tender Date, the Developer or such paying agent shall pay the registered owner thereof the purchase price of the Bond (or portion thereof) so tendered, but only from funds available from the Developer under the Bond Financing Agreement.

Bonds purchased pursuant to this Section 10 shall not be deemed paid or retired thereby, but new Bonds shall be registered in the name of the Developer and shall be outstanding for all purposes hereof. If less than all of a particular Bond has been purchased pursuant to this Section 10, then upon surrender of such Bond to be redeemed, the Authority will issue one or more new Bonds in authorized denominations in the principal amount of the portion of such Bond not so purchased.

If, on the Tender Date, the amount available for the purchase of tendered Bonds shall not be sufficient to pay in full the purchase price then due, such amount shall be applied to the partial purchase of the Bonds so tendered, pro rata, according to the amounts due to the tendering owners of the Bonds as the purchase price. Such Bonds shall be deemed to have been purchased in part, in the amount of such purchase price allocable to principal (without preference of principal over accrued interest or accrued interest over principal in such allocation).

Section 11. Agreements and Covenants. For as long as any Bonds remain outstanding, or until discharged or satisfied pursuant to Section 12 hereof, the Authority agrees and covenants with each and every registered owner of the Bonds as follows:

(a) The Authority will issue no other notes, bonds, or other obligations of any kind or nature payable from or enjoying a lien on the Pledged Revenues, will make no other assignment or use of the Pledged Revenues or the rights under the Bond Financing Agreement or the Line of Credit Agreement which are pledged to the payment of the Bonds, and will not impair such pledge.

(b) The Authority will not release the Developer from its obligations under the Bond Financing Agreement (other than the obligations with respect to the rights reserved to the Authority in Section 6 hereof), release or permit the release of the Developer Affiliate from its obligations under the Line of Credit Agreement, or affirmatively waive the payment of the Loan or the performance of such obligations (*provided, however*, that this covenant shall not be construed to obligate the Authority to take any action to enforce such obligations).

(c) The Authority will comply with its obligations under the Tax Compliance Agreement.

Section 12. Discharge and Satisfaction of Bonds and Covenants. The agreements, covenants, liens, and pledges entered into, created, or imposed pursuant to this resolution may be fully discharged and satisfied with respect to any or all of the Bonds in any one or more of the following ways:

(a) By paying the Bonds when they become due and payable, at stated maturity or upon their prior redemption, in the manner provided in this resolution; or

(b) By depositing with an escrow agent, in trust for such purpose:

(i) funds in the amount necessary, without consideration of any reinvestment thereof, to pay the principal of and interest on the Bonds as the same become due until their stated maturity or earlier redemption; or

(ii) money and/or direct obligations of, or obligations the principal of and interest on which are fully guaranteed by, the United States of America, in such amount as, together with the income or increment to accrue thereon without consideration of any reinvestment thereof, will be fully sufficient to pay the principal of and interest on the Bonds as the same become due until their stated maturity or earlier redemption;

provided that if the Bonds are to be redeemed prior to their stated maturity, then (i) the Bonds must have been irrevocably called for redemption, and (ii) provision must have been made for the required notice of the redemption in the manner provided in this resolution; *provided, further*, that any such deposit shall only be made if the deposit will not adversely affect the exclusion of interest on the Bonds from gross income of the owners thereof for federal income tax purposes.

Upon a payment or a deposit of money or investments in the amount and manner required by this section, all liability of the Authority with respect to the relevant Bonds will cease, determine, and be completely discharged, and the registered owners of any such Bonds that are not then retired will be entitled only to payment out of the money and investments deposited as required by this section.

Section 13. Resolution a Contract; Remedies of Bondholders. The provisions of Sections 3 through 14 of this resolution (the “**Contractual Provisions**”) constitute a contract between the Authority and the registered owners of the Bonds. After the issuance of the Bonds no change or alteration in the Contractual Provisions may be made, except as provided in Section 14 of this resolution, until all Bonds have been paid in full as to both principal and interest, or until provision for such payment has been made as provided in Section 12 hereof.

The registered owners of any of the Bonds will have the right, in addition to all other rights, by mandamus or other suit or action in any court of competent jurisdiction, to enforce their rights against the Authority and any and all officers and agents thereof, including the pledge of the Pledged Revenues and the Authority's rights (other than those reserved under Section 6 hereof) under the Bond Financing Agreement and the Line of Credit Agreement.

Section 14. Amendment of Resolution, Bond Financing Agreement and Line of Credit Agreement.

Amendment Without the Consent of the Owners. The Contractual Provisions of this resolution and/or the terms of the Bond Financing Agreement or the Line of Credit Agreement may be amended from time to time without the consent of the registered owners of the Bonds to make any change that does not adversely affect the registered owners of the Bonds, including, without limitation, to cure any ambiguities, inconsistencies, or typographical errors that may be contained in the Contractual Provisions and/or the Bond Financing Agreement or the Line of Credit Agreement, as the case may be.

Amendment With the Consent of the Owners. The Contractual Provisions of this resolution and/or the terms of the Bond Financing Agreement or the Line of Credit Agreement may also be amended from time to time with the written consent of the registered owners of not less than a majority in outstanding principal amount of the Bonds (not including any Bonds that are held or owned by or for the account of the Authority or the Developer); *provided, however*, that neither the Contractual Provisions nor the Bond Financing Agreement shall be amended:

(a) Without the unanimous written consent of the registered owners of the Bonds:

(i) To make any change in the stated maturity date of or interest rate on the Loan or any Bond; modify the terms of payment of principal of or interest on the Loan or any Bond; or impose any additional conditions with respect to payment of principal of or interest on the Loan or any Bond; or

(ii) To reduce the required outstanding principal amount of the Bonds for which consent must be given to effect any future amendments to the Contractual Provisions, the Bond Financing Agreement, or the Line of Credit Agreement; or

(b) Without the written consent of the registered owners of a majority in outstanding principal amount of Bonds affected thereby (not including any Bonds that are held or owned by or for the account of the Authority or the Developer), make any change that adversely affects the rights of the owners of less than all Bonds then outstanding.

Notice. If the Authority proposes to amend the Contractual Provisions of this resolution and/or the Bond Financing Agreement or proposes to consent to any amendment of the Line of Credit Agreement, then the Authority or the Bond Registrar shall cause notice of the proposed amendment (the "**Amendment Notice**") and, if consent is required, a form of consent to the

proposed amendment (the “**Consent**”) to be sent by certified mail to all registered owners of the Bonds. The Amendment Notice shall briefly describe the nature of the proposed amendment and shall state that a copy of the proposed amendment is on file for public inspection in the office of the Bond Registrar. The Consent, if required, must refer to the proposed amendment, specifically evidence consent to and approval of the proposed amendment, and be dated by the owner of the Bonds upon execution of the Consent. The Amendment Notice and Consent may be one instrument.

If at any time prior to one year after the date of the mailing of the Amendment Notice and Consent the bond registrar receives Consents executed by the registered owners of the Bonds owning not less than the required outstanding principal amount to approve the amendment, then the Authority may adopt a resolution amending the Contractual Provisions of this resolution, may enter into an amendment to the Bond Financing Agreement and/or may consent to an amendment to the Line of Credit Agreement, and, upon the adoption of such resolution or the execution and delivery of such amendment, as the case may be, the proposed amendment will become effective and binding upon the registered owners of all of the Bonds.

Any Consent given by the registered owner of a Bond pursuant to the provisions of this section will be irrevocable for a period of six months from the date of the Consent and will be conclusive and binding upon all future registered owners of the same Bond during the six-month period. A Consent may be revoked at any time after the six-month period by the registered owner who gave the Consent or by a successor in title by filing notice of such revocation with the Bond Registrar; *provided* that a revocation will not be effective if the Bond Registrar has already received Consents from registered owners of the Bonds owning not less than the required outstanding principal amount to approve the amendment, evidencing their consent to and approval of the proposed amendment that was the subject of the Consent.

The person or entity who is then the owner of 100% of the outstanding Bonds may waive in writing any of the above time periods with respect to any proposed amendment.

Section 15. Award of Bonds. The Developer will be responsible for negotiating for the sale of the Bonds to the initial purchasers thereof (the “**Purchasers**”), each of which will be required to represent that he, she, or it is an “accredited investor” within the meaning of Regulation D under the federal Securities Act of 1933. The Bonds shall be sold to the Purchasers at a price of 100% of the principal amount of the Bonds, there being no accrued interest thereon. Given the purposes of the financing and the involvement of the Authority therewith, it is the determination of this body that the Bonds shall be and hereby are awarded to the Purchasers at the price aforesaid.

Section 16. Execution and Delivery of the Bond Financing Agreement, the Land Use Restriction Agreement, and the Tax Compliance Agreement. The terms and provisions of the Bond Financing Agreement, the Land Use Restriction Agreement, the Tax Compliance Agreement, and the Line of Credit Agreement are hereby approved. The Chairperson or Vice Chairperson acting alone or together with the Executive Director or Assistant Executive Director are hereby authorized for and in the name of the Authority to execute and deliver the Bond Financing Agreement, the Land Use Restriction Agreement, and the Tax Compliance Agreement, in the respective forms thereof presented herewith, or with such

insertions therein or corrections thereto as shall be approved by them consistent with this resolution and the terms of the Act, their execution thereof to constitute conclusive evidence of their approval of any such insertions and corrections.

Section 17. Execution and Delivery of the Bonds. The Chairperson or Vice Chairperson and the Executive Director or Assistant Executive Director are hereby authorized and directed, for and in the name of the Authority, to execute the Bonds and, upon the written request of the Developer received on or before December 31, 2012, to deliver the Bonds to the Purchasers against payment therefor.

Section 18. Disposition of Bond Proceeds. The proceeds from the sale of the Bonds shall be transferred to the trustee with respect to the WHEDA Bonds, or to such other custodian as the Developer may direct with the consent of WHEDA.

Section 19. Appointment of Fiscal Agent. The appropriate officers of the Authority are authorized, in accordance with the Bond Financing Agreement, to enter into agreements with one or more fiscal agents qualified under Section 67.10(2) of the Wisconsin Statutes to act as Bond Registrar, paying agent and/or authenticating agent with respect to the Bonds.

Section 20. Publication of Notice. Notice of the sale of the Bonds, in the form attached hereto as Exhibit B, shall be published promptly after the execution of the Bond Financing Agreement in the official newspaper of the City as a class 1 notice under Chapter 985 of the Wisconsin Statutes. The Assistant Executive Director shall obtain proof, in affidavit form, of such publication, and shall compare the Notice as printed with the form attached hereto as Exhibit B to ascertain that no mistake has been made therein.

Section 21. General Authorizations. The Chairperson, Vice Chairperson, the Executive Director and Assistant Executive Director and the appropriate deputies and officials of the Authority in accordance with their assigned responsibilities are hereby each authorized and directed to execute, publish, file and record such other documents, instruments, notices (including Internal Revenue 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 Bonds, the Bond Financing Agreement, the Land Use Restriction Agreement, the Tax Compliance Agreement, and any related documents.

In the event that the current officers of the Authority are 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 Bonds, the Bond Financing Agreement, the Land Use Restriction Agreement, or the Tax Compliance Agreement), such duties shall be performed by the officer or official succeeding to such duties in accordance with law and the rules of the Authority.

Section 22. Authority Fee. Issuance of the Bonds is expressly conditioned on the Authority being paid, upon issuance, a fee equal to 0.75% percent of the principal amount of the Bonds issued.

Section 23. Effective Date; Expiration; Conformity. This resolution shall be effective immediately upon its passage and approval and shall expire on December 31, 2012 if

the Bonds shall not have been issued prior to such date. 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.

* * * * *

EXHIBIT A
FORM OF BOND

United States of America
State of Wisconsin

REDEVELOPMENT AUTHORITY OF THE CITY OF MILWAUKEE

SUBORDINATE REDEVELOPMENT REVENUE BOND, SERIES 2012
(NORTH END PHASE II LLC PROJECT)

No. R-__			Registered \$ _____
<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Issue Date</u>	<u>CUSIP</u>
9%	December 1, 2054	_____, 2012	None

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____

The REDEVELOPMENT AUTHORITY OF THE CITY OF MILWAUKEE (the “**Authority**”), a public body corporate and politic organized under the laws of the State of Wisconsin, for value received, hereby promises to pay (but only from the revenues hereinafter described and not otherwise) to the above named Registered Owner, or registered assigns, on the above specified Maturity Date (subject to the redemption provisions set forth herein), upon presentation and surrender of this Bond, the Principal Amount specified above and to pay interest thereon (but only from said revenues) at a rate per annum equal to the above specified Interest Rate, payable on the first day of February and August of each year, commencing on the first such date that is at least thirty days after the above specified Original Issue Date (each, an “**Interest Payment Date**”), and at maturity. Payment of the principal of and interest on this Bond shall be made in lawful money of the United States of America at the principal office of the Developer identified below, or any paying agent appointed pursuant to the Agreement referred to below.

THIS BOND IS A LIMITED OBLIGATION OF THE AUTHORITY. THE PRINCIPAL OF AND INTEREST ON THIS BOND ARE PAYABLE SOLELY FROM “PLEDGED REVENUES” AS DEFINED IN THE BOND RESOLUTION HEREINAFTER REFERRED TO, INCLUDING ALL PAYMENTS BY THE DEVELOPER (AS HEREINAFTER DEFINED) PURSUANT TO THE AGREEMENT HEREINAFTER REFERRED TO. THIS BOND AND THE INTEREST HEREON ARE NOT AN INDEBTEDNESS OF THE AUTHORITY WITHIN THE MEANING OF ANY STATE OF WISCONSIN CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND ARE NOT A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OR A PECUNIARY LIABILITY OF THE AUTHORITY, THE CITY OF MILWAUKEE, WISCONSIN (THE “**CITY**”), THE STATE CITY OF WISCONSIN, OR ANY POLITICAL SUBDIVISION THEREOF.

This Bond has been issued pursuant to and in full compliance with the Constitution and laws of the State of Wisconsin, including particularly Section 66.1333 of the Wisconsin Statutes, as amended (the “**Act**”), and a resolution of the Authority adopted on November 17, 2011 entitled “Resolution Authorizing the Issuance and Sale of up to \$4,950,000 Subordinate Redevelopment Revenue Bonds, Series 2012 (North End Phase II Project), the Approval and Execution of Related Documents, the Pledge of Revenues, and Other Details” (the “**Bond Resolution**”). Reference is hereby made to the Bond Resolution for a description of rights, duties, and obligations of the Authority and the owners of the Bonds.

This Bond is one of a duly authorized issue of Bonds of the Authority, limited in aggregate principal amount to \$4,950,000 (herein referred to as the “**Bonds**”), issued for the purpose of making a loan (the “**Loan**”) to North End Phase II LLC, a Wisconsin limited liability company (the “**Developer**”), pursuant to a Bond Financing Agreement (the “**Agreement**”) dated as of _____, 20__ between the Authority and the Developer, for the purpose of financing and refinancing the acquisition and construction by the Developer of a mixed-use residential and retail facility (the “**Project**”) located in the Park East Redevelopment Area in the City. As security for the payment by Developer of its obligations under the Agreement, the Developer has assigned to the Authority its rights to obtain certain loans under a Line of Credit Agreement between the Developer and Kenmore Place LLC, an affiliate of the Developer. Reference is hereby made to the Agreement for a description of rights, duties, and obligations of the Developer with respect to the Bonds and the Loan.

Pursuant to the Bond Resolution, the Authority has pledged the Loan payments received from or for the account of the Developer, and (with certain exceptions) its rights under the Agreement, to the payment of the Bonds.

This Bond is transferable only with the consent of the Developer. Transfer of this Bond may be made, in accordance with the provisions of the Bond Resolution, by the Registered Owner hereof or its duly authorized attorney at the principal office of the Developer, or a fiscal agent appointed pursuant to the Agreement to act as bond registrar, upon (1) surrender of this Bond, accompanied by (a) a duly executed instrument of transfer, in the form attached hereto or such other form as may be satisfactory to the bond registrar, and (b) a representation letter executed by the transferee, in the form attached as an Exhibit to the Bond Financing Agreement, containing representations to the effect, among other things, that the transferee is (or is holding as custodian for one or more investors, each of which has separately represented in writing to such custodian that it is) an “accredited investor” and (2) payment by the Registered Owner hereof of any taxes, fees, or other governmental charges incident to such transfer. Upon any such transfer, a new fully-registered Bond in the same aggregate principal amount will be issued to the transferee. The person in whose name this Bond is registered shall be deemed the Registered Owner hereof by the Authority, the Developer and any fiscal agent that may be appointed as provided in the Agreement, and no notice to the contrary shall be binding upon the Authority, the Developer, or any such fiscal agent.

Interest on this Bond shall be computed on the basis of a 360-day year of twelve 30-day months. To the extent that, on any Interest Payment Date, there are not sufficient Pledged Revenues to pay the accrued interest on the Bonds, the failure to pay such interest shall

not be a default, but such payment shall be deferred, and any such accrued and unpaid interest shall thereafter bear interest, payable on each succeeding Interest Payment Date and at maturity, at the above specified Interest Rate.

The Bonds are subject to mandatory redemption, in whole or in part, on the first practicable date after an event giving rise to Net Capital Event Proceeds (as defined in the Bond Resolution), at a redemption price equal to 100% of the principal amount of the Bonds so redeemed, plus accrued interest to the redemption date, from such Net Capital Event Proceeds. If the Net Capital Event Proceeds are not sufficient to redeem all of the Bonds, then the amount available to pay the redemption price shall be applied to the partial redemption of all Bonds, pro rata, as provided in the Bond Resolution.

The Bonds are subject to optional redemption, at the direction of the Developer, in whole or in part (in multiples of the smallest authorized denomination for the Bonds), on any date on or after January 1, 2023, at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date, from prepayments of the Loan by the Developer. If less than all of the Bonds are to be so redeemed, then the bond registrar will randomly select the Bonds or portions thereof to be redeemed.

Notice of the redemption of any of the Bonds shall be sent by the bond registrar, by first class mail not less than 15 and not more than 60 days before the redemption date, to the registered owners of the Bonds to be redeemed.

The Registered Owner of this Bond shall have the right to tender this Bond, in whole or part (in a multiple of the smallest authorized denomination for the Bonds) for purchase on December 15, 2030 (the "Tender Date"), at a purchase price equal to 100% of the principal amount hereof so tendered, plus accrued interest to the Tender Date. The purchase price shall be payable only from amounts paid by the Developer as provided in the Agreement. The Registered Owner may demand such purchase by delivery to the bond registrar, not less than 30 days nor more than 90 days before the Tender Date, of a notice which (i) states the name and taxpayer identification number of the Registered Owner, (ii) states the principal amount of this Bond to be tendered, and (iii) demands such purchase on the Tender Date. Delivery of such notice shall be irrevocable and shall bind the Registered Owner to tender this Bond for purchase on the Tender Date, and this Bond shall be deemed to have been tendered, whether or not actually tendered on the Tender Date. Upon tender of such Bond to the Developer or (if applicable) a fiscal agent appointed to act as paying agent pursuant to the Agreement, on or after the Tender Date, the Developer or such paying agent shall pay the Registered Owner the purchase price hereof. If, on the Tender Date, the amount available for the purchase of tendered Bonds shall not be sufficient to pay in full the purchase price for all tendered Bonds then due, such amount shall be applied to the partial purchase of the Bonds so tendered, pro rata, as provided in the Bond Resolution.

The Bond Resolution permits the amendment thereof and of the Agreement, and the modifications of the rights and obligations of the Authority and the rights of the Registered Owners of the Bonds, upon the terms set forth therein. Any consent or waiver by the Registered Owner of this Bond shall be conclusive and binding upon such Registered Owner and upon all future Registered Owners of this Bond and of any Bond issued upon the transfer of this Bond, whether or not notation of such consent or waiver is made hereon.

IT IS HEREBY CERTIFIED, RECITED, AND DECLARED that all acts, conditions, and procedures required to exist, happen, and be performed precedent to and in the adoption of the Bond Resolution, the execution and delivery of the Agreement, and the issuance of this Bond do exist, have happened, and have been performed in due time, form, and manner as required by law, and that the issuance of this Bond has been duly authorized by the Authority and does not exceed or violate any constitutional or statutory limitation.

IN WITNESS WHEREOF, the Authority has caused this Bond to be executed in its name by the manual or facsimile signature of its [Vice] Chairperson, [and the manual impression or facsimile of its corporate seal to be affixed hereto] and attested by the manual or facsimile signature of its [Assistant] Executive Director.

REDEVELOPMENT AUTHORITY OF THE CITY OF
MILWAUKEE

[SEAL]

By: _____
Title: [Vice] Chairperson

And: _____
Title: [Assistant] Executive Director

EXHIBIT B

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

On November 17, 2011, 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 \$4,950,000 to finance and refinance the development by North End Phase II LLC of certain property in the Park East Redevelopment Area. It is anticipated that the sale of the bonds will occur on or before December 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

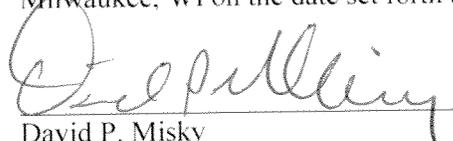
Assistant Executive Director

Publication Date: _____, 20__

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
