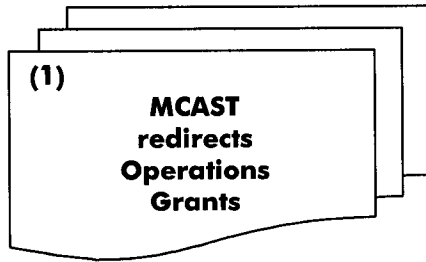


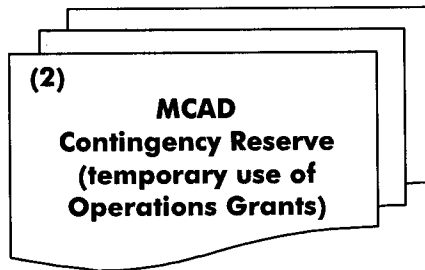
"FIREWALLS"

If MCAST investment results fail to provide sufficient funds to make both LARA payments and Operations Grants:

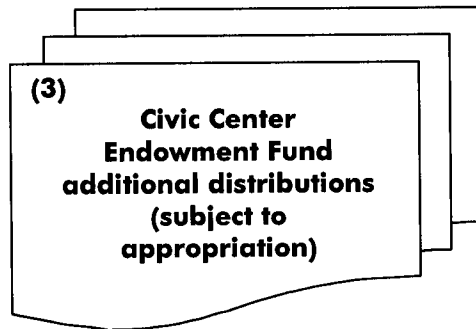
(1) Under the current Operations Grant Agreement, MCAST has discretion not to make MCAD's Operations Grants when MCAST reasonably believes that its assets or earnings cannot support them. This firewall expressly recognizes MCAST's ability to redirect its earnings to LARA payments which covers debt service on Series A and Series B. These decisions are final and the funds are nonrecoverable.



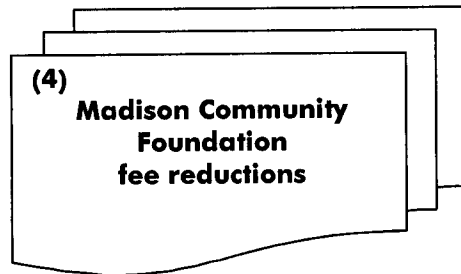
(2) For the first several years of Series B debt, MCAD would be required to set aside in a contingency reserve a portion of the funds in excess of \$250,000 annually that it receives from MCAST as Operations Grants, up to a maximum of \$2.5 million. Those funds would be applied to the payment of rent to ODC, if LARA grants are insufficient. When fully funded, the MCAD contingency reserve should be able to cover at least one year's rental payments.



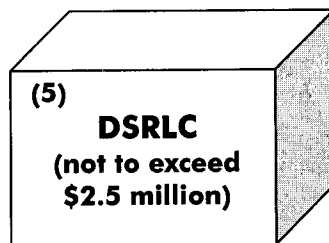
(3) An endowment of approximately \$2.7 million is held by the Madison Community Foundation to support programming at the Madison Civic Center. The Fund balance consists of \$1.3 million of contributions and \$1.4 of undistributed earnings. MCF's policy is to distribute 5% of the value of the Fund annually. Additional distributions are permitted, at MCF's discretion. Distributions cannot reduce the Fund balance to less than its cumulative contributions (currently \$1.3 million). In the event LARA payments and the MCAD contingency reserve are insufficient to make rental payments, MCAD may apply for a distribution by MCF from this Fund.



(4) The Madison Community Foundation will receive annual fees for holding and administering the MCAST funds. In the event that prior firewalls have not handled a shortfall, MCF would be requested to reduce its fees, not below its internal and external costs of holding, managing and administering the funds, to assist MCAD in making its rental payments.



(5) A Debt Service Reserve Line of Credit would be established by ODC in the amount of approximately one year's principal and interest, plus the annual loan fee, to secure the Series B portion of the debt. The line of credit could be drawn by ODC as needed to pay principal and interest on the Series B debt.



(6) The City of Madison would offer its promise, in the form of a moral obligation, to include in its next annual budget an appropriation of the amount necessary to replenish a draw on the DSRLC, plus interest, if not repaid by ODC or from other firewalls.

