

COOPERATION AGREEMENT

Dated as of April 1, 2015

by and among the

MILWAUKEE BOARD OF SCHOOL DIRECTORS

and the

CITY OF MILWAUKEE

and the

REDEVELOPMENT AUTHORITY OF THE
CITY OF MILWAUKEE, WISCONSIN

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COOPERATION AGREEMENT

THIS AGREEMENT (this “**Agreement**”), is made as of April 1, 2015, by and between the MILWAUKEE BOARD OF SCHOOL DIRECTORS, a board of school directors created under chapter 119 of the Wisconsin Statutes to be in charge of the public schools of the City of Milwaukee, which are known as the Milwaukee Public Schools (“**MPS**”), the CITY OF MILWAUKEE, WISCONSIN, a Wisconsin municipal corporation and political subdivision (“**City**”), and the REDEVELOPMENT AUTHORITY OF THE CITY OF MILWAUKEE, a public body corporate and politic created under the laws of the State of Wisconsin (the “**Authority**”).

ARTICLE I

DEFINITIONS

“**Additional Bonds**” means such _____ bonds in such series, with such dates, and in such principal amounts as the Authority may issue from time to time pursuant to the Indenture.

“**Bonds**” means, collectively, the Series 2015 Bonds and any Additional Bonds.

“**Governing Body**” (i) when used with reference to City, means the Common Council or other legislative body of City, (ii) when used with reference to Authority, means the Commissioners or other legislative body of the Authority, and (iii) when used with reference to MPS, means the Board of School Directors.

“**Governing Body Authorization**” (i) when used with reference to City, means the resolution titled “Resolution”, adopted by City’s Governing Body on _____, 2015, following receipt from Authority of a report or reports pursuant to Section 9(a)1. of the Redevelopment Act, (ii) when used with reference to the Authority, means the resolution titled “Resolution Facilitating the _____” adopted by the Authority’s Governing Body on _____, 2015, and (iii) when used with reference to MPS, means the resolution adopted by the Board of School Directors on _____, 2015.

“**Ground Lease**” means _____.

“**Indenture**” means the Indenture of Trust dated as of _____, 2015, by and between Authority and the Trustee with respect to the Bonds, as amended or supplemented from time to time pursuant to the terms thereof.

“**Lease**” means _____.

“**Project**” means the redevelopment undertakings described in this Cooperation Agreement.

“**Project Costs**” means the costs incurred or to be incurred by MPS for the Project. A budget for the Project Costs with respect to the purchase, construction, installation, and

improvement of all or substantially all the Project Improvements shall be approved and submitted by MPS.

“**Project Improvements**” means all right, title, and interest of MPS in, to, and under all real property improvements purchased, constructed, installed, or improved by MPS with the proceeds of the Series 2015 Bonds.

“**Redevelopment Act**” means Section 66.1333 of the Wisconsin Statutes, as amended.

“**Redevelopment Property**” means the real property described in Exhibit A, which constitutes various sites for schools.

“**Series 2015 Bonds**” means Authority’s Redevelopment _____, Series 2015, dated their date of initial delivery, issued in the aggregate principal amount of \$ _____ pursuant to the Indenture.

“**Trustee**” means _____.

ARTICLE II

RECITALS OF PUBLIC PURPOSE

Section 2.01 Improvement Area Objectives.

The Redevelopment Property has been determined to be blighted property within the meaning of Section 66.1333 (5) (c), Wisconsin Statutes, so that redevelopment occurring within the Redevelopment Property will be in furtherance of Authority’s public purpose objectives as set forth in the Redevelopment Act. Therefore, City, Authority and MPS have identified the redevelopment of the Redevelopment Property as a matter of mutual interest.

Section 2.02 Importance of Project Improvements.

The Project will comprise the construction, installation, and improvement of the Project Improvements on the Redevelopment Property. City, Authority and MPS hereby find and determine that the control, disposition, and use of the Project Improvements will be crucial to the achievement of a sound and coordinated redevelopment of the Redevelopment Property.

Section 2.03 Governing Body Authorizations.

The execution, delivery, and performance of this Agreement by City, Authority and MPS has been authorized by the respective Governing Body Authorizations.

ARTICLE III

UNDERTAKINGS OF MPS

Section 3.01 Project.

MPS agrees to proceed to purchase, construct, install, or make the Project Improvements as soon as reasonably practicable. MPS's obligation to make the Project Improvements is limited by the extent of the funding made available by Authority pursuant to Article VI, meaning thereby that MPS is not required by this Section 3.01 to incur Project Costs in excess of the spendable proceeds from the sales of Series 2015 Bonds.

Section 3.02 Contribution to Authority.

Acting pursuant to Sections 6(f) and 13 of the Redevelopment Act, to provide general support and assistance to Authority in carrying out redevelopment as provided in the Redevelopment Act, MPS, in the name of City, has contributed or will contribute to Authority, for the uses and purposes set forth in Section 4.03, a ground lease for the Redevelopment Property and, to the extent that MPS applies any of its own funds to the costs for any component of the Project Improvements that is otherwise paid with proceeds of the Bonds, the right, title, and interest of MPS in such component. MPS shall execute and deliver to Authority such deeds, bills of sale, and other instruments as Authority may reasonably request to evidence and perfect such contributions from MPS.

Section 3.03 Purchase of Project Improvements.

MPS agrees to purchase, construct, install, or make the Project Improvements, on behalf of the Authority. MPS also agrees, in accordance with Section 3.02, and immediately following MPS's purchase of the same, to keep all right, title, and interest in and to the Project Improvements in the name of Authority. MPS shall execute and deliver to Authority such deeds, bills of sale, and other instruments as Authority may reasonably request to evidence and perfect the title to such property in Authority.

Section 3.04 Administrative Support to Authority.

MPS and City agree to provide Authority with administrative support to enable Authority to carry out the Project. Administrative support may include services such as the provision of financial, accounting, legal, and engineering consultation and shall include the following:

- (a) The provision of MPS and City staff assistance to the Authority as necessary, in order to assist the Authority and City in the performance of their responsibilities under this Agreement.
- (b) The joint selection and retention of a bond underwriter, trustee and additional persons and firms required in order to structure and close on the issuance of the Series 2015 Bonds.

(c) Design and construction of the Project in accordance with standard MPS procedures.

(d) The initiation of MPS Board items providing for the approval of all contracts, agreements, and instruments required in conjunction with the issuance of the Series 2015 Bonds; including, without limitation, the Ground Lease and Lease applicable to the Project.

(e) Ongoing cooperation with Authority and City staff, as well as persons and firms retained to provide professional services in order to structure and close on the issuance of the Series 2015 Bonds.

Section 3.05 MPS's Budget.

In the event that provision for the payment of the base rents or the additional rents due under the Lease in any fiscal year of MPS is not included in MPS's budget for such year (as proposed by the Superintendent or as adopted by MPS or as amended and adopted by MPS), MPS shall notify the Authority, the City, the Trustee, and the original purchaser of any series of the Bonds of such fact within 30 days following the adoption of such budget.

ARTICLE IV

UNDERTAKINGS OF AUTHORITY

Section 4.01 Acceptance of Project Property.

Authority has accepted or will accept the Ground Lease for Redevelopment Property from MPS as set forth in Sections 3.02 and the title to the Project Improvements as provided in Section 3.03.

Section 4.02 Provision of Funding.

Authority agrees to provide funding for the Project Costs as provided in Article VI. Authority, acting through its Executive Director, in consultation with the appropriate staff of MPS and City shall undertake the following:

(a) The selection and retention of bond counsel, in consultation with MPS and City staff.

(b) The initiation of resolutions providing for the approval of all contracts, agreements, and instruments required in conjunction with the issuance of the Series 2015 Bonds; including, without limitation, the Ground Lease and Lease. All such contracts, agreements, and instruments shall be subject to the approval of the Superintendent of MPS.

(c) Ongoing cooperation with MPS and City staff, as well as persons and firms retained to provide professional services in order to structure and close on the issuance of the Series 2015 Bonds.

Section 4.03 Lease of Project Property.

Authority agrees to lease to MPS the Redevelopment Property and the Project Improvements acquired on behalf of Authority pursuant to Section 3.03. The Lease shall be a “triple net lease” and provide for base rents and additional rents sufficient to pay when due the principal of and interest on the Bonds. [Authority shall waive any rights it may have to reenter or retake possession of the premises or accelerate the payment of rents or other amounts due under the Lease in the event of a default by MPS under the Lease.]

Authority also agrees to lease to MPS, pursuant to a supplement to the Lease, such additional Redevelopment Property, including any additional Project Improvements, as may be financed by any series of Additional Bonds.

ARTICLE V

UNDERTAKINGS OF CITY

Section 5.01 Actions in Name of City.

Section 119.16 (3) (b) provides, in general, that schoolhouses and the sites on which they are situated shall be property of City and that deeds of conveyance and leases shall be made [by] the City on behalf of MPS. [The City consents to MPS acting in its name in any conveyance or lease associated with the Project and further covenants to execute such other instruments and agreements as may be necessary in conjunction with the issuance of the Series 2015 Bonds by the Authority.]

City shall undertake the following:

(a) Ongoing cooperation with Authority and MPS staff in the retention and selection of bond counsel, a financial advisor, an underwriter, trustee, and additional persons or firms required in order to structure and close in the issuance of the Series 2015 Bonds.

(b) Initiation of resolutions providing for the approval of all contracts, agreements, and instruments required in conjunction with the issuance of the Series 2015 Bonds; including, without limitation, the necessary approvals for the Ground Lease and the Lease. All such contracts, agreements, and instruments shall be subject to the approval of the Superintendent of MPS.

ARTICLE VI

FUNDING

Section 6.01 Sale of Bonds.

(a) Authority shall issue and sell the Series 2015 Bonds upon terms acceptable to MPS. MPS’s acceptance shall be conclusively evidenced by its execution and

delivery of the Lease. The Series 2015 Bonds shall be payable by Authority solely from revenues derived by Authority from the Lease and cash and securities held from time to time in certain trust funds held by the Trustee under the Indenture and the investment earnings thereon.

(b) Authority shall issue and sell each series of the Additional Bonds upon terms acceptable to MPS. MPS's acceptance, in each such case, shall be conclusively evidenced by its execution and delivery of a supplement to the Lease, as provided in Section 4.03. Each series of the Additional Bonds shall be payable by Authority solely from revenues derived by Authority from the Lease and cash and securities held from time to time in certain trust funds held by the Trustee under the Indenture and the investment earnings thereon.

Section 6.02 Security for Bonds.

Authority may pledge Ground Lease, the Lease and the rents to secure the Bonds.

Section 6.03 Authority to Act Upon Directions of MPS in Certain Matters.

So long as MPS is not in default under Ground Lease or the Lease, Authority will take discretionary actions with respect to the Bonds only with the prior written consent of MPS and will act in accordance with any written directions of MPS regarding prepayment of the Bonds or a change in the rate or method of calculating interest to become due thereon.

ARTICLE VII

MISCELLANEOUS

Section 7.01 Assignment of Rights Under this Agreement.

No party may assign its rights under this Agreement without the written consent of the other parties.

Section 7.02 Nondiscrimination.

Each party agrees that neither the Project nor any portion thereof shall be undertaken in a manner to permit discrimination or restriction on the basis of race, religion, marital status, age, color, sex, handicap, national origin or ancestry, income level or source of income, arrest record or conviction record, less than honorable discharge, physical appearance, sexual orientation, political beliefs, or student status, and that the Project shall be undertaken in compliance with all effective laws, ordinances, and regulations relating to discrimination on any of the foregoing grounds.

Section 7.03 Approximations.

It is understood and agreed by the parties that any dimensions, areas, and volumes set forth herein or in Exhibit A hereto are preliminary and tentative. Before the legal descriptions of the various applicable parcels are finalized, each party reserves the right to make

minor changes in such dimensions, areas, and volumes to best accommodate and facilitate the purposes of this Agreement.

Section 7.04 No Personal Liability.

Under no circumstances shall any officer, official, director, member, or employee of MPS, City or Authority have any personal liability arising out of this Agreement, and no party shall seek or claim any such personal liability.

Section 7.05 Parties and Interests.

This Agreement is made solely for the benefit of the parties hereto, and no other person, partnership, association, or corporation shall acquire or have any rights hereunder or by virtue hereof.

Section 7.06 Notices.

All notices, demands, certificates, or other communications under this Agreement shall be sufficiently given and shall be deemed given when hand delivered or when mailed by first-class mail, postage prepaid, with proper address as indicated below. Any party may, by written notice to the other party, designate a change of address for the purposes aforesaid.

Address of MPS:

Milwaukee Public Schools
Attention: Chief Financial Officer
5225 West Vliet Street
Milwaukee, WI 53208

Address of City:

City of Milwaukee
Attention: Comptroller
200 East Wells Street
Milwaukee, WI 53202

Address of Authority:

Redevelopment Authority of the
City of Milwaukee
Attention: Executive Director
809 North Broadway, 2nd Floor
Milwaukee, WI 53202

Address of Trustee:

Section 7.07 Amendment.

No modification, alteration, or amendment to this Agreement shall be binding upon any party hereto until such modification, alteration, or amendment is reduced to writing and executed by both parties hereto.

Section 7.08 Governing Law.

The laws of the State of Wisconsin shall govern this Agreement.

Section 7.09 Captions.

The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any of the provisions of this Agreement.

Section 7.10 Counterparts.

This Agreement may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument.

Section 7.11 Severability.

If any provisions of this Agreement shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever.

Section 7.12 Obligations of Authority and City Are Not Financial.

The obligations of Authority and of City under this Agreement relate solely to the provision of staff and non-monetary assistance to MPS in order to structure and close on the issuance of the Series 2015 Bonds and additional agreements, documents, and instruments necessary for implementation of the Project. The parties do not intend to create any financial obligations on the part of Authority or City by virtue of the actions contemplated by this Agreement or pursuant to any contracts, agreements or instruments executed in conjunction with the closing and issuance of the Series 2015 Bonds; including, without limitation, any contracts and agreements for the provision of professional services.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

MILWAUKEE BOARD OF SCHOOL DIRECTORS

[NO SEAL]

By _____
Michael Bonds
President

And _____
Darienne Driver, Ed.D.
Superintendent

Countersigned:

CITY OF MILWAUKEE, WISCONSIN

City Comptroller
Martin Matson

By _____
Tom Barrett
Its Mayor

And _____
James R. Owczarski
Its City Clerk

[SEAL]

REDEVELOPMENT AUTHORITY OF THE
CITY OF MILWAUKEE

By _____
William J. Schwartz
Its Chairperson

[SEAL]

And _____
David P. Misky
Its Assistant Executive Director/Secretary

1034-2013-813:212985

EXHIBIT A

REDEVELOPMENT PROPERTY

The "Redevelopment Property" comprises substantially all of the following real property, which is located in the City of Milwaukee and the County of Milwaukee: