

**COMMUNITY DEVELOPMENT AUTHORITY
OF THE
CITY OF MADISON, WISCONSIN**

November 19, 2009

Resolution No. 2906

**Resolution Authorizing and Providing for the
Sale and Issuance of Development Revenue Bonds
for Financing a Redevelopment Project
on Behalf of the Wisconsin Alumni Research Foundation,
and Providing for Certain Related Details**

WHEREAS, by resolutions adopted on March 13, 2008 (the "**Preliminary Resolution**") and on April 10, 2008 (the "**Conditional Award Resolution**") by the Community Development Authority of the City of Madison, Wisconsin (the "**Authority**"), conditional approval was given for the proposed development and equipping of a research facility to include approximately 113,000 assignable square feet of research and research-support space and approximately 56,000 assignable square feet of education and outreach, administrative and public space, with an adjacent loading dock and small animal laboratory and related costs, to be located in the 1200 and 1300 blocks of University Avenue, including, but not limited to, capitalized interest, and working capital, if any (collectively, the "**Project**") to be financed by the issuance of revenue bonds of the Authority in an amount not to exceed \$150,000,000, and to the selection of the Wisconsin Alumni Research Foundation, a Wisconsin nonprofit corporation (the "**Developer**"), as developer of the Project; and

WHEREAS, subsequent to the Developer's submission of its proposal for consideration as developer for the Project, the allocation of space within the research facility was reallocated to approximately 100,000 assignable square feet of research and research-support space and approximately 64,000 assignable square feet of education and outreach, administrative, and public space; however, the total square footage of the research facility remains the same; and

WHEREAS, the Developer has determined that the costs of the Project, including financing costs, are expected to be not less than the principal amount of the Bonds (as defined below), and the Developer has requested that the Authority approve the issuance of revenue bonds of the Authority in the principal amount of not to exceed \$150,000,000 (the "**Bonds**") to finance a portion of the Project; and

WHEREAS, the Authority has received the approval of the Plan Commission of the City of Madison, Wisconsin (the "**City**") with respect to the Project; and

WHEREAS, pursuant to the Conditional Award Resolution and in accordance with Section 147(f) of the Internal Revenue Code of 1986, as amended (the "**Code**"), a public hearing

was conducted by a representative of the Authority on April 23, 2008 (the "**Public Hearing**"); and

WHEREAS, as a result of the Public Hearing, the Authority recommended and requested that the Common Council of the City approve the issuance of the Bonds; and

WHEREAS, on November 3, 2009, the Common Council of the City approved the Project and the issuance of the Bonds in accordance with Section 147(f) of the Code; and

WHEREAS, pursuant to the Conditional Award Resolution the appropriate representatives of the Authority have negotiated a proposed contract with the Developer; and

WHEREAS, the Developer has presented the Authority with drafts of the proposed documentation for the Bonds as follows, each to be dated as of December 1, 2009 or such other date as may hereafter be determined (the "**Effective Date**") unless otherwise indicated:

(a) a Purchase Contract (the "**Purchase Contract**"), to be entered into between the Authority, and Merrill Lynch, Pierce, Fenner & Smith Incorporated, on behalf of itself and, if applicable, on behalf of any other members of a selling/underwriting group described therein (the "**Underwriter**") setting forth the terms and conditions on which the Authority will sell and the Underwriter will purchase the Bonds, and a corresponding Letter of Representation and Indemnification from the Developer to the Authority and the Underwriter; and

(b) a Bond Indenture (the "**Bond Indenture**"), to be entered into between the Authority and the corporate bond trustee designated in Section 7 hereof (the "**Bond Trustee**"), providing for the creation of the Bonds, the terms thereof and the security therefor; and

(c) a Loan Agreement (the "**Loan Agreement**"), to be entered into between the Authority and the Developer providing for a loan of the Bond proceeds to the Developer on repayment terms scheduled to provide the Authority with revenues sufficient to retire the Bonds in accordance with their terms; and

(d) a Master Trust Indenture (the "**Master Indenture**") to be entered into by and between the Developer and a qualified trustee providing for the issuance of obligations from time to time by members of an obligated group, including the Note (defined below), which shall be issued under Supplement No. 1 to the Master Indenture ("**Supplement No. 1**"); and

(e) a Series 2009 Obligation to be dated the date of initial delivery of the Bonds (the "**Note**"), to be issued by the Developer payable to the order of the Authority, in principal amount equal to the principal amount of the Bonds as evidence to the borrowing provided for in the Loan Agreement and to be assigned by the Authority to the Bond Trustee; and

(f) a Preliminary Official Statement which will serve as the basis for a Final Official Statement (collectively, the "**Official Statement**"), describing the

Bonds and the security therefor and the affairs and financial condition of the Developer; and

(g) a Tax Agreement (the "**Tax Agreement**"), to be dated the date of initial delivery of the Bonds, to be entered into among the Authority, the Developer, and the Bond Trustee, setting forth certain undertakings in order to ensure compliance under the applicable Code requirements relating to the tax exempt status of the Bonds; and

WHEREAS, the development of the Project and the issuance of the Bonds to finance the Project 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 Sections 66.1333 and 66.1335 of the Wisconsin Statutes (the "**Act**");

NOW THEREFORE, BE IT RESOLVED:

Section 1. Additional Findings and Determinations.

It has been found and determined and is hereby declared that:

(a) the Project will eliminate blight and promote the objectives of the Redevelopment Plan (as defined in the Preliminary Resolution) pursuant to the Act and that the Loan Agreement meets the requirements of a "revenue agreement" under and for the purposes of the Preliminary Resolution; and

(b) the Developer has agreed to meet all conditions set forth in the Preliminary Resolution.

(c) based upon information provided by the Developer, the estimated aggregate cost of providing the Project and paying the costs incident to the financing is not less than the principal amount of the Bonds;

(d) the payments required to be made by the Developer under the Loan Agreement are sufficient in amount to pay when due the principal of, premium, if any, and interest on the Bonds; and

(e) all conditions set forth in the Conditional Award Resolution have been satisfactorily met and that this is the Final Resolution referred to in the Conditional Award Resolution.

Section 2. Execution and Delivery of Loan Agreement.

The Loan Agreement is hereby approved. The Chairperson or Vice Chairperson acting alone or together with the Executive Director or Assistant Executive Director (collectively, the "Authorized Officers") are hereby authorized for and in the name of the Authority to execute and deliver the Loan Agreement in substantially the form thereof presented

herewith or with such additions, modifications, corrections and/or deletions thereto and/or such insertions therein as shall be approved by them and by the City Attorney consistent with this resolution, the execution thereof by the Authorized Officers to constitute conclusive evidence of their approval of any such additions, modifications, corrections, deletions or insertions.

Section 3. Approval of Project.

The use of the site for the Project and the general features of the Project, including the general features of the proposed layout indicating the location of improvements and open space, are hereby approved.

Section 4. Authorization to Borrow and to Lend.

The Authority shall borrow, but only in the manner herein recited, a principal amount of not to exceed \$150,000,000 for the purpose of (i) financing the costs of providing the Project, (ii) paying the costs of selling and issuing the Bonds, and (iii) paying such other costs related thereto as are permitted to be paid with proceeds of the Bonds under the Act. Said borrowing shall be accomplished through the sale of the Bonds issued pursuant to the Act. The Authority shall lend the sum of not to exceed \$150,000,000 to the Developer pursuant to the terms of the Loan Agreement, which borrowing shall be evidenced by the Note and secured as provided in the Bond Indenture.

Section 5. Designation, Denomination, Tenor, and Maturity of Bonds Created for Issuance.

The Bonds shall be issued in the principal amount of not to exceed \$150,000,000 and shall be designated:

COMMUNITY DEVELOPMENT AUTHORITY
OF THE CITY OF MADISON
DEVELOPMENT REVENUE BONDS, SERIES 2009
(WISCONSIN ALUMNI RESEARCH FOUNDATION PROJECT)

The Bonds shall be substantially in the form, shall have the maturities, redemption provisions, and shall bear interest as set forth in the Bond Indenture. The Bonds shall have such maturities, sinking fund redemption schedules, and shall bear interest at such rates per annum as the Authorized Officers shall approve; *provided that* (i) the final maturity of the Bonds shall be no longer than 40 years from the date of issuance of the Bonds and (ii) the initial average interest rate on the Bonds shall not exceed 8% per annum.

The Bonds shall be issuable as fully registered bonds without coupons in denominations of \$5,000 and any integral multiple thereof. The Bonds shall be registered initially in the name of The Depository Trust Company (or its nominee) ("DTC") and the ownership of beneficial interests in the Bonds shall be by book entry on the book entry system maintained and operated by DTC. Bonds and the interest thereon shall be transferable by and shall be payable to the registered owners thereof in the manner and with the effect provided in the Bond Indenture. The principal of, premium, if any, and interest on the Bonds shall be

payable in lawful money of the United States of America at the principal corporate trust office of the Bond Trustee, as paying agent and registrar, or the office of any successor or additional paying agent and registrar designated by the Authority and approved by the Developer.

The Bonds shall be dated the date of their initial issuance and delivery. Each Bond shall be dated, as its registration date, the date of its authentication.

The Bonds shall be issued in substantially the form therefor as set forth in the Bond Indenture, with such insertions therein as shall be necessary to comply with the terms of this resolution and with such additions, modifications, corrections and/or deletions therein, if any, as bond counsel may require for conformity with the terms of this resolution, the Bond Indenture, and the Act.

Section 6. Execution and Authentication of Bonds.

The Bonds shall be executed on behalf of the Authority with the facsimile or manual signature of its Chairperson or Vice Chairperson, countersigned with the facsimile or manual signature of its Executive Director or Assistant Executive Director and shall have impressed, imprinted, or otherwise reproduced thereon, an official seal of the Authority or a facsimile thereof, if any. No Bond shall be issued unless first authenticated by the Bond Trustee (as paying agent and registrar), to be evidenced by the manual signature of an authorized signatory of the Bond Trustee on each Bond.

Section 7. Designation of Bond Trustee.

The Authority hereby designates and appoints U.S. Bank National Association to perform the functions of the Bond Trustee, paying agent, and registrar under the Bond Indenture.

Section 8. Bonds as Limited Obligations.

The Bonds shall be limited obligations of the Authority, payable by it solely from the Revenues (as defined in the Bond Indenture), and shall not constitute a general or moral obligation or a pledge of the faith or credit or any taxing power of the Authority or the City. The Bonds and the interest thereon shall not be a debt of the City, the State of Wisconsin, or any subdivision thereof nor shall any of them be liable thereon. The Bonds shall not in any event be payable out of any funds or property other than Revenues. The Bonds shall not constitute or give rise to any personal liability of any member of the governing body of the Authority or 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.

Section 9. Source of Payment; Pledge of Revenues.

The Bonds shall be limited obligations of the Authority payable by it solely from Revenues and income derived by or for the account of the Authority from or for the account of the Developer pursuant to the terms of the Note, the Bond Indenture, and the Loan Agreement, including, without limitation, (i) all payments by the Developer on the Note or pursuant to the terms of the Loan Agreement, and (ii) all cash, securities and letters of credit, if any, held from

time to time in the funds and accounts established under the Bond Indenture (the “**Trust Funds**”), and the investment earnings thereon.

As security for the payment of the principal of, premium, if any, and interest on the Bonds, the Authority shall pledge and assign to the Bond Trustee all of its right, title and interest in and to the Note, the Loan Agreement (except for its rights to receive and enforce payment of certain expenses and indemnity payments from the Developer as set forth in the Bond Indenture and the Loan Agreement), and the Trust Funds and property described in the Bond Indenture.

Section 10. Redemption of Bonds Prior to Maturity.

The Bonds shall be subject to redemption prior to maturity as provided in the Bond Indenture.

Section 11. Trust Funds.

The Trust Funds described in the Bond Indenture shall be created under the Bond Indenture to be held in the custody of the Bond Trustee and applied for the uses and purposes provided in the Bond Indenture.

Section 12. Investment of Trust Funds.

Any moneys held as a part of the Trust Funds held by the Bond Trustee under the Bond Indenture may be invested and reinvested by the Bond Trustee as described in the Bond Indenture, upon request by the Developer (except as otherwise provided in the Bond Indenture and Loan Agreement).

Section 13. Determination of Revenue Payment.

The amount necessary in each year to pay the principal of, premium, if any, and interest on the Bonds is the sum of (i) the amount of principal becoming due in such year (as reduced from time to time by reason of prior redemptions and purchases of Bonds in accordance with the Bond Indenture); plus (ii) the principal amount of Bonds to be redeemed in such year in accordance with a call for redemption made in accordance with the Bond Indenture, plus the premium, if any, payable with respect thereto; plus (iii) the amount of interest on the Bonds becoming due in such year.

In expressing the Developer’s obligation to make the necessary revenue payments, it shall suffice herein and in the Loan Agreement to state that the Developer shall be obligated to pay the Authority (or the Bond Trustee for the account of the Authority) amounts sufficient to pay when due the principal of, premium, if any, and interest on the Bonds.

The Loan Agreement contains provisions, adequate in the judgment of this body, requiring the Developer to provide for the maintenance of the Project and the carrying of all proper insurance with respect thereto. Consequently, the Developer need not be required to pay amounts into any reserve funds for the retirement of the Bonds or for the maintenance of the Project (other than as specified in the Loan Agreement).

Section 14. Award of Bonds; Execution and Delivery of the Purchase Contract.

The Developer is hereby authorized to negotiate for the sale of the Bonds to the Underwriter. Given the purposes of the financing and the involvement of the Authority therewith, it is the determination of this body that the Bonds shall be and hereby are awarded to the Underwriter at the price to be agreed upon between the Developer and the Underwriter, with delivery of the Bonds to follow in the manner, at the time, and subject to the conditions set forth in the Purchase Contract and this resolution. As evidence thereof, the Authorized Officers are hereby authorized and directed for and in the name of the Authority to execute and deliver the Purchase Contract in substantially the form presented herewith, or with such additions, modifications, corrections and/or deletions thereto and/or such insertions therein as shall be approved by them and by the City Attorney consistent with this resolution and the terms of the Act, the execution thereof by the Authorized Officers to constitute conclusive evidence of their approval of any such additions, modifications, corrections, deletions and insertions.

Section 15. Execution and Delivery of the Bond Indenture, the Tax Agreement, and the Assignment of the Note.

The terms and provisions of the Bond Indenture, the Note, and the Tax Agreement are hereby approved. The Authorized Officers are hereby authorized for and in the name of the Authority to execute and deliver the Bond Indenture, the Tax Agreement, and the assignment of the Note in substantially the respective forms thereof presented herewith, or with such additions, modifications, corrections and/or deletions thereto and/or such insertions therein as may be required by any nationally recognized rating agency which may assign a rating to the Bonds, or as shall be approved by the Authorized Officers and by the City Attorney consistent with this resolution and the terms of the Act, the execution thereof by the Authorized Officers to constitute conclusive evidence of their approval of any such additions, modifications, corrections, deletions and insertions.

Section 16. Authorization of Official Statement.

The distribution of the Preliminary Official Statement and the Final Official Statement in connection with the initial offering and sale of the Bonds is hereby authorized and approved. The Preliminary Official Statement in substantially the form presented herewith is hereby approved with such additions, modifications, corrections and/or deletions thereto and/or such insertions therein as may be approved by the Authorized Officers and by the City Attorney consistent with this resolution and the terms of the Act. The Final Official Statement in substantially the form of the Preliminary Official Statement presented herewith is hereby approved with such additions, modifications, corrections and/or deletions thereto and/or such insertions therein as shall be approved by the Authorized Officers and by the City Attorney consistent with this resolution and the terms of the Act, the execution thereof by the Authorized Officers, if required, to constitute conclusive evidence of their approval of any such additions, modifications, corrections, deletions and insertions made to the Preliminary Official Statement and/or the Final Official Statement. For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, the Authorized Officers are hereby authorized to certify

on behalf of the Authority that the Preliminary Official Statement is in a form which the Authority "deems final" as of the date thereof.

Section 17. Execution and Delivery of the Bonds.

The Authorized Officers are hereby authorized for and in the name of the Authority to execute the Bonds in the manner authorized by Section 6 hereof. Subject to the terms and conditions of the Purchase Contract, the Authority shall deliver the Bonds to the Underwriter, to DTC, or to the Bond Trustee in its capacity as a FAST closing agent of DTC.

Section 18. Publication of Notice.

Notice of the sale of the Bonds, in the form attached hereto as Exhibit A, must be published promptly after the adoption of this resolution in the official newspaper of the City as a class 1 notice under Chapter 985 of the Wisconsin Statutes. The Executive Director shall obtain proof, in affidavit form, of such publication, and must compare the Notice as printed with the form attached hereto as Exhibit A to ascertain that no mistake has been made therein.

Section 19. General Authorizations.

The Authorized Officers and the appropriate deputies and officials of the Authority in accordance with their assigned responsibilities are hereby each authorized and directed to execute, publish, file, and record such other documents, instruments, notices, and records (including Internal Revenue Service Form 8038 and a blanket issuer letter of representations with DTC), 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 Authority under the Bonds, the Loan Agreement, the Purchase Contract, the Tax Agreement, and the Bond Indenture.

In the event that the current officers of the Authority are 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 Bonds, the Purchase Contract, the Loan Agreement, the Bond Indenture, Tax Agreement, or the assignment of the Note), such duties shall be performed by the officer or official succeeding to such duties in accordance with law and the rules of the Authority.

Section 20. 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.

Section 21. Percy Lavon Julian, Sr. Discovery Initiative

The Developer and the Authority shall use their best efforts to encourage and cooperate with the UW-Madison and the City of Madison Department of Civil Rights in the creation of the Percy Lavon Julian, Sr. Discovery Initiative, to be facilitated in the Project's Town Center. The intent of the initiative is to assist otherwise unassociated racial/ethnic and minority business owners and entrepreneurs.

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Adopted: November 19, 2009

Chairperson

Executive Director

EXHIBIT A

NOTICE TO THE ELECTORS OF THE CITY OF MADISON, WISCONSIN RELATING TO BOND SALE

On November 19, 2009, a resolution was offered, read, approved, and adopted by the Community Development Authority of the City of Madison (the “**Authority**”), whereby the Authority authorized a contract to sell development revenue bonds relating to a redevelopment project on behalf of the Wisconsin Alumni Research Foundation in the principal amount of not to exceed \$150,000,000. It is anticipated that the closing of this bond sale will be held on or about December 17, 2009. A copy of all proceedings had to date with respect to the authorization and sale of said bonds is on file and may be examined in the office of the Executive Director/ Secretary of the Authority, 215 Martin Luther King, Jr. Boulevard, Madison, Wisconsin.

This notice is given pursuant to Section 893.77, Wisconsin Statutes, which provides that an action or proceeding to contest the validity of such municipal financing, for other than constitutional reasons, must be commenced within 30 days after the date of publication of this Notice.

/s/ Mark A. Olinger
Executive Director

Publication Date: November __, 2009

CERTIFICATIONS BY EXECUTIVE DIRECTOR

I, Mark A. Olinger, hereby certify that I am the duly qualified and acting Executive Director of the Community Development Authority of the City of Madison, Wisconsin (the “**Authority**”), and as such officer 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 Authorizing and Providing for the
Sale and Issuance of Development Revenue Bonds
for Financing a Redevelopment Project
on Behalf of the Wisconsin Alumni Research Foundation,
and Providing for Certain Related Details**

I do hereby further certify as follows:

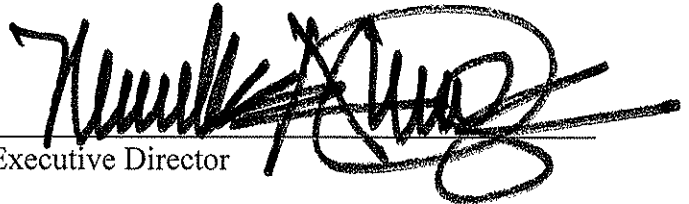
1. **Meeting Date.** On November 19, 2009, a meeting of the Governing Body was held commencing at 4:30 p.m.
2. **Posting.** On November 13, 2009 (and not less than 24 hours prior to the meeting), I posted or caused to be posted at the Authority’s offices in Madison, Wisconsin a notice setting forth the time, date, place, and subject matter (including specific reference to the Resolution) of said meeting.
3. **Notification of Media.** On November 13, 2009 (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 regular 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 five 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, five of the Governing Body members voted Aye, zero voted Nay, and zero 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 and place specified in the Resolution.

IN WITNESS WHEREOF, I have signed my name and affixed the seal of the Authority, if any, hereto on December 2, 2009


Executive Director