

**BYLAWS
OF
CENTURY CITY REDEVELOPMENT CORPORATION**

**ARTICLE I
Offices**

Section 1. Principal Office. The corporation may have such offices, either within or without the State of Wisconsin, as may be designated from time to time by resolution of the Board of Directors, one of which may be designated as the principal office.

Section 2. Registered Office and Registered Agent. The corporation shall maintain a registered office and registered agent in the State of Wisconsin. The registered office may, but need not be, the same as any of its places of business. The identity and address of the registered agent may be changed from time to time by notifying the Wisconsin Department of Financial Institutions pursuant to the provisions of the Wisconsin Business Corporation Law, Wis. Stats. Ch. 180 (the "WBCL").

**ARTICLE II
Board of Directors**

Section 1. General Powers. The affairs of the corporation shall be managed by its Board of Directors.

Section 2. Number and Qualifications of Directors.

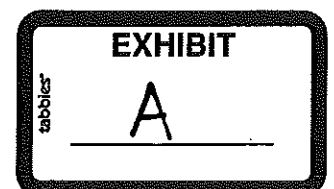
(a) The number of directors shall be three (3), each of whom shall have equal voting rights. Directors shall serve for the term provided in Section 3 of this Article. No amendment of this section shall reduce the number of directors to less than the number required by the WBCL.

Section 3. Election and Term.

(a) Criteria for Directors. The following persons shall constitute the initial Board of Directors: (i) a member of the City of Milwaukee Common Council who is also a commissioner of the Redevelopment Authority of the City of Milwaukee ("RACM") and/or represents the census tract in which the corporation is most active, based on the corporation's budget for the prior year, and such person shall be the chair of the Board of Directors hereunder; (ii) the Commissioner of the Department of City Development of the City of Milwaukee, and (iii) and (iii) the Comptroller of the City of Milwaukee.

(b) Method of Election. Directors of this corporation shall be appointed annually by the Mayor of the City of Milwaukee in accordance the criteria set forth above.

(c) Term of Office. Directors shall hold office from the time of their appointment for a term of one (1) year, or until their successors have been appointed, provided,



however, that if any Director ceases to meet the criteria set forth above, the Mayor of the City of Milwaukee may appoint a successor prior to the completion of the Director's term.

Section 4. Resignation. A director may resign at any time by filing a written resignation with the President or the Secretary of the corporation.

Section 5. Removal. A director may be removed from office with or without cause by the Mayor of the City of Milwaukee.

Section 6. Vacancies. In the event a vacancy occurs in the Board of Directors from any cause, an interim director shall be appointed by the Mayor of the City of Milwaukee using the criteria set forth above. An interim director shall serve until a successor is appointed, if necessary based on the foregoing criteria, upon expiration of the term of office for that director.

Section 7. Annual Meeting. The annual meeting of the Board of Directors shall be held in the month of May in each year, at such time and place as the Board of Directors may determine, for the purpose of transacting such business as may come before the meeting.

Section 8. Regular Meetings. The Board of Directors may provide by resolution for regular or stated meetings of the Board, to be held at a fixed time and place.

Section 9. Special Meetings. Special meetings of the Board of Directors may be held, at any time and place, for any purpose or purposes, unless otherwise prescribed by the Urban Redevelopment Law, Wis. Stat. §§ 66.1301 – 66.1329 (“URL”), WBCL or Wisconsin Open Meetings Law, Wis. Stat. §§ 19.81-19.98 (“WOML”), on call of the President or Secretary and shall be called by the Secretary on the written request of any two (2) of the directors.

Section 10. Meetings By Telephone or Other Communication Technology.

(a) Any or all directors may participate in a regular or special meeting or in a committee meeting of the Board of Directors by, or conduct the meeting through the use of, telephone or any other means of communication by which either (i) all participating directors may simultaneously hear each other during the meeting or (ii) all communication during the meeting is immediately transmitted to each participating director, and each participating director is able to immediately send messages to all other participating directors.

(b) If a meeting will be conducted through the use of any means described in subsection (a), all participating directors shall be informed that a meeting is taking place at which official business may be transacted. A director participating in a meeting by any means described in subsection (a) is deemed to be present in person at the meeting.

(c) A meeting may be conducted through the use of any means described in subsection (a), provided it is in compliance with WOML and public access shall be granted, and notice given, as required by WOML.

Section 11. Notice and Waiver of Notice.

(a) Notice. Notice of the date, time, place and subject matter of any annual or special meeting shall be given by oral or written notice delivered personally to each director at least twenty-four (24) hours prior thereto or by written notice given by other than personal delivery at least forty-eight (48) hours prior thereto; provided, however, that at all times, public notice shall be given in advance of all meetings as may be necessary to comply with the WOML. Notice shall be given in one of the methods described in ARTICLE III hereof.

(b) Waiver of Notice. Whenever any notice is required to be given under the provisions of the WBCL, WOML or under the provisions of the Articles of Incorporation or Bylaws of the corporation, a waiver thereof in writing, signed at any time by the person or persons entitled to such notice, shall be deemed equivalent to the giving of such notice to the extent permissible under WOML. The attendance of a director at a meeting shall constitute a waiver by that director of notice of such meeting, except where a director attends the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened to the extent permissible under WOML.

Section 12. Quorum. A majority of the directors then in office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but if less than such majority is present at a meeting, the director present may adjourn the meeting from time to time without further notice.

Section 13. Manner of Acting. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by the WBCL, or the Articles of Incorporation or Bylaws of the corporation.

Section 14. Presumption of Assent. A director of the corporation who is present at a meeting of the Board of Directors, or a committee thereof, at which action on any corporate matter is taken shall be presume to have assented to the action taken unless such director's dissent shall be entered into the minutes of the meeting or unless such director shall file a written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

Section 15. Compensation. Directors of the corporation shall not receive compensation for serving as directors but may receive reasonable compensation for other personal services rendered which are necessary to carrying out the purposes of the corporation. In addition, directors may receive reimbursement for reasonable expenses incurred in connection with corporate matters, provided that such reimbursement is authorized by the Board of Directors.

Section 16. Committees. The Board of Directors by resolution may create committees having such powers as are then permitted by the WBCL and the URL.

Section 17. Conflict of Interest.

(a) Each director shall disclose to the Board of Directors any duality of interest or possible conflict of interest whenever the duality or conflict pertains to a matter being considered by the Board.

(b) Any director having duality of interest or conflict of interest on any matter shall abstain from voting on the matter and shall not be counted in determining the quorum for the vote on the matter. In addition, he or she shall not use his or her personal influence on the matter but may briefly state his or her position on the matter and may answer pertinent questions from other directors since his or her knowledge may be of great assistance.

(c) The minutes of the meeting involving any such situation shall reflect that a disclosure was made, the abstention from voting, and the quorum situation.

(d) If a director is uncertain as to whether he or she has a duality or conflict of interest which requires abstention or if a director asserts that another director has such a duality or conflict, the Board, by majority vote of those present other than the director having the possible conflict, shall decide whether abstention is required. If abstention is required, the affected director shall abstain from voting on the matter.

**ARTICLE III
Methods of Giving Notice**

Notice to the directors of any annual or special meeting of directors, and any other notice required to be given under these Bylaws, the WBCL, or WOML, may, except to the extent prohibited by WOML, be communicated in person, by telephone, e-mail or other form of wire or wireless communication, or by mail or private carrier, and if these forms of personal notice are impracticable, notice may be communicated by a newspaper of general circulation in the area where published, or by radio, television or other form of public broadcast communication. Oral notice is effective when communicated. Written notice is effective at the earliest of the following:

(a) When received.

(b) When deposited in the U.S. mail, if mailed postpaid and correctly addressed.

(c) On the date shown on the return receipt, if sent by registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the addressee.

Public notice for any annual or special meeting of directors, and any other notice required to be given under these Bylaws, the WBCL, or WOML, shall be made in accordance with the requirements of the WOML.

ARTICLE IV Officers

Section 1. Principal Officers. The principal officers of the corporation shall be a President, a Vice President, a Secretary and a Treasurer. The President shall be appointed by the Board of Directors and continue to serve as President unless and until the Board of Directors appoints a replacement. The Treasurer shall be the Comptroller of the City of Milwaukee. The Vice President and Secretary shall be the Business Operations Manager of the Library for the City of Milwaukee. The Board of Directors may elect such other officers and assistant officers and agents as may be deemed necessary. The same individual may simultaneously hold more than one office. Officers may, but need not, be members of the Board of Directors.

Section 2. Election and Term of Office. Officers of the corporation other than the Principal Officers, if any, shall be elected annually by the Board of Directors at its annual meeting. If the election of officers is not held at such meeting, such election shall be held as soon thereafter as may be convenient. Each elected officer shall hold office from the close of the annual meeting for a term of one year or until a qualified successor is elected upon expiration of the term of that officer or until that officer's death, conclusion of term as a director, or until that officer shall resign or shall have been removed in the manner hereinafter provided.

Section 3. Removal. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors, whenever in its judgment the best interests of the corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment shall not of itself create contract rights.

Section 4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise may be filled by the Board of Directors for the unexpired portion of the term or, in the case of the Principal Officers, until their qualified successor is in place.

Section 5. The President. The President shall be the principal executive officer of the corporation and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the corporation. The President shall, when present and in the absence of the Chair of the Board of Directors, preside at all meetings of the Board of Directors. The President shall have authority, subject to such rules as may be prescribed by the Board of Directors, to appoint such agents and employees of the corporation as he or she shall deem necessary, to prescribe their powers, duties and compensation, and to delegate authority to them. Such agents and employees shall hold office at the discretion of the President. In general, the President shall perform all duties incident to that office and such other duties as may be prescribed by the Board of Directors from time to time.

Section 6. Vice President. In the absence of the President or in the event of the President's death, inability or refusal to act, the Vice President shall perform the duties of the President and, when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall perform such other duties as from time to time may be assigned by the President or by the Board of Directors.

Section 7. The Secretary. The Secretary shall (a) keep the minutes of the Board of Directors' meetings in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the corporate records and of the seal of the corporation if one is authorized by the Board of Directors, in which case the Secretary shall see that the seal of the corporation is affixed to all documents the execution of which on behalf of the corporation under its seal is duly authorized; and (d) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the President or the Board of Directors.

Section 8. The Treasurer. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the Board of Directors shall determine. The Treasurer shall (a) shall be responsible for establishing accounts and maintaining the finances of the corporation and have the oversight responsibility for all funds and securities of the corporation, for moneys due and payable to the corporation from any source whatsoever, including the deposit of such moneys in the name of the corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of these Bylaws and (b) in general perform all of the duties incident to the office of the Treasurer and such other duties as from time to time may be assigned by the President or by the Board of Directors.

Section 9. Other Assistants and Acting Officers. The Board of Directors shall have the power to appoint any person to act as assistant to any officer or to perform the duties of such officers whenever for any reason it is impracticable for such officer to act personally, and such assistant or acting officer so appointed by the Board of Directors shall have the power to perform all the duties of the office to which such person is so appointed to be assistant or as to which such person is so appointed to act, except as such power may otherwise be defined or restricted by the Board of Directors.

Section 10. Additional Officers. Any additional officer not specified above shall have only such authority, duties and responsibilities as shall be specifically authorized and designated by the Board of Directors.

Section 11. Compensation. Officers of the corporation shall not receive compensation for serving as officers but may receive reasonable compensation for other personal services rendered which are necessary to carrying out the exempt purposes of the corporation. In addition, officers may receive reimbursement for reasonable expenses incurred in connection with corporate matters, provided that such reimbursement is authorized by the Board of Directors.

ARTICLE V Indemnification

Section 1. Mandatory Indemnification. The corporation shall, to the fullest extent permitted or required by Sections 180.0850 to 180.0859, inclusive, of the WBCL, including any amendments thereto (but in the case of such amendment, only to the extent such amendment permits or requires the corporation to provide broader indemnification rights that prior to such amendment), indemnify its Directors and Officers against any and all Liabilities,

and advance any and all reasonable Expenses, incurred thereby in any Proceeding to which any Director or Officer is a Party because such Director or Officer is a Director or Officer of the corporation. The corporation may indemnify its employees and authorized agents, acting within the scope of their duties as such, to the same extent as Directors or Officers hereunder. The rights to indemnification against Liabilities or the advancement of Expenses which such Director or Officer may be entitled under any written agreement, Board resolution, vote of the Members, the WBCL or otherwise. All capitalized terms used in this ARTICLE V and not otherwise defined herein shall have the meaning set forth in Section 181.0850 of the WBCL.

Section 2. Permissive Supplementary Benefits. The corporation may, but shall not be required to, supplement the foregoing right to indemnification against Liabilities and advancement of Expenses under Section 1 of this Article by (a) the purchase of insurance on behalf of any one or more of such Directors, Officers, employees or agents, whether or not the corporation would be obligated to indemnify or advance Expenses to such Director, Officer, employee or agent under Section 1 of this Article and (b) entering into individual group indemnification agreements with any one or more of such Directors or Officers.

ARTICLE VI Fiscal Year

The fiscal year of the corporation shall end on the last day of December in each year.

ARTICLE VII Seal

The Board of Directors may provide a corporate seal and prescribe the form thereof.

ARTICLE VIII Corporate Acts, Loans, and Deposits

[Should the President, Chair and Secretary be designated to execute documents? Or for documents that relate to the sale or mortgage of land or under the URL require local governing body or planning commission approval?]

Section 1. Corporate Acts. Each officer shall have authority to sign, execute and acknowledge on behalf of the corporation all deeds, mortgages, bonds, stock certificates, contracts, leases, reports, and all other documents or instruments necessary or proper to be executed in the course of the corporation's regular business or which shall be authorized by resolution of the Board of Directors, subject, however, to the approvals and limitations set forth in the URL, including (when specified) approval by the Common Council. Except as otherwise provided by the URL, WBCL or directed by the Board of Directors, the President may authorize in writing any officer or agent of the corporation to sign, execute and acknowledge such documents and instruments in his or her place and stead. The Secretary of the corporation is authorized and empowered to sign in attestation all documents so signed and to certify and issue copies of any such document and of any resolution adopted by the Board of Directors of the

corporation, provided, however, that an attestation is not required to enable a document to be an act of the corporation.

Section 2. Loans. No moneys shall be borrowed on behalf of the corporation and no evidences of such indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 3. Deposits. All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, investment firms or other depositories as the Board of Directors may select.

ARTICLE IX Amendments

Section 1. By the Directors. These Bylaws may be altered, amended or repealed and new Bylaws may be adopted if approved by the Mayor of the City of Milwaukee, and subsequently ratified by the Board of Directors at any regular or special meeting thereof.

Section 2. Implied Amendments. Provided such actions have previously been approved by the City of Milwaukee, any action taken or authorized by the Board of Directors, which would be inconsistent with the Bylaws then in effect but is taken or authorized by affirmative vote of not less than the number of directors required to amend the Bylaws so that the Bylaws would be consistent with such action, shall be given the same effect as though the Bylaws had been temporarily amended or suspended so far but only so far as is necessary to permit the specific action so taken or authorized.

ARTICLE X Purposes

Section 1. Purposes. The corporation shall be a redevelopment corporation in accordance with and subject to the terms of the URL. The purposes of the corporation shall be all purposes permitted under the URL and the Articles of Incorporation of the corporation and shall include, without limitation the following purposes: (a) carrying out a development plan for any and all real property as directed and approved by the City of Milwaukee Planning Commission or its authorized designee under Wis. Stat. § 66.1303(8); (b) acquiring or accepting any transfer of land or other property as permitted by the URL; (c) petitioning the City of Milwaukee or Redevelopment Authority of the City of Milwaukee for condemnation of land; (d) borrowing funds and securing the repayment of such funds by granting a mortgage; (e) buying, selling or leasing land as authorized by the City of Milwaukee; (f) accepting assignments of contracts by the City of Milwaukee or the Redevelopment Authority of the City of Milwaukee for the administration of such contracts; and (g) accepting legal services from the City of Milwaukee City Attorney or retaining specialists to render legal services as required by the corporation from time to time.

Notwithstanding the foregoing, in no event may the corporation perform any act specified in Wis. Stat. § 66.1305, except as permitted therein.

Section 2. Tax-Exempt Status. The corporation is and shall be at all times an instrumentality of the City of Milwaukee, Wisconsin, its sole owner, which shall have sole control and supervision of the corporation, and has been authorized to act on behalf of the City of Milwaukee. No private entity or person may own shares of the corporation or exercise control or supervision thereof. To the extent deemed necessary, advisable or beneficial by the City of Milwaukee, the corporation may be used for any governmental purpose and may perform any essential governmental function as directed by the City of Milwaukee in accordance with the URL from time to time. The corporation shall be exempt from federal income taxes pursuant to Section 115 ("Section 115") of the Internal Revenue Code of 1986, as amended (or the corresponding provision of any future United States Internal Revenue Law). Notwithstanding any other provisions of these Bylaws, the corporation shall not carry on any activities not permitted by Section 115.

* * * * *

Adopted on the _____ day of _____, 2011.

Gartner, Thomas

From: Misky, David
Sent: Wednesday, May 25, 2011 8:10 AM
To: Burton, Kein; Gartner, Thomas
Subject: FW: Bylaws of Century City Redevelopment Corporation (Keyes 5/10 rev - TOG comments).DOC
Attachments: Bylaws of Century City Redevelopment Corporation (Keyes 5 10 rev - TOG comments).DOC

2 of 3

From: Keyes, Bruce A. [<mailto:bkeyes@foley.com>]
Sent: Wednesday, May 25, 2011 7:10 AM
To: Misky, David
Subject: Bylaws of Century City Redevelopment Corporation (Keyes 5/10 rev - TOG comments).DOC

In this version, the President is appointed by the board. If this concerns you, we can have another go at letting it be the RACM Secretary/Asst. Exec. Dir.

<<Bylaws of Century City Redevelopment Corporation (Keyes 5 10 rev - TOG comments).DOC>>

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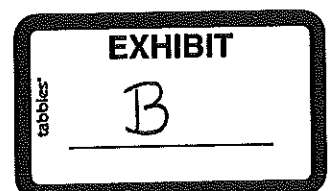
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Century City/Villard Square NMTC Financing
March 22, 2011

Project Description

1. Borrower (QALICB): "Century City Redevelopment Corporation" or "CCRC". See Sec. 66.1301(3)(s), Wis. Stats.
 - A. City and RACM organize CCRC under Ch. 180 (Stock Corp.) (Sec. 66.1307(1) refers to "general corporation law. Shares owned in full by City of Milwaukee (the "beneficial owner" of the property for purposes of property tax).¹
 - B. Common Council appoints RACM as its agent to do everything the planning commission would otherwise do under the Urban Redevelopment Law.
 - C. RACM and CCRC create a development plan for each area/site, meeting the requirements of 66.1303(1).
 - D. RACM holds a hearing on the plan(s).
 - E. RACM approves the plan(s) after making the determinations set forth in 66.1303(3).
 - F. Common Council approves the plan(s) by 2/3 vote after making the determinations set forth in 66.1303(4).
 - G. Common Council approves any sale of real estate to third party and any lease of entire building to third party.
 - H. If any of the property is to be purchased by CCRC from the City, then notice, hearing and approval requirements under 66.1319 will be required.
2. CDE: MEDC Subsidiary CDE, LLC.
3. Investor: TBD (e.g. Chase affiliate).
4. Prior to the Closing, City/RACM enter into a loan agreement for City to provide RACM with a portion of the Leveraged Funds.
 - A. Bond Loan Proceeds (\$6.9 million). The source of repayment for the loan from City to RACM will be incremental tax revenues paid to CCRC in the form of a TIF grant. The source of funds for the loan should not, therefore, also be the

¹ See 66.1331(11) Wis. Stats., discussing limits on exemption for "private redevelopment company."



pledge of incremental tax revenues; nor should the pledge of proceeds be used to support other borrowing.

B. Villard Square Capital Funds. A portion of the funds are used upon the sale of the property by RACM to CCRC to repay the loan made for March acquisition. To service the \$2,750,000 debt from RACM to City:

1. During compliance period (Yr. 1-7) RACM makes annual loan payment of \$24,000 to City, from proceeds of rent collected by CCRC.
2. After compliance, RACM makes annual loan payment of \$134,000 (\$110,000 principal plus \$24,000 rent) to City, from proceeds of rent collected by CCRC. [City has option to acquire the Note from RACM]

5. Leverage Lender: RACM. enters into Loan Agreement with Investment Fund ("IF")

A. \$13,409,890 in Leverage Lender funds must transfer from Leverage Lender account(s) to IF account at NMTC Closing;

1. RACM Revolving Loan Funds;
2. RACM (HUD) Economic Development Initiative ("EDI") funds;
3. RACM (WISDOT) funds must be [loaned][disbursed] to RACM (\$3,100,000);
4. Commerce funds – if only available as reimbursement, will need bridge loan; may be better to use BCRLF and seek reimbursement;
5. Bond Loan Proceeds (\$6,900,0000).
6. Villard Square Capital Funds
 - a. City 1-day loan ("One Day Loan")(\$1,276,000);
 - b. City capital improvement funds (\$1,474,000)

6. Property is sold by RACM to CCRC²:

A. Century City, or a portion thereof, for [**\$3.1/\$3.8**] million (DOT reimbursement funds can then be paid by RACM to City to pay down TID)(**additional purchase price received by RACM might be used to again revolve in the RLF**)(Any

² Transfer tax not assessed where conveyances is from government agencies of a municipality in this state. Where the transferor is also a lender for the transaction, a return must be filed (but still no tax). See Sections 77.25(2) and 77.255. See also <http://www.revenue.wi.gov/pubs/slf/pb802.pdf> at 12

funds from sales or rent, not needed for debt service or project costs to be paid as contingent purchase price or distribution to shareholders).

- B. Villard Square Library. RACM can use proceeds to repay the March loan. Landlord provides a construction allowance to Tenant for buildout (draws from account on presentation of lien waivers, or a grant). Villard Square must be subject to redevelopment plan, in accordance with Sec. 66.1303, Wis. Stats. et seq.
- C. Prior to Closing on NMTC, need:
 - 1. to properly form CCRC (Articles of Incorporation and Bylaws; appoint board);
 - 2. Purchase and Sale agreement for Villard Square and Century City by CCRC;
 - 3. Assignment of lease for Villard Square and Talgo.
 - 4. **[Development Agreement between City and CCRC, providing CCRC with a developer grant in the form of future tax increments, corresponding to debt obligations under NMTC schedule, to be used to satisfy CCRC debt obligations to MEDC sub-CDE; funds trace up to pay down debt on Bond Loan to RACM.]**
- 7. Investment Fund invests in Sub-CDE. Investment Fund subject to NMTC Investor requirements:
 - A. Forbearance;
 - B. Redeployment;
 - C. Guarantees by RACM and/or City
 - 1. NMTC Value;
 - 2. Environmental and "traditional" lender requirements.
- 8. Sub-CDE makes loan (Note A and Note B) to CCRC
 - A. Proceeds used to pay:
 - 1. Closing costs
 - 2. Reserve Funds, if any
 - 3. Villard Square
 - a. Acquisition Cost \$1.276 million;

- b. 2011 project cost \$1.55 million
 - 4. Century City
 - a. 2011 acquisition cost [\$3.1/\$3.8] million
 - b. 2011 Project Costs - \$7 million
 - (i) Demolition
 - (ii) Investigation/Remediation
 - c. 2012 Project Costs - \$6 million³
 - B. Security traditionally in the form of Mortgage and UCC filings. Exclude assets as appropriate or necessary.
9. Debt Service on Loan yr. 1-7 (\$207,000/yr. for yr. 1-7):
 - A. Villard Square Rent (\$ 24,000/yr.)
 - B. Talgo Rent (\$360,000/yr.)
 - C. T-Mobile (\$19,200/yr.)
 - D. Developer grant from City (from Incremental Tax Revenues) (up to \$163,800 depending on Talgo rent)
10. Debt Service on Loan yr. 8-25 (2018-2036) (\$1,003,000/yr principal, plus \$207,000/yr interest)
 - A. Villard Square Rent (\$134,000/yr.)
 - B. Land Sales (est. \$270,000/yr., from 2018 to 2025; see attached)
 - C. Developer grant from City (from Incremental Tax Revenues)
 - 1. \$806,000 from 2018 to 2025;
 - 2. \$1,210,000 per year from 2025 through 2041.
11. At year 7, ownership in Investment Fund is conveyed to/acquired by RACM or related party through Put (\$1,000) or Call. Notes can be terminated.

³ If project cash > 5% of CCRC total assets, may have issue of non-qualifying financial assets.

City of Milwaukee- N. 35th St. and W. Capitol Dr. TID Economic Feasibility Study
 Figure 5.8: TID Debt Capacity

DRAFT

Year of TID	Calendar Year	Scenario 1: Tax Rate Stabilization at 2.0%				Scenario 2: Tax Rate Stabilization at 2.3%			
		Repayment Sources				Repayment Sources			
		Incremental Property Tax Tower Site Only	Estimated Sale Proceeds Tower Site	Incremental Property Tax-Balance of TID	Total Anticipated Sources	Incremental Property Tax Tower Site Only	Estimated Sale Proceeds Tower Site	Incremental Property Tax-Balance of TID	Total Anticipated Sources
1	2009	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	2010	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	2011	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	2012	\$ -	\$ -	\$ 37,269	\$ 37,269	\$ -	\$ -	\$ 37,269	\$ 37,269
5	2013	\$ -	\$ 4,183,131	\$ 74,065	\$ 4,257,195	\$ -	\$ 4,183,131	\$ 74,065	\$ 4,257,195
6	2014	\$ -	\$ 280,248	\$ 110,395	\$ 390,643	\$ -	\$ 280,248	\$ 110,395	\$ 390,643
7	2015	\$ 66,780	\$ 285,853	\$ 146,268	\$ 498,901	\$ 66,780	\$ 285,853	\$ 146,268	\$ 498,901
8	2016	\$ 195,808	\$ 291,570	\$ 181,692	\$ 669,071	\$ 197,885	\$ 291,570	\$ 183,619	\$ 673,074
9	2017	\$ 279,644	\$ 274,826	\$ 216,675	\$ 776,145	\$ 287,259	\$ 279,826	\$ 222,576	\$ 789,662
10	2018	\$ 351,324	\$ 267,497	\$ 251,223	\$ 870,044	\$ 366,831	\$ 267,497	\$ 262,311	\$ 896,638
11	2019	\$ 408,425	\$ 272,847	\$ 285,345	\$ 966,617	\$ 433,469	\$ 272,847	\$ 302,841	\$ 1,009,157
12	2020	\$ 450,843	\$ 278,303	\$ 319,047	\$ 1,048,194	\$ 486,361	\$ 278,303	\$ 344,182	\$ 1,108,846
13	2021	\$ 491,895	\$ 283,870	\$ 352,338	\$ 1,128,103	\$ 539,379	\$ 283,870	\$ 386,350	\$ 1,209,598
14	2022	\$ 531,616	\$ 289,547	\$ 385,224	\$ 1,206,387	\$ 592,526	\$ 289,547	\$ 429,361	\$ 1,311,433
15	2023	\$ 570,038	\$ 295,338	\$ 417,712	\$ 1,283,088	\$ 645,804	\$ 295,338	\$ 473,232	\$ 1,414,374
16	2024	\$ 608,014	\$ 301,245	\$ 450,418	\$ 1,359,677	\$ 699,216	\$ 301,245	\$ 517,980	\$ 1,518,442
17	2025	\$ 654,579	\$ 271,837	\$ 490,108	\$ 1,416,524	\$ 752,766	\$ 271,837	\$ 563,624	\$ 1,588,227
18	2026	\$ 701,265	\$ -	\$ 530,592	\$ 1,231,856	\$ 806,454	\$ -	\$ 610,181	\$ 1,416,635
19	2027	\$ 748,074	\$ -	\$ 571,885	\$ 1,319,959	\$ 860,285	\$ -	\$ 657,668	\$ 1,517,953
20	2028	\$ 795,010	\$ -	\$ 614,005	\$ 1,409,014	\$ 914,261	\$ -	\$ 706,105	\$ 1,620,367
21	2029	\$ 842,074	\$ -	\$ 656,967	\$ 1,499,041	\$ 968,385	\$ -	\$ 755,512	\$ 1,723,897
22	2030	\$ 889,270	\$ -	\$ 700,788	\$ 1,590,057	\$ 1,022,660	\$ -	\$ 805,908	\$ 1,828,566
23	2031	\$ 936,599	\$ -	\$ 745,485	\$ 1,682,084	\$ 1,077,089	\$ -	\$ 857,308	\$ 1,934,397
24	2032	\$ 966,552	\$ -	\$ 791,077	\$ 1,757,629	\$ 1,111,535	\$ -	\$ 909,738	\$ 2,021,273
25	2033	\$ 973,658	\$ -	\$ 837,580	\$ 1,811,237	\$ 1,119,706	\$ -	\$ 963,217	\$ 2,082,923
26	2034	\$ 980,905	\$ -	\$ 885,013	\$ 1,865,918	\$ 1,128,041	\$ -	\$ 1,017,765	\$ 2,145,806
27	2035	\$ 988,298	\$ -	\$ 933,395	\$ 1,921,693	\$ 1,136,542	\$ -	\$ 1,073,404	\$ 2,209,947
	2036	\$ 995,838	\$ -	\$ 982,745	\$ 1,978,583	\$ 1,145,214	\$ -	\$ 1,130,156	\$ 2,275,370
TOTALS		\$ 14,426,508	\$ 7,581,111	\$ 11,967,309	\$ 33,974,928	\$ 16,358,448	\$ 7,581,111	\$ 13,541,033	\$ 37,480,592
PV 5/2010	4.5%	\$ 5,359,345	\$ 5,925,912	\$ 4,340,652	\$ 15,625,909	\$ 6,005,014	\$ 5,925,912	\$ 4,832,365	\$ 16,763,291

Source: S. B. Friedman & Company

Note: These projections are based on estimates, assumptions, and other information developed from research of the market, knowledge of the industry, and meetings during which we obtained certain information. Some assumptions inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will necessarily vary from those shown here and the variations may be material.

City of Milwaukee- N. 35th St. and W. Capitol Dr. TID Economic Feasibility Study DRAFT
 Figure 5.7: Anticipated Sale Revenues

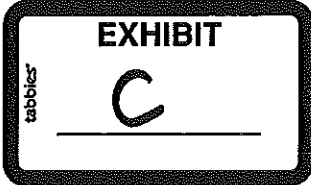
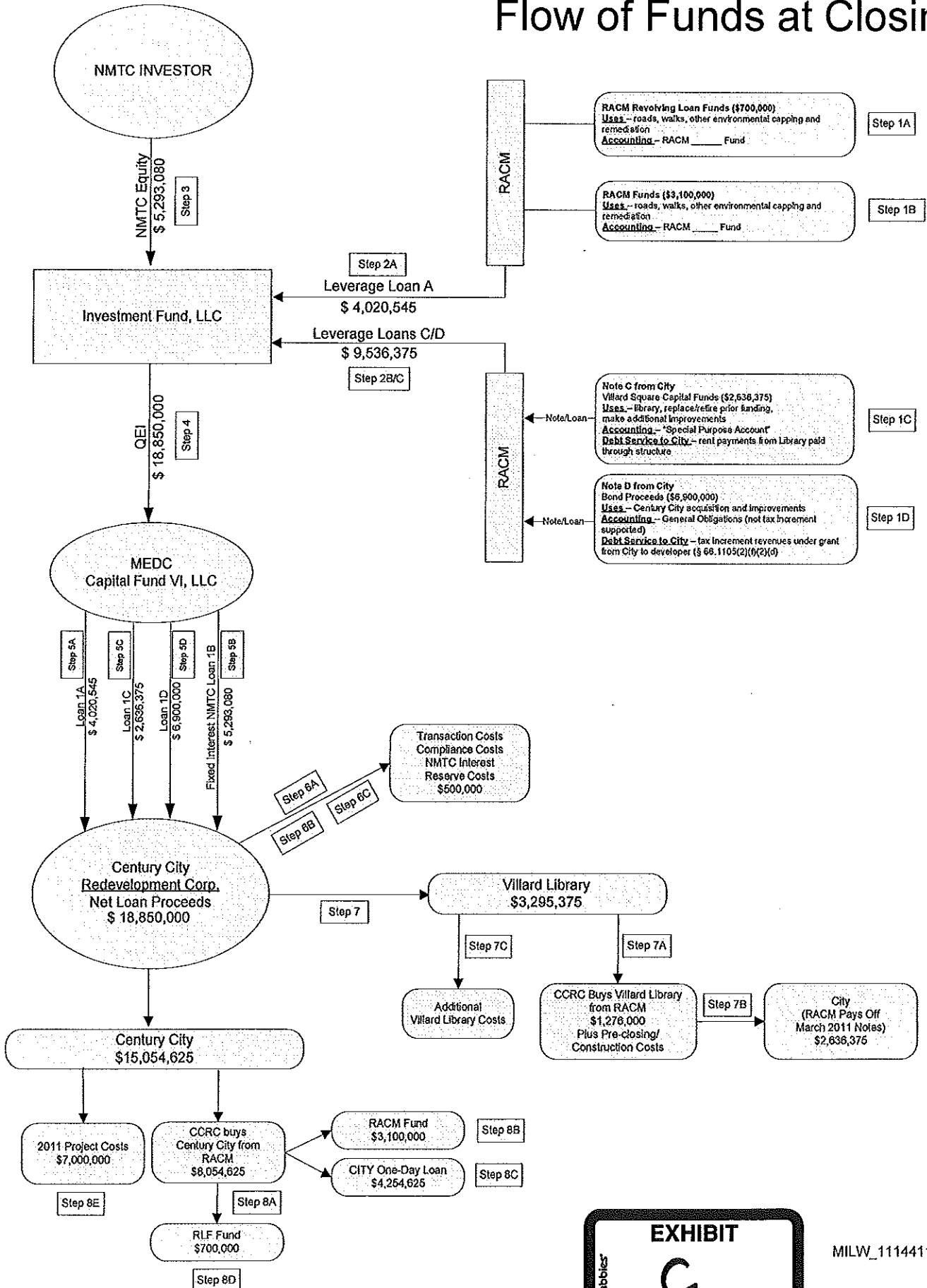
Industrial	per acre	\$ 65,000	0.30 FAR
Bldgs 35 & 36	per sf (bldg)	\$ 8	
Retail	per sf	\$ 10	0.25 FAR
For-Sale Residential	per lot	\$ 5,000	
Rental Residential	per unit	\$ -	900 sf/unit avg

Land Sale Proceeds

Proj Yr	Year	Inflation Factor	Industrial	Retail	For-Sale Residential	Rental Residential	TOTAL
0	2008	0.98	\$ -	\$ -	\$ -	\$ -	\$ -
1	2009	1.00	\$ -	\$ -	\$ -	\$ -	\$ -
2	2010	1.02	\$ -	\$ -	\$ -	\$ -	\$ -
3	2011	1.04	\$ -	\$ -	\$ -	\$ -	\$ -
4	2012	1.06	\$ -	\$ -	\$ -	\$ -	\$ -
5	2013	1.08	\$ 2,202,280	\$ 1,948,378	\$ 32,473	\$ -	\$ 4,183,131
6	2014	1.10	\$ 247,126	\$ -	\$ 33,122	\$ -	\$ 280,248
7	2015	1.13	\$ 252,068	\$ -	\$ 33,785	\$ -	\$ 285,853
8	2016	1.15	\$ 257,109	\$ -	\$ 34,461	\$ -	\$ 291,570
9	2017	1.17	\$ 262,252	\$ -	\$ 17,575	\$ -	\$ 279,826
10	2018	1.20	\$ 267,497	\$ -	\$ -	\$ -	\$ 267,497
11	2019	1.22	\$ 272,847	\$ -	\$ -	\$ -	\$ 272,847
12	2020	1.24	\$ 278,303	\$ -	\$ -	\$ -	\$ 278,303
13	2021	1.27	\$ 283,870	\$ -	\$ -	\$ -	\$ 283,870
14	2022	1.29	\$ 289,547	\$ -	\$ -	\$ -	\$ 289,547
15	2023	1.32	\$ 295,338	\$ -	\$ -	\$ -	\$ 295,338
16	2024	1.35	\$ 301,245	\$ -	\$ -	\$ -	\$ 301,245
17	2025	1.37	\$ 271,837	\$ -	\$ -	\$ -	\$ 271,837
18	2026	1.40	\$ -	\$ -	\$ -	\$ -	\$ -
19	2027	1.43	\$ -	\$ -	\$ -	\$ -	\$ -
20	2028	1.46	\$ -	\$ -	\$ -	\$ -	\$ -
21	2029	1.49	\$ -	\$ -	\$ -	\$ -	\$ -
22	2030	1.52	\$ -	\$ -	\$ -	\$ -	\$ -
23	2031	1.55	\$ -	\$ -	\$ -	\$ -	\$ -
24	2032	1.58	\$ -	\$ -	\$ -	\$ -	\$ -
25	2033	1.61	\$ -	\$ -	\$ -	\$ -	\$ -
26	2034	1.64	\$ -	\$ -	\$ -	\$ -	\$ -
27	2035	1.67	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL			\$ 5,481,317	\$ 1,948,378	\$ 151,416	\$ -	\$ 7,581,111

Source: S.B. Friedman and Company

Century City Project Flow of Funds at Closing



CENTURY CITY PROJECT

FLOW OF FUNDS/ANNUAL DEBT SERVICE

STEP 1 -- Funding to RACM Transfer Completed Two Days Prior to Closing

- A. RACM Revolving Loan Funds (\$700,000)
Uses – roads, walks, other environmental capping and remediation
Accounting – RACM _____ Fund
Approval – RACM Board

- B. RACM Funds (\$3,100,000)
Accounting – RACM _____ Fund
Approval – Finance & Personnel
Governing Document – City/RACM Cooperative Agreement

- C. Note C from City
Villard Square Capital Funds (\$2,636,375)
Uses – library, replace/retire prior funding, make additional improvements
Accounting – “Special Purpose Account”
Debt Service to City – rent payments from library paid through structure
Approval – Finance & Personnel
Governing Documents – City/RACM Cooperative Agreement; Library Lease

- D. Note D from City
Bond Proceeds (\$6,900,000)
Uses – Century City acquisition and improvements
Accounting – General Obligations (not tax increment supported)
Debt Service to City – tax increment revenues under grant from city to developer [§ 66.1105(2)(4)(2)(d)]
Approval – Finance & Personnel
Governing Documents – City/RACM Cooperative Agreement; City/CCRC Cooperation Agreement

STEP 2 -- Leveraged Loans A, C & D to Investment _____ Funded at Closing

- A. Leverage Loan A (\$3,800,000)
Approval – RACM Board
Governing Document – Leveraged Loan Agreement/Note A

- B. Leverage Loan C (\$2,636,375)
Approval – RACM Board
Governing Document – Leveraged Loan Agreement/Note C

- C. Leverage Loan D (\$6,900,000)
Approval – RACM Board
Governing Document – Leveraged Loan Agreement/Note D

STEP 3 -- Equity Investment Funded at Closing by [Chase]

\$5,513,625 provided by Investor to the Investment Fund in return for 99.99% ownership

Governing Document – Investment Fund Operating Agreement

STEP 4 -- Qualified Equity Investment Funded at Closing

\$18,500,000 provided by Investment Fund to MEDC Capital Fund VI, LLC in return for 99.99% ownership; MEDC is Managing Member (0.01% ownership)

Governing Document – MEDC/Sub-CDE Operating Agreement

STEP 5 -- QALICB Loans Funded at Closing

A. Loan 1A (\$3,800,000)

Governing Document – QALICB Loan Agreement/QALICB Note A

B. Fixed Interest NMTC Loan 1B (\$5,513,625)

Governing Document – QALICB Loan Agreement/QALICB Note B

C. Loan 1C (\$2,636,375)

Governing Document – QALICB Loan Agreement/QALICB Note C

D. Loan 1D (\$6,900,000)

Governing Document – QALICB Loan Agreement/QALICB Note D

STEP 6 -- Transaction Costs/Compliance Cost Funded at Closing (Estimated \$500,000)

A. CCRC pays closing costs

Governing Document – Flow of Funds Memorandum

B. Prepaid compliance costs

Governing Document – Flow of Funds Memorandum

C. Interest reserve funded at closing

Governing Document – Flow of Funds Memorandum

STEP 7 -- Villard Library (\$3,295,375)

A. CCRC purchases Villard Library; CCRC assumes lease (funded at closing)

Price – \$1,276,000 plus pre-closing construction costs

Approval – RACM Board/City (Tenant Consent); CCRC Board

Governing Documents – Purchase & Sale Agreement; City/RACM Lease; RACM Board Resolution; CCRC Board Resolution

B. RACM pays off March 2011 notes

Approval – [_____]

Governing Document – March 2011 Note

- C. CCRC assumes and completes construction
Governing Documents – City/RACM Lease; CCRC Bylaws

STEP 8 -- CCRC Purchases Talgo Parcel/T-Mobile Tower

- A. CCRC buys Century City Area E and T-Mobile Tower from RACM (\$8,054,625)
Price – \$8,054,625
Approval – RACM Board; Tenant Consents; CCRC Board
Governing Documents – Purchase and Sale Agreement; RACM Board Resolution; CCRC Board Resolution
- B. RACM retains \$3,100,000 for use in Areas A-D of Century City
- C. RACM refunds \$4,254,625 to City
- D. RACM returns RLF Fund (\$700,000)
- E. CCRC contracts for 2011 project costs (\$7,000,000)

STEP 9 -- Library

- A. City pays library rent from City Library Special Purpose Account
Amount – \$13,182 per year; \$118,637 per year post-compliance
City option to acquire upon payment of the net balance due on any funds borrowed by Landlord under Note C, plus any reasonable unreimbursed costs
Approval – [_____]
Governing Document – Lease Agreement with RACM, assigned to CCRC
- B. City collects payment on Note C from RACM and refunds to City Library Special Purpose Account
Approval – [_____]
Governing Documents – Leveraged Loan Agreement Note C; Note C from City

STEP 10 -- Century City

- A. City makes annual grant payments to CCRC from Incremental Tax revenues
Amount – \$174,857 per year; \$823,402 post-compliance [to the extent that land sales and tax collections are adequate]
Approval – Common Council
Governing Documents – City/CCRC Cooperation Agreement; CCRC Bylaws
- B. City collects payment on Note D from RACM and uses funds to pay down TID [what does this mean, in practice?]

- C. CCRC makes improvements to Century City Areas A-D
Approval – Common Council
Governing Documents – City/CCRC Cooperation Agreement; CCRC Bylaws

COOPERATION AND OTHER AGREEMENTS

I. City/RACM Cooperation Agreement

- A. Release of \$3,100,000 to RACM (Step 1B)
- B. Loan of \$2,636,375 in City funds to RACM (Note C) (Step 1C)
Uses – library, replace/retire prior funding, make additional improvements
Accounting – “Special Purpose Account”
Debt Service to City – rent payments from library paid through structure
- C. Loan of \$6,900,000 in City funds to RACM (Note D) (Step 1D)
Uses – Century City acquisition and improvements
Accounting – General Obligations (not tax increment supported)
Debt Service to City – tax increment revenues under grant from city to developer [§ 66.1105(2)(4)(2)(d)]

II. City/CCRC Cooperation Agreement

City makes annual grant payments to CCRC from Incremental Tax revenues (Step 10A)
Amount – \$174,857 per year; \$823,402 post-compliance [to the extent that land sales and tax collections are adequate]

(Step 10C) CCRC shall have the right to act on behalf of the City in the administration of all contracts, shall follow all City procedures and comply with City obligations. The City shall be authorized to enter into and assign contracts to CCRC. The City shall make a grant of funds to CCRC on an annual basis on the schedule set forth on Attachment [], to the extent funds are available from incremental tax collections or the proceeds of land sale, by RACM, disbursed to the City, provided that such funds shall be used solely for the implementation of Century City Redevelopment Plan and other expenditures authorized under Wis. Stats. § 66.1105.

In order to implement the projects undertaken by CCRC, to the extent not otherwise provided in the Bylaws of the Corporation or elsewhere, the Commissioner of Development is authorized to enter into such agreements with CCRC as deemed necessary to implement the redevelopment plans.

Execution of this Cooperation Agreement constitutes approval of the sale of land from the Redevelopment Authority of the City of Milwaukee to CCRC.

III. Purchase and Sales Agreement

- A. CCRC purchases Villard Library (Step 7A).
- B. CCRC purchases Century City Area F and T-Mobile Tower (Step 8A).

EXHIBIT "D"

**(Exhibit "D" consists of the June ____, 2011 USBancorp
New Markets Tax Credit Financing Term Sheet)**

