

RESOLUTION NO. 2015-07

RESOLUTION AUTHORIZING THE ISSUANCE OF A
\$5,500,000 TAXABLE TAX INCREMENT REVENUE BOND
(TAX INCREMENT DISTRICT NO. 3 -
SHOREWOOD SENIOR APARTMENTS PROJECT)

WHEREAS the Village of Shorewood, Wisconsin (the "Village") has created its Tax Incremental District No. 3 ("TID No. 3") for the purpose of promoting economic development and eliminating blight in the Village; and

WHEREAS the projects being undertaken in TID No. 3 constitute a revenue-producing enterprise of the Village which is operated for a public purpose, and constitute a "public utility" within the meaning of Section 66.0621 of the Wisconsin Statutes; and

WHEREAS in order to further its economic development and blight elimination efforts in TID No. 3, the Village is entering into a Development Agreement with Shorewood Senior Apartments LLC (the "Developer") which was approved by the Village Board on December 15, 2014, as subsequently modified by the parties thereto (the "Development Agreement"); and

WHEREAS pursuant to Section 66.0621 of the Wisconsin Statutes and the terms of the Development Agreement, the Village is to issue to the Developer a tax incremental revenue bond payable solely from certain tax increment revenues generated from the Project Site (as defined in the Development Agreement) within TID No. 3 which are appropriated by the Village Board;

NOW, THEREFORE, BE IT RESOLVED by the Village Board of the Village of Shorewood, Wisconsin, as follows:

Section 1. Authorization of Revenue Bond. For the purpose of financing economic development and blight elimination projects in TID No. 3, as provided for under the Development Agreement, the Village shall issue its "Taxable Tax Increment Revenue Bond (Tax Increment District No. 3 - Shorewood Senior Apartments Project)" (the "Bond") to the Developer in consideration for the obligations undertaken by the Developer under the Development Agreement. The Bond shall be in the principal amount of \$5,500,000 or such lesser amount as is provided in the Development Agreement. The Bond shall be dated its date of issuance. The Bond shall bear interest at the rate of 2.8262% per annum until the Completion Date (as defined in the Development Agreement) and at the rate of 5.3296% per annum subsequent to the Completion Date.

The Bond shall mature and the Village's obligation to repay all or any portion of the Bond shall terminate with the final payment made on the twentieth anniversary of the date of issuance of the Bond. Installments of principal of the Bond shall be due and payable on September 1 of each year during the term of the Bond, commencing on the September 1 following the issuance of the Bond and on the maturity date (each, a "Bond Payment Date"). The amount of the annual payment of principal and interest due on each Bond Payment Date shall be equal to the amount of the available Net Tax Increment (as defined in the Development Agreement) which has been received by the Village as of the August 1 of the year the Bond payment is due, reduced by the amount of any unpaid Administrative Reimbursement payment

which the Village is entitled to deduct from the Net Tax Increment in accordance with the terms of the Development Agreement.

The Bond shall be issued at such time on or after the Completion Date that the Developer submits to the Village a written certification and request for the issuance of the Bond as provided in the Development Agreement.

The Bond shall be subject to prepayment in whole or from time to time in part at any time, at the option of the Village.

The schedule of payments on the Bond is found to be such that the amount of annual debt service payments is reasonable in accordance with prudent municipal utility practices.

The Bond shall be signed by the manual or facsimile signatures of the President and Village Clerk of the Village (provided that, unless the Village has contracted with a fiscal agent to authenticate the Bond, at least one of such signatures shall be manual), and sealed with the corporate seal of the Village, or a facsimile thereof.

The Bond, together with interest thereon, shall be payable only out of the Special Redemption Fund hereinafter provided, and shall be a valid claim of the owner thereof only against the Special Redemption Fund and the revenues pledged to such Fund pursuant to this Resolution.

Section 2. Form of Bond. The Bond shall be in substantially the form set forth on Attachment I hereto.

Section 3. Payable Solely From Revenues. The Bond shall be payable only out of the Special Redemption Fund as hereinafter provided, and shall be a valid claim of the owner thereof only against the Special Redemption Fund and from the revenues pledged to such fund, and shall be payable solely from the Net Tax Increment which has been received and retained by the Village in accordance with the provisions of Section 66.1105 of the Wisconsin Statutes and appropriated by the Village Board to the payment of the Bond (hereinafter referred to as "Revenues").

As stated above, the application of the Net Tax Increment to payment of the Bond is subject to future annual appropriation by the Village Board. However, the Village fully expects and anticipates that to the extent the Net Tax Increment is generated and received by the Village, it will appropriate such Net Tax Increment (less any unpaid Administrative Reimbursement payments) to the payment of the principal of and interest on the Bond.

The Village shall have no obligation to make any payments on the Bond while the Developer is in default under the Development Agreement.

Section 4. Special Redemption Fund. For the purpose of the application and proper allocation of the Revenues, and to secure the payment of the principal of and interest on the Bond, the Special Redemption Fund is hereby created and shall be used solely for the purpose of paying principal of and interest on the Bond in accordance with the provisions of the Bond and this Resolution.

Uninvested money in the Special Redemption Fund shall be kept on demand deposit with such bank or banks as may be designated from time to time by the Village as public depositories under the laws of Wisconsin. Such deposits of Special Redemption Fund money shall be secured to the fullest extent required by the laws of Wisconsin and the general investment policy of the Village.

Money in the Special Redemption Fund, if invested, shall be invested in direct obligations of, or obligations guaranteed as to principal and interest by, the United States of America, or in certificates of deposit secured by such obligations and issued by a state or national bank which is a member of the Federal Deposit Insurance Corporation and is authorized to transact business in the State of Wisconsin, maturing not later than the date such money must be transferred to make payments on the Bond, or deposited in the local government pooled-investment fund. All income from such investments shall be deposited in the Special Redemption Fund. Such investments shall be liquidated at any time when it shall be necessary to do so to provide money for any of the purposes for the Special Redemption Fund.

All Revenues shall be deposited in the Special Redemption Fund, and no other fund is created by this Resolution.

Section 5. Application of Revenues to Payment of the Bond. On each Bond Payment Date, the Village shall apply to the payment of the principal and interest due on the Bond the Net Tax Increment which has been appropriated by the Village Board to the payment of the Bond.

If on any Bond Payment Date there shall be insufficient Revenues to pay the principal or interest due on the Bond, the amount due but not paid shall accumulate and be payable on the next Bond Payment Date until the final Bond Payment Date.

If after making the payment due on the final Bond Payment Date, there remain amounts outstanding and unpaid on the Bond, then the remaining balance of principal of and interest on the Bond shall be deemed paid in full, it being understood that upon making the payment due on the final Bond Payment Date, the obligation of the Village to make any further payments on the Bond shall terminate. The Village shall have no obligation to pay any amount of principal of or interest on the Bond which remains unpaid after the final Bond Payment Date and the owner of the Bond shall have no right to receive payment of such amounts.

If for any reason (other than voluntary resolution of the Village Board) TID No. 3 terminates prior to the final Bond Payment Date, and there remain amounts outstanding and unpaid on the Bond, then the remaining balance of principal of and interest on the Bond shall be deemed paid in full, it being understood that upon such termination of TID No. 3, the obligation of the Village to make any further payments on the Bond shall also terminate. The Village shall have no obligation to pay any amount of principal of or interest on the Bond which remains unpaid upon termination of TID No. 3 and the owner of the Bond shall have no right to receive payment of such amounts.

Section 6. Persons Treated as Owners; Transfer of Bond. The Village Treasurer shall keep books for the registration and for the transfer of the Bond. The person in whose name the Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of principal on the Bond shall be made only to the registered owner

thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

The Bond may be transferred or assigned by the registered owner thereof only with the consent of the Village, by surrender of the Bond at the office of the Village Treasurer accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing. Upon such transfer or assignment, the Village Treasurer shall record the name of the transferee or assignee in the registration book and note such transfer or assignment on the Bond and re-issue the Bond (or a new Bond or Bonds of like aggregate principal amount and maturity).

The Bond may be exchanged for a new Bond or Bonds of like aggregate principal amount and maturity.

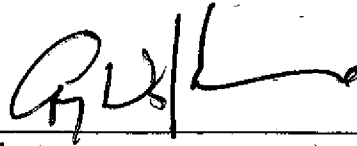
Section 7. General Authorizations. The President and Village Clerk and the appropriate deputies and officials of the Village in accordance with their assigned responsibilities are hereby each authorized to execute, deliver, publish, file and record such other documents, instruments, notices and records 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 Village under the Development Agreement and the Bond.

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 Bond), such duties shall be performed by the officer or official succeeding to such duties in accordance with law and the rules of the Village.

Section 8. Severability of Invalid Provisions. If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining sections, paragraphs and provisions of this Resolution.

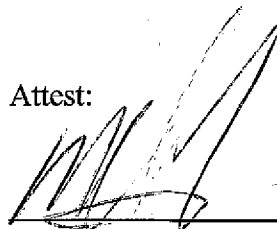
Section 9. Effective Date. This Resolution shall be effective immediately upon its passage and approval.

Adopted and approved this 18th day of May, 2015.



President

Attest:



Village Clerk

ATTACHMENT I

(Form of Tax Increment Revenue Bond)

UNITED STATES OF AMERICA
STATE OF WISCONSIN
COUNTY OF MILWAUKEE
VILLAGE OF SHOREWOOD

TAXABLE TAX INCREMENT REVENUE BOND
(TAX INCREMENT DISTRICT NO. 3 -
SHOREWOOD SENIOR APARTMENTS PROJECT)

<u>Number</u>	<u>Date of Original Issue</u>	<u>Principal Amount</u>
R-1	May 18, 2015	As Defined Below

FOR VALUE RECEIVED, the Village of Shorewood, Milwaukee County, Wisconsin (the "Village"), promises to pay to Shorewood Senior Apartments LLC, or registered assigns, but only in the manner, at the times, from the source of revenue and to the extent hereinafter provided, the Principal Amount (defined below), in principal installments as described below, together with interest thereon from the Date of Original Issue stated above or the most recent date to which interest has been paid, to the stated due dates of the principal installments of this Bond, at a rate per annum equal to 2.8262% per annum until the Completion Date (as defined in the Development Agreement described below) and at the rate of 5.3296% per annum subsequent to the Completion Date.

The "Principal Amount" of this Bond shall be equal to \$5,500,000 subject to downward adjustment as provided in paragraph E of Article II of the Development Agreement.

This Bond is issued to finance projects which are a part of the Village's economic development and blight elimination utility, pursuant to Article XI, Section 3 of the Wisconsin Constitution and Section 66.0621, Wisconsin Statutes and acts supplementary thereto, and is payable only from the income and revenues herein described, which income and revenues have been set aside as a special fund for that purpose and identified as the "Special Redemption Fund." This Bond is issued pursuant to a resolution adopted on May 18, 2015 by the Village Board of the Village and the Development Agreement between the Village and Shorewood Senior Apartments LLC which was approved by the Village Board on December 15, 2014, as subsequently modified by the parties thereto (the "Development Agreement"). This Bond does not constitute an indebtedness of the Village within the meaning of any constitutional or statutory limitation or provision. The principal of and interest on this Bond shall be payable solely from Net Tax Increment (as defined in the Development Agreement) received by the Village with respect to its Tax Incremental District No. 3 (the "TID") which are appropriated by the Village Board to the payment of this Bond (the "Revenues"). Reference is hereby made to said Development Agreement and resolution for a more complete statement of the revenues from which and conditions under which this Bond is payable, and the general covenants and provisions pursuant to which this Bond has been issued.

This Bond shall mature and the Village's obligation to repay all or any portion of this Bond shall terminate with the final payment made on the twentieth anniversary of the Date of Original Issue stated above (the "Maturity Date"). Installments of principal of and interest on this Bond shall be due and payable on September 1 of each year, commencing on the September 1 following the issuance of the Bond through and including the Maturity Date (each, a "Bond Payment Date"). The amount of the annual payment of principal and interest due on each Bond Payment Date shall equal the available Net Tax Increment which has been received by the Village as of the August 1 preceding the date of payment and appropriated by the Village Board the payment of this Bond, reduced by the amount of any unpaid Administrative Reimbursement payment which the Village is entitled to deduct in accordance with the terms of the Development Agreement.

If on any Bond Payment Date there shall be insufficient Revenues to pay the principal and interest due on this Bond, the amount due but not paid shall accumulate and be payable on the next Bond Payment Date until the final Bond Payment Date.

If after making the payment due on the final Bond Payment Date, there remain amounts outstanding and unpaid on the Bond, then the remaining balance of principal of and interest on the Bond shall be deemed paid in full, it being understood that upon making the payment due on the final Bond Payment Date, the obligation of the Village to make any further payments on the Bond shall terminate. The Village shall have no obligation to pay any amount of principal of or interest on this Bond which remains unpaid after the final Bond Payment Date and the owner of this Bond shall have no right to receive payment of such amounts.

If for any reason (other than voluntary resolution of the Village Board) the TID terminates prior to the final Bond Payment Date, and there remain amounts outstanding and unpaid on the Bond, then the remaining balance of principal of and interest on the Bond shall be deemed paid in full, it being understood that upon such termination of the TID, the obligation of the Village to make any further payments on the Bond shall also terminate. The Village shall have no obligation to pay any amount of principal of or interest on the Bond which remains unpaid upon termination of the TID and the owner of the Bond shall have no right to receive payment of such amounts.

This Bond is subject to prepayment in whole or from time to time in part at any time, at the option of the Village.

THE VILLAGE MAKES NO REPRESENTATION OR COVENANT, EXPRESS OR IMPLIED, THAT THE NET TAX INCREMENT OR REVENUES WILL BE SUFFICIENT TO PAY, IN WHOLE OR IN PART, THE AMOUNTS WHICH ARE OR MAY BECOME DUE AND PAYABLE HEREUNDER.

THE VILLAGE'S PAYMENT OBLIGATIONS HEREUNDER ARE SUBJECT TO FUTURE ANNUAL APPROPRIATION BY THE VILLAGE BOARD OF THE NET TAX INCREMENT TO MAKE PAYMENTS DUE ON THIS BOND.

THIS BOND IS A SPECIAL, LIMITED REVENUE OBLIGATION AND NOT A GENERAL OBLIGATION OF THE VILLAGE, AND IS PAYABLE BY THE VILLAGE ONLY FROM THE SOURCES, TO THE EXTENT, AND SUBJECT TO THE QUALIFICATIONS STATED OR REFERENCED HEREIN. THIS BOND IS NOT A GENERAL OBLIGATION OF THE VILLAGE, AND NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWERS OF THE VILLAGE ARE PLEDGED TO THE

PAYMENT OF THE PRINCIPAL OF THIS BOND, AND NO PROPERTY OR OTHER ASSET OF THE VILLAGE, EXCEPT THE ABOVE-REFERENCED REVENUES, IS OR SHALL BE A SOURCE OF PAYMENT OF THE VILLAGE'S OBLIGATIONS HEREUNDER.

This Bond is issued by the Village pursuant to and in full conformity with the Constitution and laws of the State of Wisconsin.

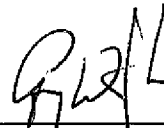
This Bond may be transferred or assigned only with the consent of the Village. In order to transfer or assign the Bond, the transferee or assignee shall surrender the same to the Village either in exchange for a new fully registered bond or for transfer of this Bond on the registration records for the Bond maintained by the Village. Each permitted transferee or assignee shall take this Bond subject to the foregoing conditions and subject to all provisions stated or referenced herein.

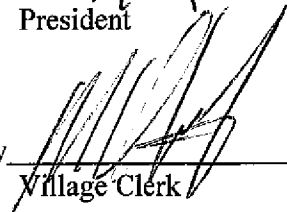
It is hereby certified and recited that all conditions, things and acts required by law to exist or to be done prior to and in connection with the issuance of this Bond have been done, have existed and have been performed in due form and time.

IN WITNESS WHEREOF, the Village Board of the Village of Shorewood, Milwaukee County, Wisconsin, has caused this Bond to be signed on behalf of said Village by its duly qualified and acting President and Village Clerk, and its corporate seal to be impressed hereon, all as of the date of original issue specified above.

VILLAGE OF SHOREWOOD,
MILWAUKEE COUNTY, WISCONSIN

(SEAL)

By  _____
President

By  _____
Village Clerk

REGISTRATION PROVISIONS

This Bond shall be registered in registration records kept by the Village Clerk of the Village of Shorewood, Milwaukee County, Wisconsin, such registration to be noted in the registration blank below and upon said registration records, and this Bond may thereafter be transferred only upon presentation of this Bond together with a written instrument of transfer approved by the Village and duly executed by the Registered Owner or his attorney, such transfer to be made on such records and endorsed hereon.

<u>Date of Registration</u>	<u>Name of Registered Owner</u>	<u>Signature of Village Clerk</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____