

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

<hr/> <p>Amended Resolution No. 2978</p> <p>Authorizing the Community Development Authority to authorize necessary actions to develop 71 units of Low-Rent Public Housing at Straubel Street and Wright Street, known as Truax Park Redevelopment, Phase 1, LLC.</p> <hr/>	<p>Presented <u>August 26, 2010</u></p> <p>Referred _____</p> <p>Reported Back _____</p> <p>Adopted <u>August 26, 2010</u></p> <p>Placed on File _____</p> <p>Moved By <u>Timothy Bruer</u></p> <p>Seconded By <u>Stuart Levitan</u></p> <p>Yeas <u>4</u> Nays <u>0</u> Absent <u>3</u></p> <p>Rules Suspended _____</p> <hr/>
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The members of the Board of Commissioners of the Community Development Authority of the City of Madison, Wisconsin, a public body corporate and politic organized under the laws of the State of Wisconsin (the “**Authority**”) hereby adopt the following resolutions, to be effective as of the date set forth above in connection with the redevelopment of seventy-one (71) housing units by Truax Park Redevelopment, Phase 1, LLC, a Wisconsin limited liability Company (“**Company**”), together with the associated appurtenances located at 3502, 3506, 3510, 3514, 3522, 3526, 3530 and 3534 Straubel Street and 1501, 1503, 1505, and 1507 Wright Street, Madison, Wisconsin (collectively, the “**Project**”) as more particularly described in **Exhibit A** attached hereto.

Certain of the resolutions contained herein are resolutions adopted by the Authority on behalf of the Company. In so doing, the Authority, as managing member of the Company, does hereby adopt the following resolutions be effective as of the date set forth above pursuant to the Company’s Operating Agreement, dated March 24, 2009 (the “**Operating Agreement**”) and Wisconsin law.

1. **RESOLVED**, that any and all notice to take any action in adopting the following resolutions is hereby waived pursuant to the Company’s Operating Agreement, the Authority’s organizational documents, and Wisconsin law.

2. **RESOLVED**, that the following actions of the Company be, and they hereby are, ratified, confirmed, and approved in all respects by the Authority as managing member of the Company:

a. Lease Option Agreement. Executing a lease option agreement dated April, 10, 2009 along with any amendments thereto, by and between the Company and the Authority whereby the Authority grants an option to lease the Project to the Company;

b. Architect Agreement. Executing and delivering an architect agreement with Dimension IV – Madison, LLC, dated July 20, 2009, for design and construction administration of the Project improvements;

c. Tax Credit Exchange Program Grant Commitment. Executing and delivering the Tax Credit Exchange Program Grant Commitment Agreement dated March 12, 2010 to the Wisconsin Housing and Economic Development Authority (“**WHEDA**”) required by WHEDA for a grant to the Company in the approximate amount of \$698,333.00 (the “**TCEP Grant**”) along with any amendments thereto; and

d. Other Actions. All other actions taken, and execution of all documents executed, by the Company in connection with the development, financing, or construction of the Project.

3. **RESOLVED**, that the Company be, and hereby is, authorized by the Authority, as its managing member, to take the following actions and sign the following documents (each without the Company’s seal), each related to the Project and each action to be taken under such terms and conditions as may be acceptable to the Chair or Acting Chair, together with the Secretary or Acting Secretary, each of the Authority, as the managing member of the Company (each is and together they are the “**Company Authorized Officer**”), and, as applicable, pursuant to contract, agreements, instruments, certificates, affidavits, and other documents as may be acceptable to the Company Authorized Officer:

a. Investor Commitment and Documents. Executing a commitment letter and any amendments thereto, between the Company and NEF Assignment Corporation, an Illinois not-for-profit corporation, as nominee (“**NEF**”) and/or any affiliate of NEF (the “**Investor**”) in connection with the admission of the Investor as a member of the Company; and to negotiate and execute such agreements, certificates, instruments and other documents and to take such actions as may be necessary or advisable, to admit the Investor as a member of the Company, including, but not limited to, executing and delivering a development services agreement, a purchase option and right of first refusal agreement, and one or more guaranties and pledges required by Investor in connection with the admission of the Investor as a Member of the Company;

b. Amendment to Operating Agreement. Executing and delivering an amendment to the Operating Agreement on behalf of the Company clarifying the terms of the Operating Agreement;

c. Project Lease. Leasing the Project from the Authority under such terms and conditions of a capital lease to be executed by and between the Company and the Authority (the “**Lease**”), and executing and delivering in connection therewith a memorandum of lease, assignment and assumption agreements and any other contracts, agreements, instruments, certificates, title affidavits and indemnities and other documents acceptable to the Company Authorized Officer;

d. Department of Housing and Urban Development Documents. Executing and delivering documents required by the Department of Housing and Urban Development in

connection with the Project including a declaration of restrictive covenants, a mixed-finance amendment to consolidated annual contributions contract, a regulatory and operating agreement, and a performance and completion guaranty;

e. Management Agreement. Executing and delivering a management agreement for the Project by and between the Company and the Authority whereby the Company agrees to appoint the Authority as the exclusive managing and leasing agent for the Project and the terms and conditions upon which the Company makes such appointment;

f. Johnson Bank Construction Loan. Executing and delivering all documents required by Johnson Bank, the construction lender (“**Johnson Bank**”), as prerequisites to receiving a construction loan in the approximate amount of \$7,961,983.00 (the “**Construction Loan**”) including without limitation a construction loan commitment agreement along with any amendments thereto, a construction loan agreement, promissory note, construction mortgage, assignment of leases and rents, development agreement and development fee subordination agreement, environmental indemnity agreement, collateral assignment of contracts, permits, licenses, plans and specifications, disbursing agreement, loan closing statement and a certificate of borrower to opinion of borrower’s counsel’s opinion letter;

g. \$1,050,000.00 Authority Loan. Executing and delivering a note and mortgage in connection with a loan from the Authority to the Company in the approximate amount of \$1,050,000.00 which will be amortized over 16 years at 3.00% interest;

h. \$1,846,000.00 Authority Loan. Executing and delivering a note and mortgage in connection with a loan from the Authority to the Company in the approximate amount of \$1,846,000.00. Such loan will have a term of 40 years at 4.00% interest;

i. \$400,000.00 Authority Loan. Executing and delivering a note and mortgage in connection with a loan from the Authority to the Company in the approximate amount of \$400,000.00. Such loan will have a term of 40 years at 4.00% interest;

j. \$441,942.00 Authority Loan. Executing and delivering a note and mortgage in connection with a loan from the Authority to the Company in the approximate amount of \$441,942.00. Such loan will have a term of 40 years at 4.00% interest (collectively, the above listed \$1,846,000.00, \$400,000.00 and the \$441,942.00 loans are known as the “**Authority Loans**”);

k. Tax Credit Exchange Program Grant. Executing and delivering all documents required by WHEDA as prerequisites to receiving the TCEP Grant including without limitation a tax credit exchange program subaward agreement, land use restriction agreement for low-income housing tax credit, escrow trust agreement and a certificate of borrower to project owner’s counsel’s opinion letter; and obtaining or causing to be obtained all required certificates and documents required by WHEDA in connection with the TCEP Grant;

l. Construction Contract. Executing and delivering a construction contract with McGann Construction, Inc. for the rehabilitation of the Project improvements; and

m. Generally. Doing all other things, taking all other actions, and executing and delivering all other guaranties, contracts, agreements, instruments, certificates and other documents, as may be necessary or convenient, as determined by the Company Authorized Officer, to acquire, develop, finance, rehabilitate, or operate the Project, each in such form and under such terms and conditions as may be acceptable to the Company Authorized Officer.

4. **RESOLVED**, that each Company Authorized Officer be, and they hereby are, authorized and directed in the name and on behalf of the Company to execute, without attesting signature and without seal, and deliver any and all contracts, agreements, instruments, certificates or other documents, including each of those described above and each of those described in any of the documents described above, which they may determine to be necessary or convenient to implement the intent of the foregoing resolutions, or any of them, any such determination to be conclusively evidenced by the doing or performing of any such thing or act or the execution and delivery of any such papers.

5. **RESOLVED**, that the following actions of the Authority be, and they hereby are, ratified, confirmed, and approved in all respects:

a. Lease Option Agreement. Executing a lease option agreement dated April, 10, 2009 along with any amendments thereto, by and between the Company and the Authority whereby the Authority grants an option to lease the Project to the Company;

b. Investor Letter of Intent. Executing the Letter of Intent dated October 30, 2009 and any amendments thereto, between the Company and the Investor setting forth the basic terms and conditions of the Investor's entry and admission as a member of the Company.

6. **RESOLVED**, that the Authority be, and hereby is, authorized to take the following actions and sign the following documents (each without the Authority's seal), each related to the Project and each action to be taken under such terms and conditions as may be acceptable to the Chair or Acting Chair, together with the Secretary or Acting Secretary (each is and together they are the "**Authority Authorized Officer**"), and, as applicable, pursuant to contract, agreements, instruments, certificates, affidavits, and other documents as may be acceptable to the Authority Authorized Officer:

a. Certified Survey Map and Cross Easement Agreement. Obtaining and recording a Certified Map Survey Map dividing the Project from other Authority owned real estate adjacent to the Project (the "**CSM**") and obtaining and recording a cross easement agreement detailing the rights and responsibilities of the parties owning the lots identified in the CSM as to access, utilities, parking and other such easements.

b. Dimension Development Fee Agreement. Executing and delivering a Low Income Housing Tax Credit Development Fee Agreement whereby the Authority engages Dimension Development, LLC ("**Dimension**") to provide development services through the date that the rehabilitation of the Project is completed and sets forth the basis for which Dimension will be compensated for the development services;

c. Amendment to Operating Agreement. Executing and delivering an amendment to the Operating Agreement on behalf of the Authority as a member of the Company clarifying the terms of the Operating Agreement;

d. Project Lease. Leasing the Project to the Company under such terms and conditions of a capital lease to be executed by and between the Company and the Authority and executing and delivering in connection therewith a memorandum of lease, assignment and assumption agreements and any other contracts, agreements, instruments, certificates, title affidavits and other documents acceptable to the Authority Authorized Officer;

e. Department of Housing and Urban Development Documents. Executing and delivering documents required by the Department of Housing and Urban Development in connection with the Project including a regulatory and operating agreement and a performance and completion guaranty;

f. Management Agreement. Executing and delivering a management agreement for the Project by and between the Company and the Authority whereby the Company agrees to appoint the Authority as the exclusive managing and leasing agent for the Project and the terms and conditions upon which the Authority accepts such appointment;

g. \$1,050,000.00 City of Madison Loan. Executing and delivering a loan agreement, note and mortgage in connection with a loan from the City of Madison to the Authority in the approximate amount of \$1,050,000.00;

h. \$1,050,000.00 Authority Loan. Loan to the Company approximately \$1,050,000.00. Such loan will be amortized over 16 years at 3.00% interest and will be evidenced by a note and secured by a mortgage on the Project;

i. \$1,846,000.00 Authority Loan. Loan to the Company approximately \$1,846,000.00. Such loan will have a term of 40 years at 4.00% interest and will be evidenced by a note and secured by a mortgage on the Project;

j. \$400,000.00 Authority Loan. Loan to the Company approximately \$400,000.00. Such loan will have a term of 40 years at 4.00% interest and will be evidenced by a note and secured by a mortgage on the Project;

k. \$441,942.00 Authority Loan. Loan to the Company approximately \$441,942.00. Such loan will have a term of 40 years at 4.00% interest and will be evidenced by a note and secured by a mortgage on the Project;

l. WHEDA Guaranty. Executing and delivering, on behalf of the Authority, one or more guarantees to WHEDA, guarantying all of the Company's obligations to WHEDA related to the TCEP Grant;

m. Johnson Bank Construction Loan. Executing and delivering, on behalf of the Authority, including without limitation a construction mortgage, guaranty of payment and guaranty of performance, managing member's pledge and security agreement, development agreement and development fee subordination agreement, environmental indemnity agreement,

and an intercreditor agreement and subordination agreement, thereby guarantying all of the Company's obligations to Johnson Bank, pledging the Authority's interest in Company to Johnson Bank related to the Construction Loan and subordinating the Authority's interest in the Project as to the Authority Loans to Johnson Bank;

n. Investor Documents. Executing and delivering, on behalf of the Authority, an amended and restated operating agreement of the Company, a development services agreement, a purchase option and right of first refusal agreement, a litigation, default and solvency affidavit, a managing member's certificate to company's counsel's opinion letter, a tax opinion certificate as to Company's tax counsel's opinion letter, a post-closing-document delivery agreement, and one or more guaranties and pledges, guarantying all of the Company's obligations to the Investor related to the amended and restated operating agreement; and

o. Generally. Doing all other things, taking all other actions, and executing and delivering all other guaranties, contracts, agreements, instruments, certificates and other documents, as may be necessary or convenient, as determined by the Authority Authorized Officer, to assist the Company in leasing, developing, financing, rehabilitating, or operating the Project, each in such form and under such terms and conditions as may be acceptable to the Authority Authorized Officer.

7. **RESOLVED**, that each Authority Authorized Officer be, and they hereby are, authorized and directed in the name and on behalf of the Authority to execute, without attesting signature and without seal, and deliver any and all contracts, agreements, instruments, certificates or other documents, including each of those described above and each of those described in any of the documents described above, which they may determine to be necessary or convenient to implement the intendment of the foregoing resolutions, or any of them, any such determination to be conclusively evidenced by the doing or performing of any such thing or act or the execution and delivery of any such papers.

## EXHIBIT A

### Truax Park Redevelopment, Phase 1 (71 units)

Commonly known as:

3502, 3506, 3510, 3514, 3522, 3526, 3530 And 3534 Straubel Street and 1501, 1503, 1505, and 1507 Wright Street, Madison, Wisconsin 53704

To be described as:

Lots Two (2) and Three (3), Certified Survey Map No. \_\_\_\_\_, recorded \_\_\_\_\_, 2010 in the Office of the Register of Deeds for Dane County, Wisconsin in Volume \_\_\_ of Certified Survey Maps, Pages \_\_\_ through \_\_\_, inclusive, as Document No. \_\_\_\_\_, in the City of Madison, Dane County, Wisconsin.

Currently described as:

Parcel A: Future Lot 3

Part of the NE 1/4 of Section 32, T8N, R10E, in the City of Madison, Dane County, Wisconsin, to-wit:

Commencing at the NE corner of said Section 32; thence N88°39'02"W, 548.25 feet; thence S01°20'58"W, 316.19 feet to a point on a curve; thence Southwesterly along a curve to the left which has a radius of 25.00 feet and a chord which bears S15°54'01"W, 33.13 feet; thence S25°36'08"E, 97.48 feet to a point on a curve; thence Southeasterly along a curve to the right which has a radius of 285.00 feet and a chord which bears S20°55'53"E, 42.92 feet; thence S01°51'51"W, 543.42 feet to the point of beginning; thence continuing S01°51'51"W, 16.68 feet; thence S42°54'56"E, 67.03 feet; thence S46°43'26"W, 495.22 feet to a point of curve; thence Southwesterly along a curve to the right which has a radius of 65.00 feet and a chord which bears S69°17'39"W, 49.90 feet; thence N88°08'09"W, 301.81 feet; thence N01°51'51"E, 53.86 feet; thence N68°27'24"E, 38.25 feet; thence N48°36'34"E, 77.64 feet; thence S81°52'46"E, 81.32 feet; thence N50°28'40"E, 143.70 feet; thence N74°51'10"E, 97.79 feet; thence N46°24'15"E, 95.48 feet; thence N21°15'20"E, 81.62 feet; thence N60°43'49"W, 43.89 feet; thence N09°59'25"E, 59.96 feet; thence S81°23'02"E, 214.07 feet to the point of beginning. This parcel contains 622,067 sq. ft.

Parcel B: Future Lot 2

Part of the NE 1/4 and SE 1/4 of the NE 1/4 of Section 32, T8N, R10E, in the City of Madison, Dane County, Wisconsin, to-wit:

Commencing at the NE corner of said Section 32; thence N88°39'02"W, 548.25 feet; thence S01°20'58"W, 316.19 to a point on a curve; thence Southwesterly along a curve to the left which has a radius of 25.00 feet and a chord which bears S15°54'01"W, 33.13 feet; thence S25°36'08"E, 97.48 feet to a point on a curve; thence Southeasterly along a curve to the right which has a radius of 285.00 feet and a chord which bears S20°55'53"E, 42.92 feet; thence S01°51'51"W, 562.10 feet; thence S42°54'56"E, 67.03 feet; thence S46°43'26"W, 495.22 feet to a point of curve; thence Southwesterly along a curve to the right which has a radius of 65.00 feet and a chord which bears S69°17'39"W, 49.90 feet; thence N88°08'09"W, 376.20 feet to the point of beginning; thence continuing N88°08'09"W, 65.61 feet to a point of curve; thence northwesterly along a curve to the right which has a radius of 25.00 feet and a chord which bears N43°08'09"W, 35.36 feet; thence N01°51'51"E, 579.88 feet; thence S88°08'09"E, 105.00 feet; thence S43°10'17"E, 113.31 feet; thence S44°06'32"W, 68.45 feet; thence S27°06'48"E, 106.12 feet; thence S30°18'14"W, 153.63 feet; thence S48°23'00"W, 85.56 feet; thence S43°02'58"E, 49.98 feet; thence S01°51'51"W, 151.94 feet to the point of beginning. This parcel contains 77,240 sq. ft.