

**ELDERLY HOUSING AUTHORITY OF THE
CITY OF RACINE, WISCONSIN**

August 20, 2007

Resolution No. 07-01

**Resolution Conditionally Awarding a Contract for
a Rental Housing Projects of the
Elderly Housing Authority of the City of Racine, Wisconsin;
Conditionally Authorizing and
Providing for the Sale of Bonds for the Financing
of Such Projects; and Providing for Various
Further Proceedings in Connection Therewith**

WHEREAS, the Elderly Housing Authority of the City of Racine, Wisconsin (the “**Authority**”), a public body corporate and politic duly organized and existing under and pursuant to the laws of the State of Wisconsin, is authorized and empowered by Section 66.1213 of the Wisconsin Statutes, as amended (hereinafter sometimes referred to as the “**Act**”):

- (a) Within the City of Racine, Wisconsin (the “**City**”) to prepare, carry out, lease and operate housing projects approved by the Common Council of the City (the “**Common Council**”);
- (b) To do all things necessary or convenient to effectuate its purpose of providing safe and sanitary dwelling accommodations in the City for “elderly persons” (as defined in the Act), including issuing bonds for such purpose;
- (c) To determine the accommodations sufficient to provide safe and sanitary dwellings without overcrowding (“**Necessary Accommodations**”); and

WHEREAS, it is the finding and determination of the Authority that there is a shortage of Necessary Accommodations for elderly persons in the City, which shortage constitutes a detriment to the health, safety and welfare of the residents of the City; and

WHEREAS, the Authority desires to assist in the alleviation of this shortage and is willing to exercise its powers to this end, and in furtherance thereof interested persons have been invited to submit proposals for housing projects on or prior to August 17, 2007; and

WHEREAS, the Authority has received a proposal for a Project (as hereinafter defined) from Wisconsin Housing Preservation Corp., a Wisconsin nonprofit corporation, on behalf of itself and/or an affiliated limited liability company in which it is the sole member (collectively, “**WHPC**”), which project includes the acquisition and improvement of a residential facilities for elderly persons at 4720 Byrd Avenue and 1840 State Street in the City; and

WHEREAS, the Authority has determined, based upon the facilities' locations, WHPC's experience and the number of units of Necessary Accommodations for elderly persons which would be acquired, improved and preserved for occupancy by such persons, and the Authority Criteria, that such proposal is acceptable;

WHEREAS, WHPC has requested that the Authority issue revenue bonds in one or more series in an aggregate amount not to exceed \$5,000,000 to finance the Projects (the "**Bonds**"); and

WHEREAS, in accordance with this resolution, the Bonds and interest thereon shall never constitute an indebtedness of the City within the meaning of any State constitutional provision or statutory limitation, shall not constitute or give rise to a pecuniary liability of the Authority or the City or a charge against their general credit or the taxing powers of the City, and shall not constitute or give rise to any personal liability of any member of this body or of any officers or employees of the Authority on the Bonds or for any act or omission related to the authorization or issuance of the Bonds; and

WHEREAS, it is in the public interest for the Authority to further the purposes of the Act by encouraging and promoting projects such as the Projects in order to realize public benefits such as, but not limited to, the retention and improvement of affordable housing for elderly persons and the improvement of the health, safety and welfare of the residents of the City; and

WHEREAS, the undertaking of the Projects and the issuance of the Bonds to finance the Projects as herein recited will, in the judgment of this body, serve the intended accomplishments of public purpose and in all respects conform to the provisions and requirements of the Act;

NOW, THEREFORE, BE IT RESOLVED:

Section 1. Definitions.

In addition to the definitions in the preamble hereof, the following terms when used herein shall have the following respective meanings:

- (a) "**Authority Criteria**" shall mean such guidelines, criteria and/or application requirements as the Authority may adopt from time to time relating to issuance of revenue bonds for projects such as the Project.
- (b) "**Projects**" shall mean the rental housing facilities for elderly persons located in the City which are described in WHPC's proposal, containing dwelling units of Necessary Accommodations for elderly persons, property rights in which can be acquired by the Authority and which satisfies the Authority Criteria.

Section 2. Findings and Determinations.

The Authority hereby finds and determines that each of the Projects described in this Resolution is a "housing project" within the meaning of the Act.

Section 3. Selection of WHPC.

WHPC is hereby selected to undertake the Projects. Such selection is contingent on the adoption by the Authority at a subsequent meeting of a resolution (the "**Final Resolution**") approving the Revenue Agreement with WHPC hereinafter provided for, all documents necessary to the issuance of the Bonds, and the details of the Projects and the selling of the Bonds.

Section 4. Description of Financing.

WHPC has requested that the Authority issue revenue bonds to finance the Projects, and subject to the conditions specified in paragraph 6 hereof, the Authority agrees to pursue and consummate a financing having the following elements:

- (a) The Authority shall issue revenue Bonds pursuant to the Act at one or more times in one or more series in such aggregate principal amount not in excess of \$5,000,000 as WHPC shall request; provided, however, that the actual aggregate principal amount shall not be greater than the sum of the then estimated aggregate cost of providing the Projects, plus the amount necessary to fund any reserve deemed necessary or desirable, plus the estimated financing and bond issuance costs.
- (b) The Bonds shall be limited obligations of the Authority payable by the Authority solely out of revenues derived from WHPC or otherwise provided for pursuant to the terms of a loan or similar agreement (hereinafter called the "**Revenue Agreement**") to be entered into between the Authority and WHPC. The appropriate officers and employees of the Authority are hereby authorized and directed to negotiate the Revenue Agreement with WHPC providing for the acquisition, leasing, subleasing and management of the Projects.
- (c) The Revenue Agreement shall require WHPC to use its best efforts to maintain substantially all of the Project units at each location for occupancy by elderly persons, and to provide the Authority with revenues sufficient in all events to pay when due the principal of, premium, if any, and interest on the Bonds.

- (d) The Bonds shall have such maturities, interest rates and redemption limitations as WHPC and the initial Bond purchaser(s) shall propose subject to the approval of the Authority.

Section 5. TEFRA Public Hearing and Approval.

Appropriate officers and employees of the Authority are hereby authorized and directed to give notice, in compliance with Chapter 985 of the Wisconsin Statutes, of a public hearing with respect to the Projects and the Bonds, which public hearing shall be conducted by the Executive Director of the Authority at a time and place as such officers and employees deem appropriate. Such notice shall, at a minimum, be published one time in the official newspaper of the Authority and in a newspaper of general circulation in the City, in substantially the form attached hereto as Exhibit A, not later than fourteen (14) days prior to the date of such public hearing. The Executive Director shall prepare a report on the results of such public hearing and present the report to the Authority and the Common Council. Unless otherwise determined by the Authority after such public hearing, the Authority requests that the Common Council approve the issuance of the Bonds.

Section 6. Conditions.

The issuance of the Bonds by the Authority shall be on the following conditions:

- (a) The Bonds shall not constitute an indebtedness of the City within the meaning of any State constitutional provision or statutory limitation, and as a result of the aforesaid public hearing, the Authority shall have recommended and the Common Council shall have approved the Project and the issuance of the Bonds therefor.
- (b) The Bonds shall not constitute or give rise to a pecuniary liability, direct or contingent, of any kind or degree whatsoever, of the Authority or of the City or a charge against their general credit or the taxing powers of the City.
- (c) WHPC shall be responsible for finding a purchaser or purchasers for all of the Bonds.
- (d) Prior to the issuance of the Bonds, this body shall have adopted the Final Resolution.
- (e) The Bonds shall be issued pursuant to the Act, and the delivery of the Bonds shall be accompanied with the unqualified approving legal opinion of Foley & Lardner LLP or other nationally recognized firm of bond attorneys as shall be acceptable to the Authority and WHPC.
- (f) All out-of-pocket costs of the Authority in connection with the issuance and sale of the Bonds shall be paid or reimbursed either

from the proceeds of the Bonds or by WHPC, and WHPC shall agree to indemnify the Authority and hold it harmless from any and all liability whatsoever in respect to the issuance of the Bonds for the project.

Section 7. Official Intent.

This Resolution constitutes a declaration of official intent to reimburse expenditures of WHPC with proceeds of the Bonds for purposes of Section 1.150-2 of the Treasury Regulations.

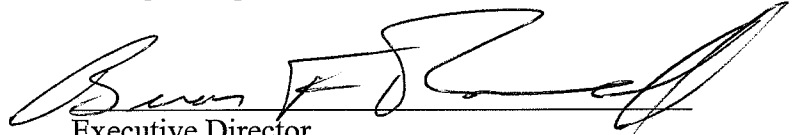
Section 8. Effective Date; Conformity.

This resolution shall be effective immediately upon its passage and approval. To the extent that any prior resolutions of this body are inconsistent with the provisions hereof, this resolution shall control and such prior resolutions shall be deemed amended to such extent as may be necessary to bring them in conformity with this resolution. Unless the Bonds shall have been issued prior thereto, the authorities and authorizations given by this Resolution shall expire on the third anniversary date of the date of adoption of this Resolution or on such later date as this body may specify by resolution adopted either before or after such date.

Adopted: August 20, 2007



Acting Chairperson



Executive Director

EXHIBIT A

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that a representative of the Elderly Housing Authority of the City of Racine, Wisconsin (the "**Authority**") will hold a public hearing at 2:00 p.m. on September 10, 2007 at City Hall, Room 301, 730 Washington Avenue, Racine, Wisconsin, regarding the proposed issuance by the Authority of revenue bonds pursuant to Section 66.1213 of the Wisconsin Statutes, as amended, in a maximum aggregate face amount of up to \$5,000,000, on behalf of Wisconsin Housing Preservation Corp., a Wisconsin nonprofit corporation ("**WHPC**"). The bonds would refinance temporary borrowings previously made by WHPC to fund the acquisition of and/or improvements to, and finance additional improvements to, the following facilities in Racine, Wisconsin (and related issuance expenses): (i) up to \$3,400,000 in principal amount in respect to a 79 unit residential apartment facility for elderly persons located at 4720 Byrd Avenue (the "**Oakview Manor Facility**") and (ii) up to \$1,600,000 in principal amount in respect to a 64 unit residential apartment facility for elderly persons located at 1840 State Street (the "**Lincoln School Facility**").

The owners of such facilities will be WHPC-Oakview Manor, LLC (in the case of the Oakview Manor Facility) and WHPC-Lincoln School, LLC (in the case of the Lincoln School Facility), each of which is a Wisconsin limited liability company in which WHPC is the sole member.

The public hearing will be conducted in a manner that provides a reasonable opportunity to be heard for persons with differing views on both issuance of the bonds and the location and nature of the facilities financed and/or refinanced thereby. Any person desiring to be heard on this matter is requested to attend the public hearing or send a representative. Written comments (not exceeding 250 words) to be considered at the hearing may be submitted to the Authority, c/o Brian O'Connell, Executive Director, Room 306, City Hall, 730 Washington Avenue, Racine, Wisconsin 53403.

Comments made at the hearing are for the consideration of the Authority and the Common Council of the City of Racine, Wisconsin.

/s/ Brian O'Connell
Executive Director

Publication Date: August 27, 2007

CERTIFICATIONS BY EXECUTIVE DIRECTOR

I, Brian O'Connell, hereby certify that I am the duly qualified and acting Executive Director of the Elderly Housing Authority of the City of Racine, Wisconsin (the "**Authority**"), and as such I have in my possession, or have access to, the complete corporate records of said Authority and of its Commissioners (the "**Governing Body**") and that attached hereto is a true, correct, and complete copy of the resolution (the "**Resolution**") entitled:

**Resolution Conditionally Awarding a Contract for
a Rental Housing Projects of the
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I do hereby further certify as follows:

1. **Meeting Date.** On August 20, 2007, a meeting of the Governing Body was held commencing at 2:10 p.m.
2. **Posting.** On August 16, 2007 (and not less than 24 hours prior to the meeting), I posted or caused to be posted at the Authority's offices in Racine, Wisconsin a notice setting forth the time, date, place, and subject matter (including specific reference to the Resolution) of said meeting.
3. **Notification of Media.** On August 16, 2007 (and not less than 24 hours prior to the meeting), I communicated or caused to be communicated, the time, date, place, and subject matter (including specific reference to the Resolution) of said meeting to those news media who have filed a written request for such notice and to the official newspaper of the Authority.
4. **Open Meeting Law Compliance.** Said meeting was a special meeting of the Governing Body that was held in open session in compliance with Subchapter V of Chapter 19 of the Wisconsin Statutes and any other applicable local rules and state statutes.
5. **Members Present.** Said meeting was duly called to order by the Chairperson (the "**Presiding Officer**"), who chaired the meeting. Upon roll I noted and recorded that there were three members of the Governing Body present at the meeting, such number being a quorum of the Governing Body.
6. **Consideration of and Roll Call Vote on Resolution.** Various matters and business were taken up during the course of the meeting without intervention of any closed session. One of the matters taken up was the Resolution. A proper quorum of the Governing Body was present for the consideration of the Resolution, and each member of the Governing Body had received a copy of the Resolution. All rules of the Governing Body that interfered with the consideration of the Resolution, if any, were suspended by a two-thirds vote of the Governing Body. The Resolution was then introduced, moved, and seconded, and after due

consideration, upon roll call, 3 of the Governing Body members voted Aye, 0 voted Nay, and 0 Abstained.

7. **Adoption of Resolution.** The Resolution was supported by the affirmative vote of a majority of a quorum of the members of the Governing Body in attendance. The Presiding Officer then declared that the Resolution was adopted, and I so recorded it.

8. **Publication of Exhibit A to Resolution.** I have caused Exhibit A to the Resolution to be published in the form, place(s) and time(s) specified in the Resolution.

IN WITNESS WHEREOF, I have signed my name and affixed the seal of the Authority hereto on this 21st day of August, 2007.


Executive Director

[Seal]

