

**COOPERATION AGREEMENT**

**For Financing The**

**MILWAUKEE WORLD FESTIVAL, INC.  
SOUTH END PROJECT**

**CITY OF MILWAUKEE  
AND  
REDEVELOPMENT AUTHORITY  
OF THE CITY OF MILWAUKEE**

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**THIS COOPERATION AGREEMENT** made as of this \_\_\_\_ day of November, 2010, by and between the City of Milwaukee, a Wisconsin municipal corporation (“City”), and the Redevelopment Authority of the City of Milwaukee, a public body corporate, established pursuant to sec. 66.1333, Wis. Stats., (“RACM”).

**WITNESSETH:**

**WHEREAS**, City and Milwaukee World Festival, Inc. (“Festival”) have entered into a Lease Agreement effective as of the first day of January, 2001 as amended by a First Amendment dated as of February 1, 2005 and a Second Amendment dated as of January 6, 2010 (“Lease”) for real property commonly known as the Henry Meier Festival Grounds; and

**WHEREAS**, the Lease provided for financing of a portion of the costs of the Capital Improvements Program I, as defined therein, through the issuance of tax-exempt bonds by RACM (the “2001 Bonds”); and

**WHEREAS**, the Lease also contemplated financing a portion of the costs of Capital Improvements Program II, as defined therein, (which project is currently known as the “South End Project”) through the issuance by RACM of one or more series of tax-exempt bonds (the “2010 Bonds”); and

**WHEREAS**, RACM adopted Resolution No. 10243 on October 21, 2010 which was an initial resolution related to the issuance of redevelopment revenue refunding bonds and redevelopment revenue bonds for the South End Project in an amount not to exceed \$25 million; and

**WHEREAS**, City and RACM entered into a Cooperation Agreement dated as of the 21<sup>st</sup> day of June, 2001 and a First Supplement to Cooperation Agreement dated as of October 1, 2001 in order to provide credit enhancement for the 2001 Bonds pursuant to which City agreed to provide a moral obligation pledge (“Pledge”) to pay debt service on the 2001 Bonds; and

**WHEREAS**, RACM contemplates the issuance of up to \$25 million Redevelopment Authority of the City of Milwaukee, Wisconsin, Redevelopment Revenue Bonds, Series 2010 (Summerfest Project), which bonds shall constitute the 2010 Bonds; and

**WHEREAS**, the proceeds of the 2010 Bonds shall be lent to Festival or to a special use entity established to assist in the financing of the South End Project (the “Borrower”); and

**WHEREAS**, RACM and City desire to enter into this Cooperation Agreement to evidence City’s Pledge, as set forth in this Cooperation Agreement and more particularly described in the Term Sheet attached as EXHIBIT “A” (the “Term Sheet”), to enhance the marketability of the 2010 Bonds, achieve interest and expense savings and to finance a portion of the costs of the South End Project as contemplated by Festival; and

**WHEREAS**, although the 2010 Bonds will not constitute a legally-enforceable obligation of City, nor create debt on its behalf, there is no constitutional bar to present or future Mayors and Common Councils allocation or appropriation of such sums as may be necessary to restore balance in the Debt Service Reserve Fund to be established under the Indenture of Trust for the 2010 Bonds to the minimum Debt Service Reserve Fund Requirement in such Indenture; and

**WHEREAS**, the purpose of this Cooperation Agreement is to clearly delineate the procedures and circumstances under which present and future Mayors and Common Councils may act in order to provide assistance to RACM to further the redevelopment activities of RACM and economic development in City by loaning such funds to RACM as may be necessary to restore the minimum balance in the Debt Service Reserve Fund for the 2010 Bonds to the minimum Debt Service Fund Requirement; and

**WHEREAS**, RACM by Resolution No. \_\_\_\_\_ adopted November 18, 2010 authorized its Chair and Executive Director to execute this Cooperation Agreement on its behalf; and

**WHEREAS**, City by Resolution No. 100737 adopted on November 23, 2010 authorized the execution of this Cooperation Agreement on its behalf.

**NOW, THEREFORE**, RACM and City, in consideration of the premises and of the mutual promises and undertakings hereinafter contained, mutually agree as follows:

1. Moral Obligation of City. If the balance in the Debt Service Reserve Fund established under the Indenture is, as of the close of business on the day after the date on which the August 1 principal and interest payment on the Bonds is paid for any year, less than the Debt Service Reserve Fund Requirement (as defined in the Indenture), RACM shall so notify (or cause the Trustee to so notify) City’s Comptroller, the Mayor and the Finance Committee of the Common Council in writing of such deficiency. City agrees to consider a loan to RACM, but solely in accordance with the procedures set forth in this Cooperation Agreement, of such sums as may be necessary to restore the balance in the Debt Service Reserve Fund to the minimum Debt Service Reserve Fund Requirement.

2. Procedure. Upon receipt by City’s Comptroller of a notice that the balance in the Debt Service Reserve Fund is as of August 1<sup>st</sup> of any year less than the Debt Service Reserve Fund Requirement, the City’s Comptroller shall:

(a) Request immediate allocation of contingent funding and/or contingent borrowing authority from the Mayor and Common Council of City in an amount sufficient to restore the Debt Service Reserve Fund to the Debt Service Reserve Fund Requirement. Such request shall be in writing and shall request the allocation of contingent funding and/or contingent borrowing authority to implement a loan to RACM to increase the balance in the Debt Service Reserve Fund to an amount not less than the Debt Service Reserve Fund Requirement.

(b) Simultaneously, City's Comptroller shall make a written request for inclusion in City's budget of the amount necessary to implement a loan to RACM to increase the balance in the Debt Service Reserve Fund to an amount not less than the Debt Service Reserve Fund Requirement. Such request shall be in writing and shall be submitted to the Mayor for inclusion in the Mayor's proposed executive budget and the Finance Committee of the Common Council, as appropriate, with a copy to City's Budget Director. In the event that the request submitted pursuant to paragraph 2(a) is approved by the Mayor and Common Council, any such request shall be reduced to the extent of any actual allocation of contingent funding and the implementation of the loan provided for in the preceding paragraph.

3. Loan to RACM; Repayment. In the event City allocates or appropriates moneys to fund a deficiency in the Debt Service Reserve Fund, City shall loan such funds to RACM by depositing such amount with the Trustee. The loan to RACM shall be repaid solely from funds provided by Borrower pursuant to the Financing Documents as defined in the Term Sheet at the interest rates set forth therein. RACM agrees that any payments made by Borrower under the Loan Agreement for the 2010 Bonds in excess of those necessary to fund current debt service on the Bonds and to maintain the balance in the Debt Service Reserve Fund at the Debt Service Reserve Fund Requirement shall be paid by the Trustee to the City as a repayment of such loan. RACM has no obligation to repay such loan from any other funds or source. Any principal payment by Borrower to City under the Reimbursement Agreement between the City and Borrower shall be deemed to be a repayment of the loan made by City to RACM.

4. City's Obligation Not Affected by Disputes With the Borrower. The obligations of City hereunder are not affected by any dispute which may exist between City, or any agency, board, commission, authority or other instrumentality of City, and Festival or Borrower under the Lease, the Reimbursement Agreement or otherwise. The obligations of City hereunder shall not be affected by the termination of the Lease or any determination that the Lease, the Reimbursement Agreement or any related documents is invalid or unenforceable in whole or in part.

5. Term. The obligations of City hereunder shall remain in full force and effect until the payment in full of the 2010 Bonds.

6. Remedies of RACM. In the event that City fails to fulfill its obligations hereunder RACM may pursue any remedy available in law or at equity under the laws of the State of Wisconsin; provided, however, that RACM and the City acknowledge and agree that the

failure of City's budget to contain an appropriation to fund a deficiency in the Debt Service Reserve Fund shall not entitle RACM to institute any action or proceeding against City.

7. Entire Agreement; Amendment. This Cooperation Agreement is the entire agreement between City and RACM with respect to the agreements set forth herein and supercedes any prior written or oral communication, understanding or agreement. This Agreement may be amended only by a written instrument signed by duly authorized representatives of City and RACM and, to the extent required under the Indenture, the consent of the owners of the 2010 Bonds.

8. Third-Party Beneficiaries. The owners of the 2010 Bonds (including the owners of Beneficial Interests (as defined in the Indenture) of the Bonds) are third party beneficiaries of this Cooperation Agreement and may, individually (to the extent permitted by the Indenture) or through the Trustee, institute any action at law or in equity permitted under the laws of the State of Wisconsin to enforce the rights and obligations of RACM and City hereunder. The parties acknowledge that RACM has assigned its rights under this Cooperation Agreement to the Trustee pursuant to the terms of the Indenture.

9. Governing Law. This Cooperation Agreement shall be governed by the internal laws of the State of Wisconsin.

**CITY OF MILWAUKEE**

By: \_\_\_\_\_  
Tom Barrett, Mayor

By: \_\_\_\_\_  
Ronald D. Leonhardt, City Clerk

**Countersigned:**

By: \_\_\_\_\_  
W. Martin Morics, Comptroller

**REDEVELOPMENT AUTHORITY OF THE  
CITY OF MILWAUKEE**

By: \_\_\_\_\_  
Lois A. Smith, Chair

By: \_\_\_\_\_  
David P. Misky  
Assistant Executive Director

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