

# **REQUEST FOR QUALIFICATIONS**

## **INVESTMENT BANKING SERVICES**

**Relating to  
VARIOUS OBLIGATIONS TO BE ISSUED BY  
WISCONSIN CENTER DISTRICT**

**Issued By:  
State of Wisconsin  
Department of Administration Capital Finance Office  
On Behalf of The  
Wisconsin Center District**

**August 21, 2015**

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**DEADLINE FOR ELECTRONIC SUBMITTALS  
NOON ON TUESDAY, SEPTEMBER 1, 2015**

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**Prior Notification**

**Firms that intend to respond to this Request for Qualifications (RFQ) should immediately send their firm name and contact information (name, e-mail address, telephone number) to:**

**[DOACapitalFinanceOffice@wisconsin.gov](mailto:DOACapitalFinanceOffice@wisconsin.gov).**

**While not required, providing this information allows the State to distribute additional information, if needed, to potential respondents.**

**Submittal Requirements**

**The deadline for receipt of *Electronic Submittals* in PDF format is Noon (CT) on Tuesday, September 1, 2015. Electronic submittals must be received by this time at the above E-Mail address.**

**In addition:**

**Five *paper copies* (four bound and one unbound suitable for photocopying) should be received at the following address by the business day immediately following the electronic submittal:**

**David R. Erdman, Capital Finance Director  
State of Wisconsin Department of Administration  
Capital Finance Office  
101 E. Wilson St., 10th Floor  
Madison, WI 53703  
(608) 267-0374**

**Three *paper bound copies* should be received at the following address by the business day immediately following the electronic submittal:**

**Jeffrey Sinkovec, Director of Finance and Accounting  
Wisconsin Center District  
400 West Wisconsin Avenue  
Milwaukee, WI 53203  
(414) 908-6000**

**Receipt of the electronic submittal by Noon (CT) on Tuesday, September 1, 2015 constitutes meeting the deadline under this RFQ.**

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**SECTION I  
INTRODUCTION AND SUMMARY**

The State of Wisconsin Department of Administration (**State**) Capital Finance Office, on behalf of the Wisconsin Center District (**District**) pursuant to provisions of 2015 Wisconsin Act 60 (**2015 Act 60**), seeks to review the qualifications of firms interested in providing investment banking services to the District and underwriting services, placement agent services, or dealer services for obligations expected to be issued by the District as outlined within this RFQ.

The investment banking services, working in conjunction with financial advisor firm(s) and other engaged parties, relate to the development and construction of a sports and entertainment arena/facilities in Milwaukee, Wisconsin and include (i) assisting the District and other engaged parties in completing lease and other related agreements that will exist between the District and the Milwaukee Bucks, a professional basketball team, and (ii) assist with the development of a financing plan which provides not to exceed \$203 million of proceeds for the project (plus amounts for other allowable purposes).

**A. REQUESTING AGENCY.** The State of Wisconsin Department of Administration, Division of Executive Budget and Finance, Capital Finance Office is issuing this RFQ on behalf of the Wisconsin Center District. The State Capital Finance Office is the sole point of contact during the RFQ and review process.

Every firm that submits a response to this RFQ will have its qualifications reviewed in an open, objective, thorough, and independent process. The State encourages all firms, including minority-owned, women-owned, and disabled veteran-owned firms, to take advantage of this open opportunity and to submit responses to this RFQ.

Any firm that wishes to be certified by the State as a minority or disabled veteran-owned investment firm may directly contact the Department of Administration, Division of Enterprise Operations at (608) 267-9550 or [DOABDMDB@wisconsin.gov](mailto:DOABDMDB@wisconsin.gov).

The State will establish a committee to review qualifications submitted pursuant to this RFQ and the State will provide the District with the findings and recommendations of this committee. The District has issued other requests for qualifications for financial advisor services and bond counsel services and expects to have those firms selected prior to the deadline for responses to this RFQ.

**B. BACKGROUND.** Pursuant to provisions of 2015 Act 60, the District is authorized to issue obligations for the development and construction of a sports and entertainment arena/facilities in the City of Milwaukee, Wisconsin. Exhibit A of this RFQ includes a copy of 2015 Act 60, which provides the District this authority via amendments to Subchapter II of Chapter 229, Wisconsin Statutes.

The District was created in 1994 and has previously issued various obligations and refunding obligations related to an exposition center/center facilities. Exhibit B of this RFQ includes a copy of the General Resolution, as amended, pursuant to which these prior obligations were issued. Other information about the District, its finances, and its outstanding obligations can be obtained from the Municipal Securities Rulemaking Board through its EMMA system. More specifically, the Official Statement for the District's obligations issued in 2013 includes sections addressing "Pledge of Tax Revenue and the Trust Estate",

“Security for the Senior Bonds”, “Security for the Junior Bonds”, and “Issuance of Additional Bonds”.

At this time, a \$500 million sports and entertainment arena/facilities is being proposed for the Milwaukee area. \$250 million of the costs will be paid by the current (\$150 million) and previous (\$100 million) owners of the Milwaukee Bucks. The balance of the costs will be paid from ‘public’ sources including, but not limited to, (i) the City of Milwaukee providing \$47 million, and (ii) the District issuing obligations that generate not to exceed \$203 million of proceeds (plus amounts for other allowable purposes). The obligations issued by the District are likely to be secured by the following revenue streams available to the District.

- The District is currently authorized to impose the following taxes; basic room tax, additional room tax, local food and beverage tax, and local car rental tax. These taxes are currently pledged to the outstanding obligations of the District, and, subject to additional bonds test(s) of the General Resolution, as amended, would be pledged to obligations issued for the sports and entertainment arena/facilities. Preliminary financing plans assume that \$93 million of proceeds would be available from this revenue stream. The following includes a six-year history of these various taxes (calendar year basis):

Year	Basic Room Tax \$ 000's	Additional Room Tax \$ 000's	Local Food & Beverage Tax \$ 000's	Local Rental Car Tax \$ 000's	Total <sup>1</sup>
2009	2,950	7,685	3,991	1,931	16,138
2010 <sup>2</sup>	3,575	9,306	6,385	2,316	21,032
2011 <sup>3</sup>	4,699	9,938	8,901	2,540	25,413
2012	4,908	10,482	9,406	2,414	26,516
2013	5,309	11,396	9,624	2,389	27,986
2014	5,644	11,837	10,004	2,595	29,300

<sup>1</sup> Total is net of statutory deduction retained by the Department of Revenue.

<sup>2</sup> Effective July 1, 2010, the Local Food and Beverage Tax was increased from 0.25% to 0.5%.

<sup>3</sup> Effective January 1, 2011, the Basic Room Tax was increased from 2.0% to 2.5%.

- 2015 Act 60 includes provisions for \$8 million in annual general fund appropriation from the State to District; this occurs via two statutory appropriations each in the amount of \$4 million. Preliminary financing plans assume that \$110 million of proceeds would be available from this revenue stream.
- 2015 Act 60 provides for the collection of a ticket surcharge that likely will be pledged to the repayment of a portion of the obligations issued for this project. For purposes of responding to this RFQ, assume that the total revenue generated from the proposed ticket surcharge is \$1.8 million/year, of which 25% must be provided to

the State for deposit into the State's General Fund and not available to secure financing(s) completed by the District.

The District's current General Resolution, as amended, currently addresses only obligations secured by the taxes outlined in the first dot point above. The final financing plan will determine the number of series of obligations that are issued to address different security/pledged revenues and federal tax law determinations.

At this time, final terms of a lease and other similar agreements between the District and the Milwaukee Bucks have not been finalized. No tax review or determinations have been completed to determine which portions of the overall financing plan, if any, that will be issued as taxable obligations due to the availability of moneys from the ticket surcharge or payments received by the District under the lease or other agreements between the District and the Milwaukee Bucks. 2015 Act 60 includes provisions requiring a 30-year lease term with two 5-year renewals.

At this time, the current owners are also responsible for any cost over-runs beyond the estimated \$500 million total cost.

The District intends to complete this financing as soon as possible, with a target financing date that may occur by the end of calendar year 2015. Other details and timelines are under development and any detail that is material to responses to this RFQ will be shared with all firms intending to submit a response to the RFQ. Repayment of all obligations in the shortest term possible is one goal of the public financing for this project.

In addition, the District is discussing expansion of the existing exposition center. Financing of such expansion is not included in the RFQ but should be taken into account as the financing plan for the sports and entertainment arena/facilities is developed.

Finally, please note that the outstanding senior lien obligations of the District have surety bonds from MBIA and FSA deposited in the senior lien debt service reserve fund and, while some of the junior lien obligations of the District have a moral obligation of the State, none of the obligations to be issued as outlined in this RFQ will have a moral obligation of the State, pursuant to provisions of 2015 Act 60.

**C. BOND COUNSEL, LEGAL OPINIONS, AND LEGAL QUESTIONS.** The customary legal opinions with respect to State law, federal tax law, and the legality of any transaction will be rendered by the respective bond counsel(s). The District has not yet selected the firm(s) to provide such legal services. Any legal questions that arise from preparation of a response to this RFQ should be addressed pursuant to Section **I.D.**

**D. CLARIFICATION OF SPECIFICATIONS.** If additional information is necessary to interpret the requirements of this RFQ, please direct

questions by Noon (Central Time) on Wednesday, August 26, 2015 to David Erdman at the e-mail address on the [cover of this RFQ](#).

## **SECTION II CONDITIONS FOR SUBMITTING RESPONSES**

As a condition of submitting a response pursuant to this RFQ, the following conditions are understood. The Capital Finance Office reserves the right to waive any informality or irregularity in any submittal or any condition of the RFQ.

**A. PREPARATION.** The detailed requirements stated in **Section III** of this RFQ are mandatory. Failure by a respondent to respond to a specific requirement may result in delays with review of the submission, or the submitted qualifications being removed from further review. JOINT RESPONSES WILL NOT BE ACCEPTED.

- **ALL RESPONSES MUST** respond to the questions in **Section III.A.**
- Responses for **Senior Manager** must respond to questions in **Section III.B.**
- Responses for **Co-Manager** must respond to questions in **Section III.C.**

Firms may submit responses for all or any of the above options; however, all responses for the position of Senior Manager will automatically be considered for the position of Co-Manager unless specifically requested otherwise.

*Please limit responses to this RFQ for Senior Manager to 20 pages and responses for Co-Manager to five (5) pages. Pages must include a minimum of one-inch margins and a font size no smaller than the equivalent of Times New Roman 11 point with normal line and width spacing. A brief cover letter (two page maximum) will be appreciated and is not subject to the page limitations*

**B. SUBMITTAL.** The deadline and other submittal requirements are detailed at the top of the [first page of this RFQ](#).

**C. INCURRING COSTS.** The State of Wisconsin and the District are not liable for any cost incurred by respondents in replying to this RFQ.

**D. PROPRIETARY INFORMATION.** Any restrictions on the use of data contained within a response must be clearly stated in the response itself. Proprietary information submitted in response to this RFQ will be handled in accordance with applicable State of Wisconsin open records law.

**E. ORAL INTERVIEWS.** Responses should be complete on their face. The Capital Finance Office and the District reserve the right to schedule and conduct an oral interview with any or all of the respondents to this RFQ.

**F. ADDITIONAL INFORMATION.** The Capital Finance Office reserves the right to request additional information and qualifications. In addition, the Capital Finance Office and the District reserves the right to consider other information that is publicly available and other information available to the Capital Finance Office or the District, but not included in responses to this RFQ.

### **SECTION III RESPONSE CONTENT**

#### **A. ITEMS REQUIRED FOR ALL RESPONSES**

1.
  - a. Provide the name and address of the firm. Provide the location of the office(s), if other than the primary address of the firm, at which the services will be performed. If the office is not located within the State of Wisconsin, identify the physical location of other offices that your firm may have in the State.
  - b. Please indicate if the firm is certified by the State Department of Administration as a minority or disabled veteran-owned firm or certified as a women-owned firm.
2.
  - a. Provide the name, telephone number, cell number, telefax number, and E-mail address of the individual(s) responsible for (a) submitting the response who may be contacted in the event of questions or notification, and (b) overseeing the firm's involvement in any transaction.
  - b. Provide the name, telephone number, cell number, telefax number, and E-mail address of other individual(s) that would be involved with providing the services outlined in this RFQ, and identify the roles and functions that such individual(s) would responsible for.
  - c. Include a summary of the relevant experience of all individual(s) listed above and include resume(s) as an appendix to your response (resumes not subject to page limits).
3. Provide the most recent financial information for your firm that shows, at a minimum, (i) total capital, (ii) excess net capital (uncommitted) as of your firm's most current reporting date, and (iii) excess net capital committed/allocated to support public finance in each calendar year since January 1, 2012. In addition, please also provide the average daily balance of (i) all municipal bonds, and (ii) municipal bonds of Wisconsin issuers, that are held by your firm in support of the secondary market.
4. Summarize your firm's Wisconsin underwriting activity (both negotiated and competitive) for calendar years 2013, 2014, and year-to-date in 2015. This includes activity for the State, State

Authorities, other issuers/districts created by Wisconsin Statutes (such as the District), and Wisconsin local government issuers. For each issue listed, show the following (this level of detail not subject to the respective page limits):

- Name, dated date, and par amount of the issue
  - Negotiated or competitive sale
  - Role your firm played in the transaction (Book Running Senior Manager, Senior Manager, Co-Manager, etc.)
  - The amount of underwriting liability and the amount of securities sold by your firm at the initial offering price
5. CERTIFICATION OF NO CONFLICTING RELATIONSHIP (Not subject to page limits). The firm shall certify in writing that no relationship exists between the firm and the procuring or contracting State agency or District that interferes with fair competition or is a conflict of interest, *and no relationship exists between the firm and another person or organization that constitutes a conflict of interest with respect to a state or District contract.* The statement should further certify that the firm will promptly provide notice to the Capital Finance Office and the District when the firm learns of any conflict of interest that may arise in the future.
  6. STATEMENT REGARDING CHARGES, LITIGATION, AND CRIMINAL ACTIONS (Not subject to page limits). Provide a statement as to any fraud, related charges, or pertinent civil litigation that has been made against the public finance business of your firm since January 1, 2012; such statement should also discuss any settlement of those matters, any sanctions resulting from such settlement, and the status of any open investigations related to the charges or litigation.
  7. STATEMENT REGARDING ENFORCEMENT ACTIONS (Not subject to page limits). Provide a statement on the status of any pending or resolved actions under federal law or regulations or by any state against your firm or registered principals of the firm (relating to the business of your firm) since January 1, 2012.
  8. STATEMENT REGARDING POLITICAL CONTRIBUTIONS (Not subject to page limits). Provide a statement that neither your firm nor any person or entity associated with your firm (and covered by Municipal Securities Rulemaking Board Rule G-37) has made any contribution since January 1, 2012, directly or indirectly, to an official of the State of Wisconsin or the District. This statement must further describe your firm's compliance with MSRB Rule G-37.

## **B. ITEMS REQUIRED FOR SENIOR MANAGER RESPONSES**

1. Statement of interest in serving as Senior Manager.
2. Summarize the experience and qualifications of your firm and the above individuals in serving as investment banker/underwriter in the public financing of sports and entertainment arena/facilities or other related facilities.
  - a. Provide a case study in which your firm served as investment banker/underwriter for a recent project and financing that is analogous to the sports and entertainment arena/facilities or credit(s) described within this RFQ.
  - b. Based on your firm's experience with the public financing of sports and entertainment arena/facilities or other related facilities, please identify and discuss the most critical 'challenges' that the District is likely to encounter prior to successful completion of the project and financing.
3. Summarize the experience and qualifications of your firm in working with a public entity as they complete negotiations with a professional sports team on lease and other similar agreements that are common with the public financing of such arena/facilities.
4. Using the information contained in this RFQ combined with provisions of the District's General Resolution, as amended, and other publicly available information about the District, please present a financing plan that provides for proceeds of \$203 million (plus other allowable amounts). This financing plan may include a mix of obligations secured by specific revenue sources, a mix of public offering, private placement, or other bank loans/products, and a mix of fixed-rate obligations and variable-rate products.
  - a. Please discuss how this proposed financing plan is the best alternative to the District in terms of interest and other financing costs.
  - b. Please identify and discuss all risks that the District will assume in following this proposed financing plan.
  - c. Please outline and discuss the federal tax law determinations that you assumed in completing this proposed financing plan.
5. With respect to the proposed financing plan prepared in response to the prior question, please outline a marketing plan that will be needed to successfully market the securities that will be publicly offered.

6. Describe how your firm is organized to best facilitate coordination of all work elements that will be needed to complete the tasks outlined in this RFQ.
7. Please provide the names and contact information for three references of public entities or firms that your firm has worked with during the past three years on a similar project and financing. At least one of the three references must be a public/municipal issuer similar to the District's role for the pending project and financing.

### **C. ITEMS REQUIRED FOR CO-MANAGER RESPONSES**

1. Statement of interest in serving as Co-Manager.
2. Describe the qualifications of your firm as they relate to serving as a Co-Manager in a negotiated sale. In addition, please highlight an instance in which your firm, serving as Co-Manager in a transaction, added value and benefit to the issuer and the transaction.
3. The District is an infrequent issuer with the last public offering occurring in 2013. Discuss the optimal structure of an underwriting syndicate for an assumed issuance of approximately \$203 million of publicly offered securities that may be offered in multiple series to address the mix of pledges as outlined in this RFQ.
4. With respect to the credits that are outlined in this RFQ, please discuss marketing efforts that may be needed to ensure the best pricing of publicly offered obligations.

## **SECTION IV GENERAL CONDITIONS OF NEGOTIATED SALE**

**A. SENIOR MANAGING UNDERWRITERS/SYNIDCATES.** The District may designate more than one Senior Manager for the underwriting syndicate selected. If multiple series of obligations are issued at the same time, it is likely the same Senior Manager(s) will be designated for all series, but the District reserves the right to designate different book-running Senior Managers for different combinations of series issued. As part of designating the underwriting syndicate, the District will also appoint Co-Managers and any selling group members.

**B. RESPONSIBILITIES.** The appointed Senior Manager(s) of the syndicate are expected to actively participate in and lend expertise in (i) assisting the District and other engaged parties in completing lease and other related agreements that will exist between the District and the Milwaukee Bucks, a professional basketball team, and (ii) assisting in the development of a financing plan which provides not to exceed \$203 million

of proceeds for the project (plus amounts for other allowable purposes). Co-Managers are expected to actively participate in and lend expertise in the distribution and marketing of the bond issue(s).

**C. UNDERWRITERS' COUNSEL.** The necessity for underwriter's counsel, the choice of underwriters' counsel, and the fees to be paid to underwriters' counsel in a negotiated sale is the determination of the Senior Manager(s). However, the District requests that it be consulted about the choice of underwriters' counsel. Qualified minority-owned and disabled veteran-owned firms should also be considered when selecting underwriters' counsel. Selection of underwriters' counsel will not be considered in the review of qualifications. In the event that two or more Senior Managers are selected for different components or series of the overall financing, it is expected that the Senior Managers will agree on a single firm to serve as underwriter's counsel for all financings.

At this time, it is expected that the Senior Manager(s) and underwriter's counsel will be responsible for the preparation of the Preliminary and Final Official Statements, as well as providing the disclosure certifications and Blue Sky opinions. It should be expected that Bond Counsel's opinion on the Official Statement will be limited to the descriptions of the bonds and financing documents.

**D. SPREAD.** The questions within this RFQ do not require respondents to specifically provide the underwriter's discount/spread for an issuance of securities; however, the questions within this RFQ may require respondents to include an assumed spread for securities sold at negotiated sale. If an assumed spread is provided in the response, it will not be considered in the review of qualifications. As part of a negotiated sale, the State will negotiate all components of underwriter's spread.

**E. NOT A CONTRACT.** It is the expectation that the District and its advisors will enter into negotiations with the selected firm(s) aimed at selling obligations to the underwriter(s). Nothing in this RFQ, the responses, or the District's acceptance of qualification and designation of firm shall obligate the District to complete negotiations with the selected firm(s). The District will have the right to end negotiations and/or designate other underwriters at any time up to approval and execution of a Bond Purchase Agreement between the District and the underwriter(s), at which time the terms of the Bond Purchase Agreement will prevail for the transaction.

## **SECTION V REVIEW CRITERIA**

All responses received pursuant to this RFQ will be reviewed by a committee on behalf of the State of Wisconsin Department of Administration. The review of responses and the determination of firm(s) best qualified to provide the services outlined within this RFQ will reflect the following criteria.

- Experience With Similar Projects and Financings; Qualifications of Firm and Assigned Individuals
- Technical and Quantitative Abilities
- Financial Capacity
- Distribution Strength
- Ability to Meet Schedules/Due Diligence/Reference Checks

**EXHIBIT A**  
**2015 Wisconsin Act 60**

# State of Wisconsin



2015 Senate Bill 209

Date of enactment: **August 12, 2015**  
Date of publication\*: **August 13, 2015**

## 2015 WISCONSIN ACT 60

AN ACT *to repeal* 16.004 (21), 16.004 (22), 20.855 (4) (cr), 20.855 (4) (cy), 20.855 (4) (dr), 66.0615 (1m) (f) 4., 77.983, 77.992, 79.035 (6), 232.07 (1) and 345.28 (4) (g); *to renumber* 229.47; *to renumber and amend* 229.42 (4) (f) and 232.07 (2); *to amend* 24.605, 24.61 (2) (cm) (intro.), 24.62 (3), 24.67 (1) (intro.), 24.67 (3), 66.0603 (1g) (a), 66.1105 (2) (f) 1. (intro.), 66.1105 (2) (f) 2. (intro.), 70.11 (37), 77.22 (1), 77.98 (3), 77.982 (3), 79.035 (5), 229.26 (4), 229.26 (4m), 229.26 (10), 229.41 (12), 229.42 (4) (intro.), 229.42 (4) (d), 229.42 (4) (e), 229.435, 229.44 (4) (intro.), 229.44 (4) (a), 229.44 (4) (b), 229.44 (4) (c), 229.44 (4) (d), 229.44 (5), 229.44 (6), 229.477, 229.48 (1) (intro.), 229.48 (1) (a), 229.48 (1) (b), 229.48 (1) (c), 229.48 (1) (d), 229.48 (1) (e), 229.48 (1m), 229.48 (2), 229.50 (1) (a) (intro.), 229.50 (1) (d), 229.50 (1) (f), 229.50 (7), 232.05 (3) (a), 232.05 (3) (b), 345.28 (2) (c), 345.37 (intro.), 846.16 (1) and 846.17; *to repeal and recreate* 24.61 (2) (a) and 79.035 (5); and *to create* 16.004 (21), 16.004 (22), 16.58 (3), 20.855 (4) (cr), 20.855 (4) (cy), 20.855 (4) (dr), 24.60 (2m) (e), 24.61 (3) (a) 14., 24.66 (3y), 24.67 (1) (q), 24.718, 66.1105 (2) (f) 1. p., 66.1105 (9) (a) 10., 66.1105 (17) (d), 71.05 (1) (c) 6p., 71.26 (1m) (n), 77.54 (62), 77.98 (4), 79.035 (6), 229.40, 229.41 (9e), 229.41 (11e), 229.41 (11g), 229.42 (4) (f) 2., 229.42 (4) (g), 229.42 (4) (h), 229.42 (4e), 229.42 (7) (b) 1m., 229.44 (4) (f), 229.445, 229.461, 229.47 (2), 229.48 (7), 229.54, 232.05 (2) (h), 342.41, 345.28 (2) (d), 349.13 (1d), 349.132, 846.16 (3) and 846.167 of the statutes; **relating to:** constructing a sports and entertainment arena and related facilities and making appropriations.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

**SECTION 1.** 16.004 (21) of the statutes is created to read:

16.004 (21) PAYMENT TO LOCAL EXPOSITION DISTRICT.  
(a) Annually, as grants, the secretary shall remit the amounts appropriated under s. 20.855 (4) (cr) and (dr) to a local exposition district created under subch. II of ch. 229 to assist in the development and construction of sports and entertainment arena facilities, as defined in s. 229.41 (11g). The secretary may not remit moneys under this subsection until the secretary has determined that the sponsoring municipality has provided at least \$47,000,000 for the development and construction of

sports and entertainment arena facilities and the local exposition district has issued debt to fund the development and construction of sports and entertainment arena facilities. The secretary may not remit from the appropriation account under s. 20.855 (4) (dr) to a local exposition district more than a cumulative total of \$80,000,000.

(b) The legislature finds and determines that sports and entertainment arena facilities, as defined in s. 229.41 (11g), encourage economic development and tourism in this state, reduce unemployment in this state, preserve business activities within this state, and bring needed capital into this state for the benefit and welfare of people throughout the state. It is therefore in the public interest and will serve a public purpose, and it is the public policy of this state, to assist a local exposition district in the

\* Section 991.11, WISCONSIN STATUTES: Effective date of acts. "Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication."

development and construction of sports and entertainment arena facilities under subch. II of ch. 229.

**SECTION 2.** 16.004 (21) of the statutes, as created by 2015 Wisconsin Act .... (this act), is repealed.

**SECTION 3.** 16.004 (22) of the statutes is created to read:

16.004 (22) PAYMENT TO BRADLEY CENTER SPORTS AND ENTERTAINMENT CORPORATION. During the 2015-17 fiscal biennium, from the appropriation under s. 20.855 (4) (cy), the secretary may make one or more grants to the

**SECTION 6.** 20.005 (3) (schedule) of the statutes: at the appropriate place, insert the following amounts for the purposes indicated:

				2015-16	2016-17
<b>20.855 Miscellaneous appropriations</b>					
(4)	TAX, ASSISTANCE AND TRANSFER PAYMENTS				
(cr)	Transfer to local exposition district	GPR	A	-0-	4,000,000
(cy)	Payment to Bradley Center Sports and Entertainment Corporation	GPR	B	10,000,000	-0-
(dr)	Transfer to local exposition district	GPR	A	-0-	4,000,000

**SECTION 9.** 20.855 (4) (cr) of the statutes is created to read:

20.855 (4) (cr) *Transfer to local exposition district.* The amounts in the schedule to make payments to a local exposition district under s. 16.004 (21) (a).

**SECTION 10.** 20.855 (4) (cr) of the statutes, as created by 2015 Wisconsin Act .... (this act), is repealed.

**SECTION 11.** 20.855 (4) (cy) of the statutes is created to read:

20.855 (4) (cy) *Payment to Bradley Center Sports and Entertainment Corporation.* Biennially, the amounts in the schedule for the payment of grants to the Bradley Center Sports and Entertainment Corporation under s. 16.004 (22).

**SECTION 12.** 20.855 (4) (cy) of the statutes, as created by 2015 Wisconsin Act .... (this act), is repealed.

**SECTION 13.** 20.855 (4) (dr) of the statutes is created to read:

20.855 (4) (dr) *Transfer to local exposition district.* The amounts in the schedule to make payments to a local exposition district under s. 16.004 (21) (a).

**SECTION 14.** 20.855 (4) (dr) of the statutes, as created by 2015 Wisconsin Act .... (this act), is repealed.

**SECTION 15.** 24.60 (2m) (e) of the statutes is created to read:

24.60 (2m) (e) It is made to a local exposition district created under subch. II of ch. 229 for the purpose of financing acquisition, construction, and equipment costs for sports and entertainment arena facilities, as defined in s. 229.41 (11g), and is secured by district revenues.

**SECTION 16.** 24.605 of the statutes is amended to read:

**24.605 Accounts in trust funds for deposit of proceeds from sale of certain lands.** The board shall establish in each of the trust funds an account to which are

Bradley Center Sports and Entertainment Corporation, created under ch. 232, for the purpose of assisting the corporation in retiring its obligations and any contractual liabilities.

**SECTION 4.** 16.004 (22) of the statutes, as created by 2015 Wisconsin Act .... (this act), is repealed.

**SECTION 5.** 16.58 (3) of the statutes is created to read:

16.58 (3) The department may provide financial consulting services to a local exposition district created under subch. II of ch. 229.

credited the proceeds from the sale of any public lands on or after May 3, 2006, that are required by law to be deposited in the funds. Moneys credited to the accounts in the funds may only be used to invest in land under s. 24.61 (2) (a) ~~10~~ and for the payment of expenses necessarily related to investing in land under s. 24.61 (2) (a) ~~10~~.

**SECTION 17.** 24.61 (2) (a) of the statutes is repealed and recreated to read:

24.61 (2) (a) *Authorized investments by board.* The board shall manage and invest moneys belonging to the trust funds in good faith and with the care an ordinary prudent person in a like position would exercise under similar circumstances, in accordance with s. 112.11 (3).

**SECTION 18.** 24.61 (2) (cm) (intro.) of the statutes is amended to read:

24.61 (2) (cm) *Investments in land in this state.* (intro.) The board may not invest moneys in the purchase of any land under par. (a) ~~10~~, unless all of the following occur:

**SECTION 19.** 24.61 (3) (a) 14. of the statutes is created to read:

24.61 (3) (a) 14. A local exposition district created under subch. II of ch. 229 for the purpose of financing acquisition, construction, and equipment costs for sports and entertainment arena facilities, as defined in s. 229.41 (11g).

**SECTION 20.** 24.62 (3) of the statutes is amended to read:

24.62 (3) If any land purchased under s. 24.61 (2) (a) ~~10~~ was at the time of purchase subject to assessment or levy of a real property tax, the board shall make annual payments in lieu of property taxes from the proceeds from the sale of timber or from appropriate trust fund incomes to the appropriate local governmental unit in an amount equal to property taxes levied on the land in the

year prior to the year in which the board purchased the land.

**SECTION 21.** 24.66 (3y) of the statutes is created to read:

24.66 (3y) LOCAL EXPOSITION DISTRICT. An application for a loan by a local exposition district created under subch. II of ch. 229 shall be accompanied by a certified copy of a resolution of the district board of the local exposition district approving the loan.

**SECTION 22.** 24.67 (1) (intro.) of the statutes is amended to read:

24.67 (1) (intro.) If the board approves the application, it shall cause certificates of indebtedness to be prepared in proper form and transmitted to the municipality, cooperative educational service agency, local exposition district created under subch. II of ch. 229, local professional baseball park district created under subch. III of ch. 229, or federated public library system submitting the application. The certificate of indebtedness shall be executed and signed:

**SECTION 23.** 24.67 (1) (q) of the statutes is created to read:

24.67 (1) (q) For a local exposition district created under subch. II of ch. 229, by the chairperson of the district board.

**SECTION 24.** 24.67 (3) of the statutes is amended to read:

24.67 (3) If a municipality has acted under subs. (1) and (2), it shall certify that fact to the board. Upon receiving a certification from a municipality, or upon direction of the board if a loan is made to a cooperative educational service agency, drainage district created under ch. 88, local exposition district created under subch. II of ch. 229, local professional baseball park district created under subch. III of ch. 229, or ~~a~~ federated public library system, the board shall disburse the loan amount, payable to the treasurer of the municipality, cooperative educational service agency, drainage district, or federated public library system making the loan or as the treasurer of the municipality, cooperative educational service agency, drainage district, local exposition district, local professional baseball park district, or federated public library system directs. The certificate of indebtedness shall then be conclusive evidence of the validity of the indebtedness and that all the requirements of law concerning the application for the making and acceptance of the loan have been complied with.

**SECTION 25.** 24.718 of the statutes is created to read:

**24.718 Collections from local exposition districts.**

(1) APPLICABILITY. This section applies to all outstanding trust fund loans to local exposition districts created under subch. II of ch. 229.

(2) CERTIFIED STATEMENT. If a local exposition district has a state trust fund loan, the board shall transmit to the local exposition district board a certified statement of the amount due on or before October 1 of each year until

the loan is paid. The board shall furnish a copy of each certified statement to the department of administration.

(3) PAYMENT TO BOARD. The local exposition district board shall remit to the board on its own order the full amount due for state trust fund loans within 15 days after March 15. Any payment not made by March 30 is delinquent and is subject to a penalty of 1 percent per month or fraction thereof, to be paid to the board with the delinquent payment.

**SECTION 30.** 66.0603 (1g) (a) of the statutes is amended to read:

66.0603 (1g) (a) In this section, “governing board” has the meaning given under s. 34.01 (1) but does not include a local exposition district board created under subch. II of ch. 229 or a local cultural arts district board created under subch. V of ch. 229.

**SECTION 31.** 66.0615 (1m) (f) 4. of the statutes is repealed.

**SECTION 32.** 66.1105 (2) (f) 1. (intro.) of the statutes is amended to read:

66.1105 (2) (f) 1. (intro.) “Project costs” mean any expenditures made or estimated to be made or monetary obligations incurred or estimated to be incurred by the city which are listed in a project plan as costs of public works or improvements within a tax incremental district or, to the extent provided in this subd. 1. (intro.) or subs. 1. k., 1. m., and 1. n., without the district, plus any incidental costs, diminished by any income, special assessments, or other revenues, including user fees or charges, other than tax increments, received or reasonably expected to be received by the city in connection with the implementation of the plan. For any tax incremental district for which a project plan is approved on or after July 31, 1981, only a proportionate share of the costs permitted under this subdivision may be included as project costs to the extent that they benefit the tax incremental district, except that expenditures made or estimated to be made or monetary obligations incurred or estimated to be incurred by a 1st class city, to fund parking facilities ancillary to and within one mile from public entertainment facilities, including a sports and entertainment arena, shall be considered to benefit any tax incremental district located in whole or in part within a one-mile radius of such parking facilities. To the extent the costs benefit the municipality outside the tax incremental district, a proportionate share of the cost is not a project cost. “Project costs” include:

**SECTION 33.** 66.1105 (2) (f) 1. p. of the statutes is created to read:

66.1105 (2) (f) 1. p. Notwithstanding subd. 2. a., a grant, loan, or appropriation of funds to assist a local exposition district created under subch. II of ch. 229 in the development and construction of sports and entertainment arena facilities, as defined in s. 229.41 (11g), provided that the city and the local exposition district enter into a development agreement.

**SECTION 34.** 66.1105 (2) (f) 2. (intro.) of the statutes is amended to read:

66.1105 (2) (f) 2. (intro.) Notwithstanding subd. 1., except subd. 1. p., none of the following may be included as project costs for any tax incremental district for which a project plan is approved on or after July 31, 1981:

**SECTION 35.** 66.1105 (9) (a) 10. of the statutes is created to read:

66.1105 (9) (a) 10. With regard to a tax incremental district created by a 1st class city, payment out of the proceeds of revenue bonds issued by a redevelopment authority acting in concert with the city pursuant to a contract under s. 66.0301.

**SECTION 36.** 66.1105 (17) (d) of the statutes is created to read:

66.1105 (17) (d) *First class city exception.* If a 1st class city creates a tax incremental district and approves a project plan after July 1, 2015, with project costs that include those described under sub. (2) (f) 1. p., the 12 percent limit specified in sub. (4) (gm) 4. c. does not apply to that district.

**SECTION 37.** 70.11 (37) of the statutes is amended to read:

70.11 (37) LOCAL EXPOSITION DISTRICT. The property of a local exposition district under subch. II of ch. 229, including sports and entertainment arena facilities, as defined in s. 229.41 (11g), except that any portion of the sports and entertainment arena facilities, excluding the outdoor plaza area, that is used, leased, or subleased for use as a restaurant or for any use licensed under ch. 125, and is regularly open to the general public at times when the sports and entertainment arena, as defined in s. 229.41 (11e), is not being used for events that involve the arena floor and seating bowl, is not exempt under this subsection.

**SECTION 38.** 71.05 (1) (c) 6p. of the statutes is created to read:

71.05 (1) (c) 6p. A sponsoring municipality borrowing to assist a local exposition district created under subch. II of ch. 229.

**SECTION 39.** 71.26 (1m) (n) of the statutes is created to read:

71.26 (1m) (n) Those issued by a sponsoring municipality to assist a local exposition district created under subch. II of ch. 229.

**SECTION 44.** 77.22 (1) of the statutes is amended to read:

77.22 (1) There is imposed on the grantor of real estate a real estate transfer fee at the rate of 30 cents for each \$100 of value or fraction thereof on every conveyance not exempted or excluded under this subchapter. In regard to land contracts the value is the total principal amount that the buyer agrees to pay the seller for the real estate. This fee shall be collected by the register at the time the instrument of conveyance is submitted for recording. Except as provided in s. 77.255, at the time of

submission the grantee or his or her duly authorized agent or other person acquiring an ownership interest under the instrument, or the clerk of court or judgment creditor in the case of a foreclosure under s. 846.16(4), shall execute a return, signed by both grantor and grantee, on the form prescribed under sub. (2). The register shall enter the fee paid on the face of the deed or other instrument of conveyance before recording, and, except as provided in s. 77.255, submission of a completed real estate transfer return and collection by the register of the fee shall be prerequisites to acceptance of the conveyance for recording. The register shall have no duty to determine either the correct value of the real estate transferred or the validity of any exemption or exclusion claimed. If the transfer is not subject to a fee as provided in this subchapter, the reason for exemption shall be stated on the face of the conveyance to be recorded by reference to the proper subsection under s. 77.25.

**SECTION 45.** 77.54 (62) of the statutes is created to read:

77.54 (62) The sales price from the sale of building materials, supplies, and equipment and the sale of services described in s. 77.52 (2) (a) 20. to; and the storage, use, or other consumption of the same property and services by; owners, lessees, contractors, subcontractors, or builders if that property or service is acquired solely for or used solely in, the construction or development of sports and entertainment arena facilities, as defined in s. 229.41 (11g), but not later than one year after the secretary of administration issues the certification under s. 229.42 (4e) (d).

**SECTION 45d.** 77.98 (3) of the statutes is amended to read:

77.98 (3) ~~For~~ Except as provided in sub. (4), for purposes of sub. (1) (a), "premises" shall be broadly construed and shall include the lobby, aisles, and auditorium of a theater or the seating, aisles, and parking area of an arena, a rink, or a stadium, or the parking area of a drive-in or an outdoor theater. The premises of a caterer with respect to catered meals or beverages shall be the place where served.

**SECTION 45e.** 77.98 (4) of the statutes is created to read:

77.98 (4) (a) Except as provided in par. (b), the tax imposed under this section shall not be imposed on the sale of alcoholic beverages, candy, prepared food, or soft drinks sold by a person engaged in the retail trade as a food and beverage store, as classified under sector 44-45, subsector 445, of the North American Industry Classification System, 1997 edition, published by the U.S. office of management and budget, beginning on the first day of the calendar quarter that is at least 120 days after the date on which the bonds issued by the district under subch. II of ch. 229 during the first 60 months after April 26, 1994, and any debt issued to fund or refund those bonds, are retired. The district shall notify the department of reve-

nue, in the manner prescribed by the department, when such bonds and debt are retired.

(b) Notwithstanding par. (a), the district board may, by a majority vote of its members, reimpose the tax under this section on a person engaged in a retail trade, as described under par. (a).

**SECTION 45f.** 77.982 (3) of the statutes is amended to read:

77.982 (3) From the appropriation under s. 20.835 (4) (gg), the department of revenue shall distribute 97.45% of the taxes collected under this subchapter for each district to that district and shall indicate to the district the taxes reported by each taxpayer in that district, no later than the end of the month following the end of the calendar quarter in which the amounts were collected. The taxes distributed shall be increased or decreased to reflect subsequent refunds, audit adjustments, and all other adjustments. Interest paid on refunds of the tax under this subchapter shall be paid from the appropriation under s. 20.835 (4) (gg) at the rate under s. 77.60 (1) (a). Those taxes ~~may~~ shall first be used ~~only~~ for the district's debt service on its bond obligations, as described in s. 77.98 (4). After such obligations are retired, the district may use the taxes for any lawful purpose. Any district that receives a report along with a payment under this subsection is subject to the duties of confidentiality to which the department of revenue is subject under s. 77.61 (5) and (6).

**SECTION 46.** 77.983 of the statutes is repealed.

**SECTION 47.** 77.992 of the statutes is repealed.

**SECTION 48.** 79.035 (5) of the statutes is amended to read:

79.035 (5) ~~For~~ Except as provided in sub. (6), for the distribution in 2013 and subsequent years, each county and municipality shall receive a payment under this section that is equal to the amount of the payment determined for the county or municipality under this section for 2012.

**SECTION 48d.** 79.035 (5) of the statutes, as affected by 2015 Wisconsin Act .... (this act), is repealed and recreated to read:

79.035 (5) For the distribution in 2013 and subsequent years, each county and municipality shall receive a payment under this section that is equal to the amount of the payment determined for the county or municipality under this section for 2012.

**SECTION 49.** 79.035 (6) of the statutes is created to read:

79.035 (6) Beginning with the distributions in 2016 and ending with the distributions in 2035, the annual payment under this section to a county in which a sports and entertainment arena, as defined in s. 229.41 (11e), is located shall be the amount otherwise determined for the county under this section, minus \$4,000,000.

**SECTION 49d.** 79.035 (6) of the statutes, as created by 2015 Wisconsin Act .... (this act), is repealed.

**SECTION 50.** 229.26 (4) of the statutes is amended to read:

229.26 (4) Title to all property real or personal of the convention institution shall be in the name of such city and shall, except as provided in s. 229.47 (1), be held by such city for such purposes, but the board shall determine the use to which such property shall be devoted as provided for in this section.

**SECTION 51.** 229.26 (4m) of the statutes is amended to read:

229.26 (4m) A common council that creates a convention institution under this section may dissolve the convention institution and the convention institution's board and transfer all of the assets and liabilities owned or administered by the convention institution if the common council enters into a transfer agreement under s. 229.47 (1) with a district that has jurisdiction over the territory in which the convention institution is located.

**SECTION 52.** 229.26 (10) of the statutes is amended to read:

229.26 (10) If the employees who perform services for the board are included within one or more collective bargaining units under subch. IV of ch. 111 that do not include other employees of the sponsoring municipality, and a collective bargaining agreement exists between the sponsoring municipality and the representative of those employees in any such unit, and if the common council enters into a transfer agreement under s. 229.47 (1), the board shall transfer its functions under that collective bargaining agreement to a local exposition district under subch. II in accordance with the transfer agreement. Upon the effective date of the transfer, the local exposition district shall carry out the functions of the employer under that agreement. Notwithstanding s. 111.70 (4) (d), during the term of any such collective bargaining agreement that is in effect at the time of the transfer, the existing collective bargaining unit to which the agreement applies shall not be altered.

**SECTION 53.** 229.40 of the statutes is created to read:

**229.40 Legislative declaration. (1)** The legislature finds and determines that the provision of assistance by state agencies, in conjunction with local units of government, to a district under this subchapter and any expenditure of funds to assist a district under this subchapter serve a statewide public purpose by assisting the development and construction of sports and entertainment arena facilities in the state for providing recreation, by encouraging economic development and tourism, by reducing unemployment, by preserving business activities within the state, and by bringing needed capital into the state for the benefit and welfare of people throughout the state.

(2) The legislature finds and determines that a district serves a public purpose in the district's jurisdiction to the local units of government in which it is located by providing recreation, by encouraging economic development

and tourism, by reducing unemployment, by preserving business activities within the district's jurisdiction, and by bringing needed capital into the district's jurisdiction for the benefit and welfare of people in the district's jurisdiction.

**SECTION 54.** 229.41 (9e) of the statutes is created to read:

229.41 (9e) "Professional basketball team" means a team that is a member of a league of professional basketball teams that have home arenas approved by the league in at least 10 states and a collective average attendance for all league members of at least 10,000 persons per game over the 5 years immediately preceding the year in which a district is created.

**SECTION 55.** 229.41 (11e) of the statutes is created to read:

229.41 (11e) "Sports and entertainment arena" means the arena structure and the land necessary for its location that is used as the home arena of a professional basketball team and for other sports, recreation, and entertainment activities.

**SECTION 56.** 229.41 (11g) of the statutes is created to read:

229.41 (11g) "Sports and entertainment arena facilities" means the sports and entertainment arena and structures, including all fixtures, equipment, and tangible personal property that are used primarily to support the operation of the sports and entertainment arena or are functionally related to the sports and entertainment arena, located on land not to exceed 9 contiguous acres in area. Such sports and entertainment arena facilities shall include such land and may include offices of the professional basketball team or its affiliate, parking spaces and garages, storage or loading facilities, access ways, sidewalks, a skywalk, plazas, transportation facilities, and sports team stores located on such land. In addition, "sports and entertainment arena facilities" also includes a parking structure to be constructed by a professional basketball team or its affiliate in conjunction with the construction of the sports and entertainment arena and to be owned by the sponsoring municipality.

**SECTION 57.** 229.41 (12) of the statutes is amended to read:

229.41 (12) "Transfer agreement" means the contract between a district and a sponsoring municipality under s. 229.47 (1), or a contract between a district and the Bradley Center Sports and Entertainment Corporation under s. 229.47 (2), that provides the terms and conditions upon which the ownership and operation of an exposition center and exposition center facilities are or ownership of the Bradley Center or any part of the center, including real property, is transferred from a sponsoring municipality or the Bradley Center Sports and Entertainment Corporation to the district.

**SECTION 58.** 229.42 (4) (intro.) of the statutes is amended to read:

229.42 (4) (intro.) If Subject to sub. (4e), if the sole sponsoring municipality is a 1st class city, the board of directors shall consist of 15 17 members, who shall be qualified and appointed, subject to sub. (7) (b), as follows:

**SECTION 59.** 229.42 (4) (d) of the statutes is amended to read:

229.42 (4) (d) Three members, 2 of whom shall be primarily employees or officers of a private sector entity, shall be appointed by the county executive of the most populous county in which the sponsoring municipality is located and the 2 private sector entity members shall reside in the county but may not reside in the sponsoring municipality. The 3rd member shall be the chief executive officer of a municipality that contributes a minimum of five-fourteenths of its room tax to an entity which promotes tourism and conventions within the jurisdiction of the district, as that term is used in s. 229.43, except that if no municipality makes this minimum contribution the 3rd member shall be a resident of the district. The room tax contribution shall be at least \$150,000 each year. The chief executive officer appointed under this paragraph shall serve a term that expires 2 years after his or her appointment, or shall serve until the expiration of his or her term of elective office, whichever occurs first. This paragraph does not apply, and no appointments may be made under this paragraph, after the secretary of administration issues the certification described in sub. (4e) (d).

**SECTION 60.** 229.42 (4) (e) of the statutes is amended to read:

229.42 (4) (e) Four members, one of whom shall be the secretary of administration, ~~or the secretary's designee,~~ and 3 of whom shall be primarily employees or officers of a private sector entity, who shall be appointed by the governor. Of the 3 members who are officers or employees of a private sector entity, at least one of the appointees shall own, operate or manage an enterprise that is located within the district's jurisdiction and that has significant involvement with the food and beverage industry and at least one of the appointees shall own, operate or manage an enterprise that is located within the district's jurisdiction and that has significant involvement with the lodging industry. At least 2 of the appointees under this paragraph shall reside in the district's jurisdiction but may not reside in the sponsoring municipality. Upon the secretary of administration issuing the certification described in sub. (4e) (d), the secretary may continue to serve on the board of directors or may select a designee to serve in his or her place, and the 3 members previously appointed by the governor under this paragraph shall be appointed by the county executive of the most populous county in which the sponsoring municipality is located, subject to the other provisions of this paragraph.

**SECTION 61.** 229.42 (4) (f) of the statutes is renumbered 229.42 (4) (f) 1. and amended to read:

229.42 (4) (f) 1. Two members, ~~each of whom shall be a cochairperson of the joint committee on finance one of whom shall be the speaker of the assembly, or his or her designee, and one of whom shall be the senate majority leader,~~ or his or her designee, if the designee is a member of the same house of the legislature as the ~~cochairperson speaker or majority leader~~ who makes the designation.

**SECTION 61e.** 229.42 (4) (f) 2. of the statutes is created to read:

229.42 (4) (f) 2. Two members, one of whom shall be the minority leader of the assembly, or his or her designee, and one of whom shall be the senate minority leader, or his or her designee, if the designee is a member of the same house of the legislature as the minority leader who makes the designation.

**SECTION 62.** 229.42 (4) (g) of the statutes is created to read:

229.42 (4) (g) Upon the secretary of administration issuing the certification described in sub. (4e) (d):

1. One member who shall be appointed by the county executive of the most populous county in which the sponsoring municipality is located and who shall be either primarily an employee or officer of a private sector entity. The appointee shall own, operate, or manage an enterprise that is located within the district's jurisdiction and that has either significant involvement with the food and beverage industry or significant involvement with the lodging industry. The appointee under this subdivision shall reside in the district's jurisdiction but may not reside in the sponsoring municipality.

2. One member who shall be appointed by the county executive of the most populous county in which the sponsoring municipality is located and who is the chief executive officer, or his or her designee, of a municipality that contributes a minimum of five-fourteenths of its room tax to an entity that promotes tourism and conventions within the jurisdiction of the district, as that term is used in s. 229.43. If no municipality makes this minimum contribution, the county executive shall appoint an additional member who shall be a resident of the district. The room tax contribution shall be at least \$150,000 each year. The chief executive officer described under this subdivision shall serve a term that is concurrent with his or her term of elective office.

**SECTION 63.** 229.42 (4) (h) of the statutes is created to read:

229.42 (4) (h) Upon the secretary of administration issuing the certification described in sub. (4e) (d), one member shall be the comptroller of the most populous county in which the sponsoring municipality is located, except that if that county does not have a comptroller, one member shall be the chief financial officer of the most populous county in which the sponsoring municipality is located.

**SECTION 64.** 229.42 (4e) of the statutes is created to read:

229.42 (4e) (a) With regard to a district that exists on the effective date of this paragraph .... [LRB inserts date], notwithstanding the provisions of subs. (4) (a) to (f) and (7) (b), the terms of office of all members of the board of directors shall expire on the effective date of this paragraph .... [LRB inserts date], except that the secretary of administration shall continue as a board member and he or she shall become chairperson of the board of directors, notwithstanding sub. (8).

(b) Not later than 30 days after the effective date of this paragraph .... [LRB inserts date], each appointing authority under sub. (4) (a) to (e) shall appoint and certify new members of the board of directors as provided in sub. (4) and s. 229.435, except that the secretary of administration who continues in office as provided in par. (a) need not be reappointed under sub. (4) (e). The members described in sub. (4) (c) and (f) shall become members of the board of directors on the effective date of this paragraph .... [LRB inserts date].

(c) Notwithstanding the provisions of sub. (3), the secretary of administration may act before all board members appointed as provided in par. (b) are certified.

(d) The secretary of administration shall serve as chairperson of the board of directors until the secretary certifies that a sports and entertainment arena, the construction of which commences on or after the effective date of this paragraph .... [LRB inserts date], is completed. The secretary of administration shall make the certification described under this paragraph as soon as he or she determines that the sports and entertainment arena is completed, but not later than the first game played in the sports and entertainment arena by the professional basketball team that uses the arena as its home arena.

(e) The terms of board members appointed under par. (b) shall expire or terminate upon the earliest occurrence of one of the following:

1. Two years after the member is certified under s. 229.435.

2. The secretary of administration makes the certification described in par. (d).

3. One of the provisions described in sub. (7) (b) 2. or 3. occurs.

(f) Upon the secretary of administration issuing the certification described in par. (d), which shall cause the expiration or termination of the terms of all board members as provided in this subsection, each appointing authority under sub. (4) shall appoint and certify new members of the board of directors, as provided in sub. (4) and s. 229.435, not later than 30 days after the secretary issues the certification. The secretary of administration or the secretary's designee, and the persons described in sub. (4) (c), (f), and (h), are considered to be certified upon the secretary issuing the certification described in par. (d). A board of directors consisting of members whose appointments are described under this paragraph may not take any action until a majority of board mem-

bers so appointed are certified. No individual appointive board member may act until he or she is appointed and certified.

**SECTION 65.** 229.42 (7) (b) 1m. of the statutes is created to read:

229.42 (7) (b) 1m. Subject to subds. 2. and 3. and sub. (4) (g), the terms of office of the members of the board of directors shall be 3 years, except that for the initial appointments that occur following the secretary of administration issuing the certification described in sub. (4e) (d), 3 of the appointments shall be for one year, 3 appointments shall be for 2 years, and 3 appointments shall be for 3 years. The comptroller's appointments shall be for the comptroller's tenure in his or her position. The term of the secretary of administration or his or her designee shall be concurrent with the secretary's term in office, and the terms of the persons described in sub. (4) (f) shall be their terms in office or the term of the person who designated the board members under sub. (4) (f). The length of the initial terms shall be determined jointly by the secretary of administration and the county executive of the most populous county in which the sponsoring municipality is located. With regard to appointed board members to whom this subdivision applies, no individual may serve on the board of directors for more than 6 years.

**SECTION 66.** 229.435 of the statutes is amended to read:

**229.435 Certification of board members.** Within 30 days after a sponsoring municipality files an enabling resolution under s. 229.42 (1) (b), following the expiration of terms as described in s. 229.42 (4e) (a), and upon the secretary of administration issuing the certification described in s. 229.42 (4e) (d), each person who may appoint members to a board of directors under s. 229.42 (4), (5) or (6) shall certify to the department of administration the names of the persons appointed to the board of directors under s. 229.42 (5) or (6) or, if the sole sponsoring municipality is a 1st class city, the names of the persons appointed to the board of directors under s. 229.42 (4).

**SECTION 67.** 229.44 (4) (intro.) of the statutes is amended to read:

229.44 (4) (intro.) Do any of the following in connection with an exposition center and exposition center facilities and sports and entertainment arena and sports and entertainment arena facilities:

**SECTION 68.** 229.44 (4) (a) of the statutes is amended to read:

229.44 (4) (a) Acquire, construct, equip, maintain, improve, operate and manage the exposition center and exposition center facilities, or engage other persons to do these things. Acquire, construct, and equip the sports and entertainment arena and sports and entertainment arena facilities, or engage other persons to do these things. If the professional basketball team or its affiliate breaches the non-relocation agreement or lease under s. 229.461,

the district may equip, maintain, improve, operate, and manage the sports and entertainment arena and sports and entertainment arena facilities, or engage other persons to do these things, but only from moneys received from the parent company of the professional basketball team, the professional basketball team, or its affiliate resulting from the breach of the non-relocation agreement or lease.

**SECTION 69.** 229.44 (4) (b) of the statutes is amended to read:

229.44 (4) (b) ~~Acquire, lease, use or transfer; lease, as lessor or lessee; use; or transfer or accept transfers of~~ property. With the approval of all sponsoring municipalities of the district, the district may acquire property by condemnation using the procedure under s. 32.05 or 32.06.

**SECTION 70.** 229.44 (4) (c) of the statutes is amended to read:

229.44 (4) (c) ~~Improve, maintain, and repair~~ real property, ~~except that the district may only improve, maintain, and repair the sports and entertainment arena facilities, or engage other persons to do these things, if the professional basketball team or its affiliate breaches the non-relocation agreement or lease under s. 229.461 and only from moneys received from the parent company of the professional basketball team, the professional basketball team, or its affiliate resulting from the breach of the non-relocation agreement or lease.~~

**SECTION 71.** 229.44 (4) (d) of the statutes is amended to read:

229.44 (4) (d) Enter into contracts. ~~All~~ Except as provided in s. 229.461, all contracts, the estimated costs of which exceed ~~\$30,000~~ \$100,000, except contracts subject to s. 229.46 (5) and contracts for personal or professional services, shall be subject to bid and shall be awarded to the lowest qualified and competent bidder. The district may reject any bid that is submitted under this paragraph.

**SECTION 72.** 229.44 (4) (f) of the statutes is created to read:

229.44 (4) (f) Sell or otherwise dispose of unneeded or unwanted property.

**SECTION 73.** 229.44 (5) of the statutes is amended to read:

229.44 (5) Employ personnel, and fix and regulate their compensation; and provide, either directly or subject to an agreement under s. 66.0301 or 229.47 (1) as a participant in a benefit plan of another governmental entity, any employee benefits, including an employee pension plan.

**SECTION 74.** 229.44 (6) of the statutes is amended to read:

229.44 (6) Purchase insurance, establish and administer a plan of self-insurance or, subject to an agreement with another governmental entity under s. 66.0301 or

229.47 (1), participate in a governmental plan of insurance or self-insurance.

**SECTION 74e.** 229.445 of the statutes is created to read:

**229.445 Ticket surcharge.** The board of directors shall require the sponsor of an event held at a sports and entertainment arena to impose a \$2 surcharge on each ticket that is sold to the event. The event sponsor shall forward to the board of directors any surcharges collected under this section. The board of directors shall submit 25 percent of the amount received under this section to the department of administration for deposit into the general fund and shall retain the remainder for the district.

**SECTION 75.** 229.461 of the statutes is created to read:

**229.461 Development agreement, non-relocation agreement, lease. (1)** A district shall enter into a development agreement with a professional basketball team or its affiliate to require the professional basketball team or affiliate to develop and construct sports and entertainment arena facilities that will be financed in part by the district and, subject to sub. (3) (d), leased to the professional basketball team or its affiliate as provided in this subchapter. Before a district may sign the development agreement, the secretary of administration shall certify that the professional basketball team or its affiliate has agreed to fund at least \$250,000,000 to the development and construction of the sports and entertainment arena facilities. In addition, the professional basketball team or its affiliate must have entered into the non-relocation agreement under sub. (2) before the district may sign the development agreement.

(2) In consideration of the district, this state, a sponsoring municipality, and the most populous county in which the sponsoring municipality is located promising to commit \$250,000,000 of financial assistance to the development and construction of the sports and entertainment arena facilities and granting a professional basketball team, or its affiliate, the right to operate and manage the sports and entertainment arena facilities, the professional basketball team shall enter into a non-relocation agreement with the district, before it or its affiliate enters into a development agreement with the district under sub. (1), that contains all of the following provisions and commitments during the term of the lease:

(a) The professional basketball team shall play substantially all of its home games at the sports and entertainment arena, once it is constructed.

(b) The professional basketball team shall maintain its membership in the National Basketball Association or a successor league.

(c) The professional basketball team shall maintain its headquarters in this state.

(d) The professional basketball team shall maintain in its official team name the name of the sponsoring municipality.

(e) The professional basketball team shall not relocate to another political subdivision during the term of the lease.

(f) If the professional basketball team is sold or ownership is transferred to another person, the professional basketball team shall ensure that any person who acquires the professional basketball team, including upon foreclosure, commits to acquire the professional basketball team subject to the team's obligations under the non-relocation agreement.

(g) During the last 5 years of the original 30-year lease, and during any 5-year extension of the lease, the professional basketball team may negotiate, and enter into agreements, with 3rd parties regarding the professional basketball team playing its home games at a site different from the site to which the lease applies after the conclusion of the lease.

(3) The lease between the district and the professional basketball team or its affiliate shall contain at least all of the following:

(a) The term of the lease shall be for 30 years, plus 2 extensions of 5 years each, both extensions at the professional basketball team's or its affiliate's option.

(b) The lease shall contain provisions concerning the transfer of the Bradley Center and the land on which it is located from the district to the professional basketball team or its affiliate and, following that transfer, subsequent demolition of the Bradley Center arena structure, consistent with s. 229.47 (2) (c). The district shall convey fee title to the professional basketball team or its affiliate free and clear of all liens, encumbrances, and obligations, except for easements or similar restrictions that do not include a monetary component. Provided that the Bradley Center arena structure is transferred as provided under this paragraph, the lease shall require the professional basketball team or its affiliate to pay for all costs related to the demolition of the Bradley Center arena structure.

(c) The professional basketball team or its affiliate shall be responsible for equipping, maintaining, operating, improving, and repairing sports and entertainment arena facilities that are constructed pursuant to a development agreement entered into under sub. (1). If the professional basketball team or its affiliate breaches the development agreement or non-relocation agreement, the parent company of the professional basketball team shall be jointly and severally responsible with the professional basketball team or its affiliate for the costs of equipping, maintaining, operating, and repairing the sports and entertainment arena facilities during the term of the lease. In addition, the professional basketball team or its affiliate shall be entitled to receive all revenues, other than surcharges collected under s. 229.445, related to the operation or use of the sports and entertainment arena facilities, including, but not limited to, ticket revenues, licensing or

user fees, sponsorship revenues, revenues generated from events that are held on the plaza that is part of the sports and entertainment arena facilities, revenues from the sale of food, beverages, merchandise, and parking, and revenues from naming rights.

(d) The lease shall allow for a separate agreement between the sponsoring municipality and the professional basketball team or its affiliate that addresses the development and construction, leasing, operation, maintenance, and repair of a parking structure constructed as part of the sports and entertainment arena facilities and the ownership of and revenues from the parking structure.

(4) (a) If the professional basketball team or its affiliate breaches the lease, the district may enforce the lease.

(b) If the professional basketball team or its affiliate breaches the non-relocation agreement, the state, the district, the sponsoring municipality, and the most populous county in which the sponsoring municipality is located may act individually or collectively to enforce the non-relocation agreement and, if they prevail, are entitled to all of the following:

1. Injunctive relief.

2. a. Liquidated damages from the parent company of the professional basketball team, the professional basketball team, or its affiliate in an amount equal to the outstanding balance of principal and accrued unpaid interest remaining on any debt issued or incurred by the district, this state, a sponsoring municipality, and the most populous county in which the sponsoring municipality is located for the development and construction of the sports and entertainment arena facilities.

b. If the professional basketball team or its affiliate, at the time of its breach of the non-relocation agreement, is also in breach of its obligations under the lease to equip, maintain, operate, and repair the sports and entertainment arena facilities, liquidated damages from the parent company of the professional basketball team, the professional basketball team, or its affiliate shall also include an amount equal to the cost of performing these obligations during the term of the lease.

c. Liquidated damages awarded under this subdivision shall be apportioned among the district, this state, a sponsoring municipality, and the most populous county in which the sponsoring municipality is located in proportion to that entity's financial contributions towards the development and construction of the sports and entertainment arena facilities.

(5) The secretary of administration, in his or her capacity as chairperson of the board of directors, shall negotiate the development agreement, the lease, and the non-relocation agreement under this section on behalf of the district and may enter into any such development agreement, non-relocation agreement, or lease without the approval of the board of directors. Any subsequent amendments to, or renewal or extensions of, the develop-

ment agreement, the non-relocation agreement, or the lease shall require the approval of the board of directors.

**SECTION 76.** 229.47 of the statutes is renumbered 229.47 (1).

**SECTION 77.** 229.47 (2) of the statutes is created to read:

229.47 (2) (a) Subject to s. 232.05 (3) (a), a district shall enter into one or more transfer agreements with the Bradley Center Sports and Entertainment Corporation regarding the transfer of the Bradley Center or any part of the center, including land that cannot be transferred under par. (b). Any such transfer shall be for nominal financial consideration.

(b) Following execution of a lease under s. 229.461 (3) and forgiveness by the professional basketball team of any outstanding debt owed to the professional basketball team by the Bradley Center Sports and Entertainment Corporation, the Bradley Center Sports and Entertainment Corporation shall transfer to the district the land described in s. 229.41 (11e) that is owned by the Bradley Center Sports and Entertainment Corporation. The transfer shall occur pursuant to transfer agreements and a parcel transfer schedule certified by the secretary of administration.

(c) A transfer agreement shall specify that demolition of the Bradley Center will commence not later than 180 days after the center is transferred to the district, as described in s. 232.05 (2) (h) and that the Bradley Center parking structure may continue to exist and operate.

**SECTION 78.** 229.477 of the statutes is amended to read:

**229.477 Dissolution of a district.** Subject to providing for the payment of its bonds, including interest on the bonds, and the performance of its other contractual obligations, a district may be dissolved by the joint action of the district's board of directors and sponsoring municipality. If the district is dissolved, the property of the district that does not include sports and entertainment arena facilities shall be transferred to its sponsoring municipality. Subject to the terms of any lease under s. 229.461 (3), the property of the district that does include sports and entertainment arena facilities shall be transferred to the local units of government that compose the district's jurisdiction in such proportions as the secretary of administration determines fairly and reasonably represent the contributions of each local unit of government to the development, construction, operation, maintenance, or improvement of the property that contains sports and entertainment arena facilities. If the district was created by more than one sponsoring municipality, the municipalities shall agree on the apportioning of the district's property before the district may be dissolved.

**SECTION 79.** 229.48 (1) (intro.) of the statutes is amended to read:

229.48 (1) (intro.) A district may issue bonds for costs and purposes that are related to an exposition center

or an exposition center facility or sports and entertainment arena or sports and entertainment arena facilities, including all of the following:

**SECTION 80.** 229.48 (1) (a) of the statutes is amended to read:

229.48 (1) (a) Costs of acquiring, constructing, equipping, maintaining or improving an exposition center or an exposition center facility or initially developing and constructing a sports and entertainment arena or sports and entertainment arena facilities.

**SECTION 81.** 229.48 (1) (b) of the statutes is amended to read:

229.48 (1) (b) Costs of acquiring or improving an exposition center site or sports and entertainment arena facilities site.

**SECTION 82.** 229.48 (1) (c) of the statutes is amended to read:

229.48 (1) (c) Engineering, architectural or consultant fees, costs of environmental or feasibility studies, permit and license fees and similar planning or preparatory costs, that are related to an exposition center or exposition center facility or sports and entertainment arena or sports and entertainment arena facilities.

**SECTION 83.** 229.48 (1) (d) of the statutes is amended to read:

229.48 (1) (d) Funding budgeted costs for an exposition center or exposition center facility or sports and entertainment arena or sports and entertainment arena facilities for the 6-month period immediately following the completion of its construction or acquisition.

**SECTION 84.** 229.48 (1) (e) of the statutes is amended to read:

229.48 (1) (e) Interest on bonds or on any debt that is retired with the proceeds of bonds, if the interest is incurred or is reasonably expected to be incurred during the time period beginning a reasonable time period prior to the construction or acquisition of an exposition center or exposition center facility or sports and entertainment arena or sports and entertainment arena facilities and ending 6 months after the completion of the construction or acquisition.

**SECTION 85.** 229.48 (1m) of the statutes is amended to read:

229.48 (1m) For financing purposes, exposition centers and exposition center facilities and sports and entertainment arenas and sports and entertainment arena facilities are public utilities and tax revenues imposed under s. 66.0615 (1m) (a) and (b) and subchs. VIII and IX of ch. 77 are property or income of the public utility.

**SECTION 86.** 229.48 (2) of the statutes is amended to read:

229.48 (2) All bonds are negotiable for all purposes, notwithstanding their payment from a limited source. A district may retain the building commission, the department of administration, or any other person as its financial consultant to assist with and coordinate the issuance

of bonds and shall use the building commission as its financial consultant for bonds secured by a special debt service reserve fund under s. 229.50.

**SECTION 87.** 229.48 (7) of the statutes is created to read:

229.48 (7) The maximum amount of bond proceeds that a district may receive from bonds issued to fund the development and construction of sports and entertainment arena facilities is \$203,000,000. The district may receive additional proceeds from the bonds to pay issuance or administrative costs related to the bonds, to make deposits in reserve funds related to the bonds, to pay accrued or funded interest on the bonds, and to pay the costs of credit enhancement for the bonds.

**SECTION 88.** 229.50 (1) (a) (intro.) of the statutes is amended to read:

229.50 (1) (a) *Substantial statewide public purpose.* (intro.) The proceeds of the bonds, other than refunding bonds, will be used in connection with an exposition center, or an exposition center facility used primarily to support the activities of an exposition center, or a sports and entertainment arena, or sports and entertainment arena facilities, that serves a substantial statewide public purpose. An exposition center serves a substantial statewide public purpose if all of the following conditions are met:

**SECTION 89.** 229.50 (1) (d) of the statutes is amended to read:

229.50 (1) (d) *Use of net proceeds.* Not more than \$170,000,000 of the total net proceeds of all bonds, other than refunding bonds, that would be secured by all special debt service reserve funds of the district will be used for the purposes specified under s. 229.48 (1) (a) to (c), except that no proceeds of the bonds secured by a special debt service reserve fund may be used to remodel or refurbish an existing exposition center or existing exposition center facilities transferred under a transfer agreement under s. 229.47 (1).

**SECTION 90.** 229.50 (1) (f) of the statutes is amended to read:

229.50 (1) (f) *Transfer agreement.* A sponsoring municipality of the district issuing the bonds has entered into a transfer agreement under s. 229.47 (1) that transfers to the district the sponsoring municipality's interests in an existing exposition center and exposition center facilities created under this subchapter or in an existing convention institution under s. 229.26.

**SECTION 91.** 229.50 (7) of the statutes is amended to read:

229.50 (7) STATE MORAL OBLIGATION PLEDGE. If at any time the special debt service reserve fund requirement under sub. (5) for a special debt service reserve fund exceeds the amount of moneys in the special debt service reserve fund, the board of directors of the district shall certify to the secretary of administration, the governor, the joint committee on finance and the governing body of the sponsoring municipality the amount necessary to

restore the special debt service reserve fund to an amount equal to the special debt service reserve fund requirement under sub. (5) for the special debt service reserve fund. If this certification is received by the secretary of administration in an even-numbered year prior to the completion of the budget compilation under s. 16.43, the secretary shall include the certified amount in the budget compilation. In any case, the joint committee on finance shall introduce in either house, in bill form, an appropriation of the amount so certified to the appropriate special debt service reserve fund of the district. Recognizing its moral obligation to do so, the legislature hereby expresses its expectation and aspiration that, if ever called upon to do so, it shall make this appropriation. This subsection does not apply to reserve fund shortfalls related to bonds or any refunding bonds issued by the district to fund the construction of sports and entertainment arena facilities.

**SECTION 92.** 229.54 of the statutes is created to read:

**229.54 Responsibility to sports and entertainment arena facilities.** (1) Neither the state, a sponsoring municipality, nor the most populous county in which the sponsoring municipality is located is responsible for equipping, maintaining, operating, improving, and repairing sports and entertainment arena facilities.

(2) The district is responsible only for equipping, maintaining, operating, improving, and repairing sports and entertainment arena facilities during the initial development and construction of the sports and entertainment arena facilities. If the professional basketball team or its affiliate breaches the non-relocation agreement or lease under s. 229.461, the district is responsible for equipping, maintaining, operating, and repairing sports and entertainment arena facilities during the remainder of the lease, but only from moneys received from the parent company of the professional basketball team, the professional basketball team, or its affiliate resulting from the breach of the non-relocation agreement or lease.

**SECTION 93.** 232.05 (2) (h) of the statutes is created to read:

232.05 (2) (h) Within 60 days following the later of the secretary of administration issuing the certification described in s. 229.42 (4e) (d) or the expiration of 180 days' written notice delivered by the district to the corporation of the intended construction completion date, complete the sale, exchange, transfer, or divestiture of any part of the Bradley Center that was not previously transferred, as authorized under sub. (3).

**SECTION 94.** 232.05 (3) (a) of the statutes is amended to read:

232.05 (3) (a) Sell, exchange, transfer, or otherwise divest itself of the Bradley center Center except to a district, as defined in s. 229.41 (4m). The sale, exchange, transfer, or divestiture of the Bradley Center, or any part of the center, to a district, as defined in s. 229.41 (4m), shall satisfy and terminate any obligation of the corpora-

tion. Except as provided in s. 229.47 (2) (b), the corporation may not act under this paragraph before the secretary of administration issues the certification described in s. 229.42 (4e) (d).

**SECTION 95.** 232.05 (3) (b) of the statutes is amended to read:

232.05 (3) (b) Dissolve and wind up its affairs, ~~unless the legislature enacts a law ordering dissolution or except as provided in s. 232.07~~ except in connection with the sale, exchange, transfer, or divestment of the Bradley Center upon the secretary of administration issuing the certification described in s. 229.42 (4e) (d).

**SECTION 96.** 232.07 (1) of the statutes is repealed.

**SECTION 97.** 232.07 (2) of the statutes is renumbered 232.07 and amended to read:

**232.07 Dissolution.** Promptly upon issuance of the certificate of involuntary Upon dissolution, the corporation shall pay, discharge, or make adequate provision for discharging its debts, liabilities, and obligations, including any judgment, order or decree which may be entered against it in any pending legal action, and shall, subject to s. 232.05 (3) (a), transfer all remaining assets to the state or to a district, as defined in s. 229.41 (4m). The corporation's existence shall continue, subject to the limitations on its activities under s. 181.1405.

**SECTION 98.** 342.41 of the statutes is created to read:

**342.41 Identity of buyer.** (1) Notwithstanding s. 342.15, after December 31, 2015, no individual may sell a motor vehicle to another individual, including transferring a junk vehicle by bill of sale, unless within 30 days of the sale the seller reports to the department the identification number of the vehicle and the identity of the individual buyer.

(2) The department shall accept electronically information related to the sale of the motor vehicle, including all of the information required to be reported under sub. (1).

**SECTION 99.** 345.28 (2) (c) of the statutes is amended to read:

345.28 (2) (c) ~~If Subject to par. (d), if~~ the appearance date specified in the citation is inconvenient for the person, he or she may contact the clerk of circuit court or the municipal court, whichever is applicable, to schedule a more convenient time. The revised date may provide for an appearance during an evening session, as required under s. 753.23 or authorized by a court. ~~The Subject to par. (d), the~~ court may revise the appearance date. The date specified in the citation applies unless the person receives written confirmation of the revised appearance date from the court.

**SECTION 100.** 345.28 (2) (d) of the statutes is created to read:

345.28 (2) (d) A city of the 1st class may enact an ordinance establishing the period within which a person charged with a nonmoving violation shall pay the forfeiture or appear in court. An ordinance under this para-

graph shall require that a citation issued for a nonmoving violation include the date on which the court may act under s. 345.37 unless the person has paid the forfeiture or appeared in court prior to that date.

**SECTION 101.** 345.28 (4) (g) of the statutes is repealed.

**SECTION 102.** 345.37 (intro.) of the statutes is amended to read:

**345.37 Procedure on default of appearance.** (intro.) If the defendant fails to appear in court at the time fixed in the citation or by subsequent postponement, or, if an ordinance under s. 345.28 (2) (d) applies, not less time than the period established in an ordinance under s. 345.28 (2) (d) has elapsed since the person was charged with a nonmoving violation, the following procedure shall apply:

**SECTION 103.** 349.13 (1d) of the statutes is created to read:

349.13 (1d) A local authority with respect to highways under its jurisdiction, including state trunk highways or connecting highways within corporate limits, may enact an ordinance making the owner of the vehicle involved in a violation under this section jointly liable for the violation.

**SECTION 104.** 349.132 of the statutes is created to read:

**349.132 Authority to require vehicle registration.** The governing body of any town, city, village, or county may enact an ordinance requiring that no vehicle that has been impounded or towed may be released unless the motor vehicle is registered under ch. 341 or exempt from registration under s. 341.05.

**SECTION 109m.** 846.16 (1) of the statutes is amended to read:

846.16 (1) The sheriff or referee who makes sale of mortgaged premises, under a judgment therefor, shall give notice of the time and place of sale in the manner provided by law for the sale of real estate upon execution or in such other manner as the court shall in the judgment direct; where the department of veterans affairs is also a party in the foreclosure action, the judgment shall direct that notice of sale be given by registered mail, return receipt requested, to the department at Madison, Wisconsin, at least 3 weeks prior to the date of sale, but such requirement does not affect any other provision as to giving notice of sale. The Except as provided in sub. (3) and s. 846.167, the sheriff or referee shall, within 10 days thereafter, file with the clerk of the court a report of the sale, and shall also immediately after the sale first deduct any fee due under s. 77.22 (1); then deposit that fee, a return under s. 77.22 and the deed with the clerk of the court for transmittal to the register of deeds; then deduct the costs and expenses of the sale, unless the court orders otherwise, and then deposit with the clerk of the court the proceeds of the sale ordered by the court. The sheriff may accept from the purchaser at such sale as a deposit or

down payment upon the same not less than \$100, in which case such amount shall be so deposited with the clerk of the court as above provided, and the balance of the sale price shall be paid to the clerk by the purchaser at such sale upon the confirmation thereof. If the highest bid is less than \$100, the whole amount thereof shall be so deposited.

**SECTION 110m.** 846.16 (3) of the statutes is created to read:

846.16 (3) If the mortgaged premises are located in a county having a population of 750,000 or more, no later than 10 days after the sale of the mortgaged premises, the sheriff or referee shall do all of the following:

- (a) File a report of the sale with the clerk of court.
- (b) Deliver to the clerk of court all of the following:
  1. The deed to the mortgaged premises.
  2. After deducting the costs and expenses of the sale, unless the court orders otherwise, the proceeds of the sale ordered by the court.

**SECTION 111m.** 846.167 of the statutes is created to read:

**846.167 Confirmation of sale and transmittal of deed in populous counties.** (1) In this section, “county” means a county having a population of 750,000 or more.

(2) If a sheriff or referee makes a sale of mortgaged premises located in a county under a judgment of foreclosure and sale, all of the following apply:

(a) If the purchaser is not the judgment creditor, before the court may confirm the sale, the purchaser shall provide the judgment creditor with any information required for the judgment creditor to complete the real estate transfer return under s. 77.22 and, if applicable, any information required for a certificate, waiver, or stipulation required under s. 101.122.

(b) No later than 10 days after the court confirms the sale, the purchaser shall pay to the court all of the following:

1. The amount of the transfer fee under s. 77.22, if any.
2. The amount of the fee under s. 59.43 (2) to record all of the following:

a. The deed to the mortgaged premises delivered under s. 846.16.

b. Any other document required for the register of deeds to record the deed, including any certificate, waiver, or stipulation required under s. 101.122.

(c) No later than 10 days after the court confirms the sale, the judgment creditor shall provide to the court the receipt for submitting a transfer return under s. 77.22 and any certificate, waiver, or stipulation required under s. 101.122.

(3) Upon the court confirming the sale of mortgaged premises located in a county and upon compliance by the purchaser with the terms of the sale and the payment of any balance of the sale price to be paid, unless otherwise ordered by the court, the clerk of the court shall transmit

the deed to the mortgaged premises received under s. 846.16, the receipt for submitting a transfer return under s. 77.22, any certificate, waiver, or stipulation required under s. 101.122, the amount due under s. 59.43 (2) to record the deed and any other document required to record the deed, and the transfer fee, if any, to the register of deeds of the county.

**SECTION 112m.** 846.17 of the statutes is amended to read:

**846.17 Deed, execution and effect of.** Upon any such sale being made the sheriff or referee making the same, on compliance with its terms, shall make and execute to the purchaser, the purchaser's assigns or personal representatives, a deed of the premises sold, setting forth each parcel of land sold to the purchaser and the sum paid therefor, which deed, upon confirmation of such sale, shall vest in the purchaser, the purchaser's assigns or personal representatives, all the right, title and interest of the mortgagor, the mortgagor's heirs, personal representatives and assigns in and to the premises sold and shall be a bar to all claim, right of equity of redemption therein, of and against the parties to such action, their heirs and personal representatives, and also against all persons claiming under them subsequent to the filing of the notice of the pendency of the action in which such judgment was rendered; and the purchaser, the purchaser's heirs or assigns shall be let into the possession of the premises so sold on production of such deed or a duly certified copy thereof, and the court may, if necessary, issue a writ of assistance to deliver such possession. Such deed or deeds so ~~made and~~ executed by the sheriff as above set forth shall be forthwith delivered by the sheriff to the clerk of the court to be held by the clerk until the confirmation of the sale, and upon the confirmation thereof the clerk of the court shall thereupon pay to the parties entitled thereto, or to their attorneys, the proceeds of the sale, and, except as provided in s. 846.167, shall deliver to the purchaser, the purchaser's assigns or personal representatives, at the sale such deed upon compliance by such purchaser with the terms of such sale, and the payment of any balance of the sale price to be paid. In the event of the failure of such purchaser to pay any part of the purchase price remaining to be paid within 10 days after the confirmation of such sale, the amount so deposited shall be forfeited and paid to the parties who would be entitled to the proceeds of such sale as ordered by the court, and a resale shall be had of said premises, and in such event

such deed so executed to the defaulting purchaser shall be destroyed by said clerk, and shall be of no effect. In the event that such sale is not confirmed by the court, the clerk shall forthwith refund to the purchaser at such sale the amount so paid or deposited by the purchaser, and shall likewise destroy such sheriff's deed so executed, and the same shall be of no effect, and a resale of the premises shall be had upon due notice thereof.

**SECTION 115. Nonstatutory provisions.**

(1) CERTAIN MILWAUKEE COUNTY PROPERTY. As soon as practicable, Milwaukee County shall transfer, unencumbered, to a district created under subchapter II of chapter 229 of the statutes, the property known as 929 North Water Street, Milwaukee, Wisconsin, which is bounded by the Milwaukee River on the west; East State Street on the north; North Water Street on the east; and East Kilbourn Avenue on the south. The transfer shall take effect upon the adoption of a resolution requesting the transfer by the board of directors under section 229.41 (2) of the statutes and a written proclamation of the Milwaukee County executive supporting the transfer, notwithstanding any policies issued, ordinances enacted, or resolutions adopted by the Milwaukee County board to the contrary. The transfer may take place without the approval of the Milwaukee County board.

(2m) FORECLOSURE PROCESS IN POPULOUS COUNTIES. The treatment of sections 846.16 (1) and (3), 846.167, and 846.17 of the statutes first applies to a foreclosure action commenced on the effective date of this subsection.

**SECTION 116. Effective dates.** This act takes effect on the day after publication, except as follows:

(1) PAYMENT TO BRADLEY CENTER SPORTS AND ENTERTAINMENT CORPORATION. The repeal of sections 16.004 (22) and 20.855 (4) (cy) of the statutes takes effect on June 30, 2017.

(2d) SHARED REVENUE. The repeal and recreation of section 79.035 (5) of the statutes and the repeal of section 79.035 (6) of the statutes take effect on June 30, 2036.

(2m) FORECLOSURE PROCESS IN POPULOUS COUNTIES. The treatment of sections 846.16 (1) and (3), 846.167, and 846.17 of the statutes and SECTION 115 (2m) of this act take effect on the first day of the 5th month beginning after publication.

(3) PAYMENT TO A LOCAL EXPOSITION DISTRICT. The repeal of sections 16.004 (21) and 20.855 (4) (cr) and (dr) of the statutes takes effect on June 30, 2036.

**EXHIBIT B**  
**General Resolution, As Amended**

FILE NO. WCD950069

WISCONSIN CENTER DISTRICT  
DEDICATED TAX REVENUE BONDS

GENERAL RESOLUTION

DECEMBER 20, 1995

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WISCONSIN CENTER DISTRICT  
DEDICATED TAX REVENUE BONDS

GENERAL RESOLUTION

WHEREAS, the Wisconsin Center District (the "District") is a local exposition district, created pursuant to 1993 Wisconsin Act 263 and by a resolution dated April 26, 1994 of the Common Council of the City of Milwaukee, Wisconsin; and

WHEREAS, the District is authorized pursuant to Sections 229.44(8) and 229.48(1) of the Wisconsin Statutes to issue bonds for costs and purposes that are related to an exposition center as defined in Section 229.41(6) of the Wisconsin Statutes; and

WHEREAS, the District has determined to acquire, construct and equip an exposition center and to establish under this Resolution certain procedures, terms and conditions necessary and applicable to the issuance of Bonds, as described herein, for the purpose of financing the Project described herein; and

WHEREAS, it is the intent of the District to do all things necessary to make the Bonds, when authenticated by Firstar Trust Company, Milwaukee, Wisconsin (the "Trustee"), and issued as provided in this Resolution, the valid, binding and legal special limited obligations of the District according to the import thereof, and to constitute this Resolution a valid contract for the security of each series of Bonds;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

**GRANTING CLAUSES:** The District, in consideration of the premises and the acceptance by the Trustee of the trusts created by this Resolution and each Series Resolution and of the purchase and acceptance of each series of the Bonds by the Owners thereof, in order to secure the payment of the principal of, interest on, purchase price of, and premium, if any, on all series of Bonds according to their tenor and effect and the performance and observance by the District of all the covenants expressed or implied herein and in each series of the Bonds, does hereby grant a security interest in, assign, transfer in trust, and pledge to the Trustee, and to its successors in trust, and to them and their assigns forever, the following:

FIRST

All right, title, interest and privileges of the District in, to and under the Tax Revenues and the Funds and Accounts (except the Operating Fund and the Rebate Fund) created hereby; and

SECOND

The earnings derived from the investment of moneys held for the credit of the Funds and the Accounts created hereby or by any Series Resolution (other than the Operating Fund and the Rebate Fund); and

THIRD

All other property of every type, name and nature which may from time to time hereafter by delivery to the Trustee or by writing of any kind delivered to the Trustee be subjected to the lien hereof

by the District or by anyone on its behalf or with its written consent, and the Trustee is hereby authorized to receive any and all such property at any and all times and to hold and apply the same as additional security hereunder or under any Series Resolution subject to the terms hereof and any Series Resolution applicable thereto;

PROVIDED that any instrument, fund, property or contract right or proceeds thereof designated by a Series Resolution to be pledged, mortgaged or assigned to secure a specific series of Bonds (or specific Bonds within a series) shall be held by the Trustee hereunder for the sole and exclusive benefit of the Owners of the series of Bonds (or such specific Bonds within a series) so designated, and shall not secure or accrue to the benefit of any series of Bonds or specific Bonds within a series not so designated;

TO HAVE AND TO HOLD all the same (herein called the "Trust Estate") with all privileges and appurtenances hereby granted and assigned, or agreed or intended so to be, to the Trustee and its successors in trust and to them and their assigns forever;

SUBJECT TO the rights, if any, of each person under each Credit Facility, Credit Agreement, Pledge Agreement and Related Agreements to the extent provided herein or in any Series Resolution;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the equal and proportionate benefit, security and protection of all Owners from time to time of all series of Bonds issued under and secured by this Resolution, without privilege, priority or distinction as to lien or otherwise of any of the Bonds over any of the others, subject to the priority of the Senior Bonds and except as otherwise provided herein;

PROVIDED, HOWEVER, that if the District, its successors or assigns, shall well and truly pay, or cause to be paid, or provide fully for payment as provided in Article Eight hereof of the principal of all series of Bonds and the interest due or to become due thereon (together with premium, if any), at the time and in the manner set forth in the Bonds and other instruments according to the true intent and meaning thereof, or shall provide, as permitted hereby, for the payment thereof by depositing with the Trustee sums sufficient for payment of the entire amount due or to become due thereon as herein provided, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of this Resolution to be kept, performed and observed by it, and shall pay to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then this Resolution and the rights hereby granted shall cease, terminate and be void except as otherwise provided herein; otherwise, this Resolution shall be and remain in full force and effect.

UNDER THE PROVISIONS OF THIS RESOLUTION, no series of Bonds or other obligations hereunder may be payable from or be a charge upon any funds of the District other than the Tax Revenues and Trust Estate pledged to the payment thereof and no Owner or Owners of the Bonds shall ever have the right to compel any exercise of any taxing power of the District to pay any Bonds or the interest and premium, if any, thereon, or to enforce payment thereof against any property of the District, except with respect to District Taxes to the extent pledged hereby, and the Bonds shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the District, except as above provided; and the Act provides that under no circumstances shall any Bond or other obligation of the District hereunder be or become an indebtedness or obligation of the State or any other political subdivision of or municipality within the State, including the City, nor shall any such Bond or obligation be or become an indebtedness of the District within the purview of any constitutional limitation or provision, but nothing in the Act impairs the rights of Owners of Bonds issued under this Resolution and the Series Resolutions relating thereto to enforce the covenants made for the security thereof as provided

in this Resolution and any applicable Series Resolution; and the District covenants and agrees, to the extent specifically provided herein, for the benefit of all Owners of all series of the Bonds, as follows:

## ARTICLE ONE

### DEFINITIONS AND GENERAL PROVISIONS

Section 1.1 Definitions. In this Resolution the following terms have the following meanings unless the context hereof clearly requires otherwise, and any other terms defined in a Series Resolution or in Related Agreements shall have the same meanings when used herein as assigned them in such other documents unless the context or use thereof indicates another or different meaning or intent:

"Account" or "Accounts" shall mean any one or more of the accounts created or established within any Fund hereunder or under any Series Resolution.

"Accreted Value" shall mean with respect to any Bond that is a Capital Appreciation Bond, an amount equal to the principal amount of such Capital Appreciation Bond (determined on the basis of the initial principal amount per \$5,000 at maturity thereof) plus the amount assuming compounding (as set forth in the applicable Series Resolution) of earnings which would be produced on the investment of such initial principal amount, beginning on the dated date of such Capital Appreciation Bond and ending at the maturity date thereof, at a yield which, if produced until maturity, will produce \$5,000 at maturity. As of any Valuation Date, the Accreted Value of any Capital Appreciation Bond shall mean the amount set forth in the applicable Series Resolution authorizing such Bond and as of any date other than a Valuation Date, the sum of (i) the Accreted Value on the preceding Valuation Date and (ii) the product of (1) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date, using for such calculation 30 day months and a 360 day year, and (2) the difference between the Accreted Values for such Valuation Dates.

"Act" shall mean 1993 Wisconsin Act 263, as amended.

"Additional Bonds" shall mean Bonds issued subsequent to the initial issue of one or more series of Bonds pursuant to this Resolution as permitted by Article Five.

"Adjustable Rate Bond" shall mean any Bond, the interest rate on which is not established at the time of calculation at a single numerical rate for the remaining term of such Bond, but for which the period between redeterminations of the interest rate is more than two (2) years.

"Adjusted Debt Service Requirements" shall mean, during the applicable period and as of any date of calculation with respect to any series of Outstanding Bonds, the aggregate Debt Service Requirements for such period taking into account the following adjustments:

(a) With respect to Bonds that bear interest at a Variable Interest Rate, the aggregate Debt Service Requirements thereon shall be determined as if each such Bond bore interest at the Maximum Interest Rate; provided, however, (i) if the District (A) enters into a Qualified Swap Agreement with a Swap Provider requiring the District to pay a fixed interest rate on a notional amount, and (B) has made a determination that such Qualified Swap Agreement was entered into for the purpose of providing substitute interest payments for a particular maturity of Bonds in a principal amount equal to the notional amount of the Qualified Swap Agreement, then during the term of such Qualified Swap Agreement and

so long as the Swap Provider under such Qualified Swap Agreement is not in default under such Qualified Swap Agreement, the interest rate on such Bonds shall be determined as if such Bonds bore interest at the fixed interest rate payable by the District under such Qualified Swap Agreement, and (ii) if (A) Bonds of a specific maturity within a series bear interest at a Variable Interest Rate and Bonds which bear a Variable Interest Rate of another series with the same maturity are issued in an equal principal amount to the first such series of Bonds of the same maturity, and (B) the Variable Interest Rate of the first series of such Bonds varies inversely to the Variable Interest Rate of the second series of such Bonds of the same maturity so that the combined interest rate for the aggregate principal amount of such Bonds of the same specific maturity for both such series is determined by the District to result in a combined fixed interest rate, then so long as the same principal amount of each maturity of such series of Bonds remain Outstanding, the aggregate Debt Service Requirements thereon shall be determined as if all such Variable Interest Rate Bonds of such series and maturity bore interest at the combined fixed interest rate so determined by the District with respect to such aggregate principal amount of such Bonds.

(b) With respect to Fixed Interest Rate Bonds, if the District (i) enters into a Qualified Swap Agreement with a Swap Provider requiring the District to pay a variable interest rate on a notional amount, and (ii) has made a determination that such Qualified Swap Agreement was entered into for the purpose of providing substitute interest payments for a particular maturity of Bonds in a principal amount equal to the notional amount of the Qualified Swap Agreement, then during the term of such Qualified Swap Agreement and so long as the Swap Provider under such Qualified Swap Agreement is not in default under such Qualified Swap Agreement the interest rate on such Bonds shall be determined as if such Bonds bore interest at the Maximum Interest Rate on the notional amount of such Bonds.

(c) Except to the extent described in (d) below, with respect to Bonds secured by a Credit Facility, the aggregate Debt Service Requirements thereon shall be deemed to include all periodic Bond-Related Costs and other payments to (including any payment required to reimburse) the related Credit Facility Provider (including any Debt Service Reserve Fund Credit Facility Provider), but shall not include any amounts payable as principal of and interest and premium with respect to any reimbursement obligation to such Credit Facility Provider except and to the extent that such payments on such reimbursement obligation are required to be made to the Credit Facility Provider in excess of any corresponding Debt Service Requirements with respect to such Bonds during such period.

(d) With respect to Optional Tender Bonds, the aggregate Debt Service Requirements thereon shall not include any amounts payable to a Credit Facility Provider pursuant to any reimbursement obligation arising as the result of the payment of any purchase price with respect to such Bonds on a Purchase Date except to the extent that, and for any period during which, the District is obligated to reimburse the Credit Facility Provider for payments made by such Credit Facility Provider directly or indirectly in satisfaction of any obligation to purchase such Bonds on any Purchase Date following the application of any proceeds of any remarketing of such Bonds.

(e) The aggregate Debt Service Requirements for any period on any Bonds shall not include (i) any interest which is payable from Capitalized Interest which is to be transferred to an Interest Account in a Bond Fund from a Capitalized Interest Account, or (ii) the amount of Debt Service Requirements on Bonds to be paid from amounts in a Debt Service Reserve Fund at the time of such computation for the period in question, but only if any such amount described in (i) or (ii) is available and is to be applied under the applicable Series Resolution to make interest payments on such Bonds when due.

(f) With respect to Crossover Refunding Bonds, the aggregate Debt Service Requirements thereon until the Crossover Refunding Bonds Break Date shall be disregarded.

(g) If the District enters into a Qualified Swap Agreement with a Swap Provider requiring the District to pay any amount in excess of the amount to be received by the District in connection therewith for the period for which any calculation of Adjusted Debt Service Requirements is to be made hereunder, then, to the extent not taken into account in (a) and (b) above, the net amount of such payments which may be required of the District (using the Maximum Interest Rate for such purpose if such amount is subject to any variation) shall be included in Adjusted Debt Service Requirements.

For purposes of this definition of Adjusted Debt Service Requirements, the principal and interest portions of the Accreted Value of Capital Appreciation Bonds and the Appreciated Value of any Deferred Interest Bonds becoming due at maturity or by virtue of Mandatory Sinking Fund Requirements shall be included in the calculation of accrued and unpaid and accruing interest or principal installments on the date on which or for the period during which such amounts become due and payable unless otherwise specified in the Series Resolution authorizing such Capital Appreciation Bonds or Deferred Interest Bonds.

"Appreciated Value" shall mean with respect to any Bond that is a Deferred Interest Bond until the Interest Commencement Date thereon, an amount equal to the principal amount of such Deferred Interest Bond (determined on the basis of the initial principal amount per \$5,000 at the Interest Commencement Date thereof) plus the amount, assuming compounding (as set forth in the applicable Series Resolution) of earnings which would be produced on the investment of such initial principal amount, beginning on the dated date of such Deferred Interest Bond and ending on the Interest Commencement Date, at a yield which, if produced until the Interest Commencement Date, will produce \$5,000 at the Interest Commencement Date. As of any Valuation Date, the Appreciated Value of any Bond that is a Deferred Interest Bond shall mean the amount set forth for such date in the Series Resolution authorizing such Deferred Interest Bond and as of any date other than a Valuation Date, the sum of (i) the Appreciated Value on the preceding Valuation Date and (ii) the product of (1) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date, and (2) the difference between the Appreciated Values for such Valuation Dates.

"Bond Closing" shall mean the date on which there is delivery by the District of, and payment for, a series of Bonds.

"Bond Counsel" shall mean any qualified firm of lawyers selected by the District whose expertise in matters relating to the issuance of obligations by states and their political subdivisions, the interest on which is excludable from gross income for purposes of Federal income taxation, is nationally recognized.

"Bond Fund" shall mean the Senior Bond Fund and/or the Junior Bond Fund, as the context may require.

"Bondowner" or "Owner" shall mean the person in whose name a Bond is registered in the Bond Register.

"Bond Register" shall mean the register maintained by the Bond Registrar pursuant to Section 2.6 hereof.

"Bond Registrar" shall mean the Trustee or any successor trustee appointed as Bond Registrar pursuant to Section 2.3 hereof.

"Bond-Related Costs" shall mean (a) all costs, fees and expenses of the District incurred or reasonably related to any Liquidity Facility, Credit Facility, any remarketing or other secondary market transactions and any Qualified Swap Agreement (whether requiring the District to pay fixed or variable amounts) that the District has determined was entered into for the purposes of providing substitute interest payments for a particular series or maturity of Bonds, (b) initial and acceptance fees of any Fiduciary together with any fees of Bond Counsel, attorneys, feasibility consultants, engineers, financial advisors, remarketing agents, rebate consultants, accountants and other advisors retained by the District in connection with a series of Bonds, and (c) any other fees, charges and expenses that may be lawfully incurred by the District relating to Bonds, including, without limitation, any obligation of the District to a Credit Facility Provider for a series of Bonds to repay or reimburse any amounts paid by such Credit Facility Provider due to payment under such Credit Facility and any interest on such repayment obligation unless any such amount constitutes a Debt Service Requirement for such series.

"Bonds" shall mean the Dedicated Tax Revenue Bonds to be issued by the District pursuant to this Resolution and any Series Resolution.

"Bond Year" shall mean for each series of Bonds, the period ending on the first December 15 following the Bond Closing for such series of Bonds and each twelve-month calendar period thereafter beginning on December 16 and ending on December 15; provided that, for the purposes of Section 148 of the Code, the District may elect a different "bond year" as permitted thereby.

"Business Day" shall mean any day other than a Saturday, Sunday, legal holiday or a day on which banking institutions in Milwaukee, Wisconsin, and any other city where the principal corporate trust office of the Trustee or the principal office of any Credit Facility Provider is located are authorized to close by law or executive order of a regulatory or administrative authority having jurisdiction in connection therewith.

"Capital Appreciation Bonds" shall mean any Bonds as to which interest is payable only at the maturity or prior redemption thereof. For the purposes of (i) receiving payment of the redemption price, if any, of a Capital Appreciation Bond that is redeemed prior to maturity, and (ii) computing the principal amount of Capital Appreciation Bonds held by the Owner thereof in giving any notice, consent, request, or demand pursuant to the applicable Series Resolution for any purpose whatsoever, the principal amount of a Capital Appreciation Bond as of a specific date shall be deemed to be its Accreted Value as of such date.

"Capitalized Interest" shall mean that portion of the proceeds of any series of Bonds together with any available earnings thereon that are restricted to be used to pay interest due or to become due on any Bonds.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and all applicable Treasury Regulations.

"Cost of Issuance Fund" shall mean the fund by that name established by Section 4.1 hereof.

"Credit Agreement" shall mean any reimbursement agreement or similar instrument between the District (and, if so drafted, the Trustee) and a Credit Facility Provider with respect to a Credit Facility.

"Credit Facility" shall mean a letter of credit, surety bond, liquidity facility, insurance policy or comparable instrument furnished by the Credit Facility Provider with respect to all or a specific portion of one or more series of Bonds to satisfy in whole or in part the District's obligation to maintain a

Reserve Requirement with respect thereto or to secure (a) the payment of debt service (which may include the premium due on payment of a Bond) on Bonds of a specified series, or a specific portion thereof, (b) the payment of the purchase price (which may include accrued interest to the date of purchase) of Bonds of a specified series, or a specific portion thereof, on the applicable purchase dates or tender dates, or (c) both the payment of debt service on a specified series of Bonds, or a specific portion thereof, and the payment of the purchase price of Bonds of a specified series, or a specific portion thereof, but only if the debt obligations of such Credit Facility Provider are rated in one of the two highest Rating Categories by a Rating Agency with respect to the Bonds secured by such Credit Facility.

"Credit Facility Account" shall mean an account by that name in a Bond Fund or a Debt Service Reserve Fund, as applicable, established by Section 4.1 hereof.

"Credit Facility Provider" shall mean the bank, insurance company, financial institution or other entity providing a Credit Facility pursuant to a Credit Agreement.

"Crossover Refunding Bonds" shall mean any Bonds the proceeds of which: (i) are deposited in an escrow account with a Fiduciary, (ii) cannot be applied to the purpose for which such Crossover Refunding Bonds are to be issued until the Crossover Refunding Bonds Break Date, (iii) must be certified by the District to be sufficient, together with the investment income thereon, after the payment of Bond issuance costs and Bond-Related Costs, if any, to pay the Debt Service Requirements on such series on and prior to such Crossover Refunding Bonds Break Date, and (iv) other than paying or providing for the payment of Bond issuance costs and Bond-Related Costs, if any, cannot be used for any purpose (subject to lien and other requirements of this Resolution) other than the payment of Debt Service Requirements on such Crossover Refunding Bonds on and prior to the Crossover Refunding Bonds Break Date.

"Crossover Refunding Bonds Break Date" shall mean the date specified in the Series Resolution authorizing a series of Crossover Refunding Bonds as the date upon which the proceeds of such Crossover Refunding Bonds can be applied to the purpose for which such Crossover Refunding Bonds are to be issued upon the satisfaction of certain conditions, which conditions shall be set forth in such Series Resolution.

"Current Interest Bonds" shall mean all Bonds which are not (a) Capital Appreciation Bonds or (b) prior to the Interest Commencement Date, Deferred Interest Bonds.

"Debt Service Requirements" shall mean, during the applicable period and as of any date of calculation with respect to any series of Outstanding Bonds, the aggregate of the scheduled principal of and premium, if any, and interest and the fees, expenses and costs of the Trustee, Bond Registrar and Paying Agent and other Bond-Related Costs, if any, on any of the Bonds accruing for that period or due and payable on that date. In determining Debt Service Requirements accruing for any period or due and payable on any date, Mandatory Sinking Fund Requirements accruing for that period or due on that date shall be included together with any amount required to be paid for the replenishment of any reserve, and any amounts due with respect to Crossover Refunding Bonds prior to the Crossover Refunding Bonds Break Date shall be excluded if and to the extent that such amounts are payable out of Defeasance Securities. For purposes of this definition, unless provided to the contrary in the applicable Series Resolution authorizing the issuance of Capital Appreciation Bonds and Deferred Interest Bonds, the scheduled principal and interest portions of the Accreted Value of Capital Appreciation Bonds and the Appreciated Value of Deferred Interest Bonds becoming due at maturity or by virtue of Mandatory Sinking Fund Requirements shall be included in the calculations of accrued and unpaid and accruing interest or principal payments in the year in which such payments are required to be made.

"Debt Service Reserve Fund" shall mean the Senior Debt Service Reserve Fund and/or the Junior Debt Service Reserve Fund, as the context may require.

"Debt Service Reserve Fund Credit Facility" shall mean a Credit Facility provided to satisfy all or any portion of a Debt Service Reserve Fund Requirement.

"Debt Service Reserve Fund Requirement," for each of the Senior Debt Service Reserve Fund and the Junior Debt Service Reserve Fund, shall be an amount equal to the maximum amount of principal and interest to become due during the current or any succeeding Bond Year on all Senior Bonds or Junior Bonds (as applicable) then Outstanding; provided that the calculation of the maximum amount of interest to become due on Variable Rate Bonds and Adjustable Rate Bonds shall be based on the methodology specified in the definition of Adjusted Debt Service Requirements; and provided further that the calculation of the maximum amount of principal and interest to become due on the applicable Bonds shall exclude the principal amount of such Bonds to be paid from amounts on deposit in the applicable Debt Service Reserve Fund. The applicable Debt Service Reserve Fund Requirement may be satisfied by cash, Permitted Investments or a Debt Service Reserve Fund Credit Facility, or any combination thereof.

"Dedicated Tax Revenue Bonds" shall mean any and all Bonds issued under this Resolution.

"Defeasance Securities" shall mean:

(a) direct and general obligations of, or obligations which as to principal and interest are unconditionally guaranteed as to full and timely payment by, the United States of America, to the payment of which the full faith and credit of the United States of America is irrevocably and unconditionally pledged, including evidences of direct ownership of proportionate interests in future principal or interest payments of such obligations. Investments in such proportionate interests must be limited to circumstances wherein (i) a bank or trust company acts as custodian and holds the underlying United States obligations; (ii) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (iii) the underlying United States obligations are held in safekeeping in a special account, segregated from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated. The obligations described in this paragraph are hereinafter called "United States Government Obligations";

(b) pre-refunded municipal obligations meeting the following conditions:

(1) the municipal obligations (A) are not subject to redemption prior to maturity or (B) the trustee has been given irrevocable instructions concerning their calling and redemption and the issuer of such municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions,

(2) the municipal obligations are secured by cash or non-callable United States Government Obligations that may be applied only to interest, principal and premium payments of such municipal obligations,

(3) the principal of and interest on such United States Government Obligations (plus any cash in the escrow fund) are sufficient to meet the liabilities of the municipal obligations,

(4) the cash and United States Government Obligations serving as security for the municipal obligations are held by an escrow agent or trustee, and

(5) the United States Government Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent; and

(c) cash.

"Deferred Interest Bonds" shall mean any Bonds as to which accruing interest is not paid prior to the Interest Commencement Date specified in the Series Resolution authorizing such series and the Appreciated Value for such series is compounded on the Valuation Date for such series.

"Discharge Date" shall mean the date on which all Outstanding Bonds are discharged under Article Eight.

"District" shall mean the Wisconsin Center District, a local exposition district created by the City of Milwaukee, Wisconsin, pursuant to 1993 Wisconsin Act 263, or any successor to its functions.

"District Representative" shall mean the Chairman or President of the District or such other officer identified by resolution of the District Board as being the "District Representative" for purposes of this Resolution or any Series Resolution.

"District Taxes" shall mean all of those taxes, charges, fees, impositions, levies or other amounts authorized to be collected on behalf of and paid to the District under the Act and the Tax Resolutions, namely, Unrestricted Tax Revenues and Restricted Tax Revenues as defined herein.

"Event of Default" shall mean any of the events set forth in Section 9.1 hereof.

"Excess Earnings" shall mean the amount of investment earnings on moneys held in the Funds and Accounts held hereunder, or in any other fund or account relating to Tax-Exempt Bonds, required to be transferred to the Rebate Fund as earnings on the "gross proceeds" (as defined by or under the Code) of Tax-Exempt Bonds in excess of the "yield" (calculated as required by or under the Code) on such Tax-Exempt Bonds.

"Fiduciary" shall mean any bank or other organization acting in a fiduciary capacity with respect to any Bonds, whether as Trustee, Paying Agent, Bond Registrar, tender agent, or escrow agent, or in a similar function; provided that a Securities Depository shall not be considered a Fiduciary hereunder.

"Final Payment Date" shall mean the Maturity Date, Discharge Date or Purchase Date on which all Outstanding Bonds of a specific series either mature, are to be redeemed, are discharged under Article Eight, or are purchased under Sections 4.5 and 4.6, whichever date is earlier.

"Fiscal Year" shall mean the fiscal year of the District, which currently is the twelve-month period ending June 30 of each calendar year.

"Fitch" shall mean Fitch Investors Service, Inc., or any successor thereof which qualifies as a "Rating Agency" hereunder.

"Fixed Interest Rate Bond" shall mean (a) a Bond, the interest rate on which is established (with no right to vary) at the time of calculation at a single numerical rate for the remaining term of such Bond, or (b) all of those Bonds of a specific maturity described in clause (i)(A) and (B) of paragraph (a) of the definition of Adjusted Debt Service Requirements herein.

"Global Certificate" shall mean Bonds in the form of one certificate per maturity (or any specific portion of a maturity entitled to the benefit of a Credit Facility or with respect to which interest or principal is to be computed or paid differently than with respect to other Bonds of the same maturity), each representing the entire principal amount of a series of Bonds (or such specific portion thereof) due on a particular maturity date, which single certificate per maturity (or such specific portion thereof) may be transferred on the Bond Register as required by the Uniform Commercial Code, but which may not be exchanged for smaller denominations unless the District determines to issue Replacement Bonds as provided herein.

"Independent Accountant" shall mean a certified public accountant or firm of certified public accountants selected by the District and acceptable to the Trustee, and not a full-time employee or officer of the District.

"Independent Counsel" shall mean any attorney designated by the Trustee, duly admitted to practice law before the highest court of any state, who may be counsel to the District but who may not be a full-time employee of the District.

"Interest Commencement Date" shall mean, with respect to any particular Deferred Interest Bonds, the date specified in the applicable Series Resolution authorizing such Deferred Interest Bonds (which date must be prior to the maturity date for such Deferred Interest Bonds), after which interest accruing on such Deferred Interest bonds shall be payable with the first such payment date being the applicable Interest Payment Date immediately succeeding such interest Commencement Date.

"Interest Payment Date" shall mean each date specified in a Series Resolution as a date for the payment of interest to Owners of Bonds of a specific series; which dates, unless otherwise specified, shall be June 15 and December 15 of each year.

"Interest Payment Period" with respect to any Bond or series of Bonds, shall mean the period from but not including a regularly scheduled Interest Payment Date to and including the next regularly scheduled Interest Payment Date, provided that any Series Resolution may adjust this definition of the term "Interest Payment Period" with respect to any Bond or series of Bonds authorized to be issued thereunder in order to provide for the proper computation of or the timely transfer of amounts payable with respect to interest borne by such Bond or series of Bonds on any Interest Payment Date.

"Junior Bond Fund" shall mean the fund by that name established by Section 4.1 hereof.

"Junior Bonds" or "Junior Dedicated Tax Revenue Bonds" shall mean those Bonds designated as such in a Series Resolution, which shall be entitled only to the benefits and protections of the Junior Bond Fund and the Accounts therein, and the Junior Debt Service Reserve Fund and the Accounts therein, and shall not be entitled to the benefits and protections of the Senior Bond Fund and the Accounts therein or the Senior Debt Service Reserve Fund and the Accounts therein.

"Junior Debt Service Reserve Fund" shall mean the fund by that name established by Section 4.1 hereof.

"Junior Debt Service Reserve Fund Requirement" shall mean the Debt Service Reserve Fund Requirement applicable to the Junior Bonds, plus any amount payable to the State pursuant to the State Reimbursement Agreement.

"Liquidity Facility" shall mean any agreement with a Credit Facility Provider under or pursuant to which it agrees to purchase Optional Tender Bonds provided that the debt obligations of such Credit Facility Provider are rated in one of the two highest Rating Categories by each Rating Agency then rating such obligations.

"Mandatory Sinking Fund Payments" shall mean the amounts of principal scheduled to be paid on account of Term Bonds on any specific Principal Payment Date or Principal Payment Dates prior to maturity.

"Mandatory Sinking Fund Requirements" shall mean the principal amount of Term Bonds which are required to be redeemed by mandatory sinking fund redemption, in the principal amounts, at the prices and on the dates as set forth in the applicable Series Resolution.

"Mandatory Tender Date" shall mean a date on which a series of Bonds, or specific Bonds included in such series, are required to be purchased by, or on behalf of, the District as provided herein or in the Series Resolution authorizing such series of Bonds.

"Maturity Date" shall mean a Principal Payment Date, whether occurring by reason of a scheduled maturity of principal or by reason of Mandatory Sinking Fund Requirements.

"Maximum Interest Rate" shall mean during any applicable period and as of any date of calculation with respect to any particular Bonds, series of Bonds or other obligations which are Adjustable Rate Bonds or which bear interest at a Variable Interest Rate, a numerical rate of interest, which shall be set forth in the Series Resolution authorizing such Bonds, that shall be the maximum rate of interest such Bonds may bear at any time during such applicable period.

"Moody's" shall mean Moody's Investors Service or any successor thereof which qualifies as a "Rating Agency" hereunder.

"National System" shall mean the computerized national securities clearance and settlement system to register transfer of ownership interests in debt securities by making book entries on the books of a Securities Depository, and through which payments are distributed to Participants as shown on the books of the Securities Depository as the owners of such interests.

"Non-Global Bonds" shall mean Replacement Bonds, and any series of Additional Bonds which are not issued in the form of Global Certificates.

"Operating Fund" shall mean the fund by that name established by Section 4.1 hereof, to be held by the District and to not be encumbered by the lien hereof.

"Optional Tender Bonds" shall mean any Bonds which by their terms may be tendered by and at the option of, or required to be tendered by, the Owner thereof for payment or purchase by the District or another party prior to the stated maturity thereof, or the maturities of which may be extended by and at the option of the Owner thereof, provided, however, a Series Resolution may expressly provide that specific Bonds are not "Optional Tender Bonds" if, in the reasonable judgment of the District, the tender requirements of such Bonds are not of the character intended to be included within this definition.

"Original Purchaser" shall mean the investment banker(s), broker-dealer(s), financial institution(s) or other person(s) which purchase a specific series of Bonds from the District upon the initial offering

and sale of such series of Bonds; an investment banker or broker-dealer acting in the capacity of a placement agent shall not be deemed an "Original Purchaser."

"Outstanding Bonds," "Bonds Outstanding" and "Bonds then Outstanding" shall mean as of the date of determination, all Bonds theretofore issued and delivered under this Resolution as from time to time supplemented except:

(a) Bonds theretofore cancelled by the Trustee or Paying Agent or delivered to the Trustee or Paying Agent cancelled or for cancellation;

(b) Bonds for which payment or redemption moneys or securities (as provided in Article Eight) shall have been theretofore deposited with the Trustee or Paying Agent in trust for the Owners of such Bonds, provided, however, that if such Bonds are to be redeemed, notice of such redemption shall have been duly given pursuant to this Resolution or irrevocable action shall have been taken to call such Bonds for redemption at a stated redemption date;

(c) Bonds in exchange for or in lieu of which other Bonds shall have been issued and delivered pursuant to this Resolution; and

(d) Optional Tender Bonds deemed tendered in accordance with the provisions of the Series Resolution authorizing such Bonds on the applicable tender, adjustment or conversion date, if interest thereon shall have been paid through such applicable date and the purchase price thereof shall have been paid or amounts are available for such payments as provided therein.

In determining requisite percentages of the Owners of aggregate principal amount of Bonds Outstanding for the purposes of direction, consent, approval or waiver under the terms and provisions of this Resolution and any Series Resolution: (i) the aggregate "principal amount" of any Bonds that are Capital Appreciation Bonds shall be determined by their Accreted Value as of the date of such determination, and (ii) the aggregate "principal amount" of any Bonds that are Deferred Interest Bonds shall be determined by their Appreciated Value as of the date of such determination and provided, however, that in Determining whether the Owners of the requisite principal amount of Outstanding Bonds have given any request, demand, authorization, direction, notice, consent or waiver hereunder. Bonds owned by the District shall be disregarded and deemed not to be Outstanding Bonds, except that in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent, or waiver, only Bonds which the Trustee knows to be so owned shall be disregarded.

"Owner" or "Bondowner" shall mean the person in whose name a Bond is registered in the Bond Register.

"Participants" shall mean the financial institutions or securities dealers for whom the Securities Depository effects book-entry transfers and pledges of securities deposited and immobilized with the Securities Depository.

"Paying Agent" shall mean the Trustee or any other entity designated in a Series Resolution as the agent of the District and the Trustee to receive and disburse the principal of and premium, if any, and interest on the Bonds.

"Payment Date" shall mean a Maturity Date, an Interest Payment Date, a Purchase Date or the Discharge Date, as the case may be. If a Payment Date shall fall on a day other than a Business day, then actual payment shall be made on the next succeeding Business Day.

"Permitted Investments" shall mean and include any of the following securities, if and to the extent the same are at the time legal for investment of the District's funds:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America; any bonds or other obligations which as to principal and interest constitute direct obligations of, or are unconditionally guaranteed as to full and timely payment of principal and interest by, the United States of America, including obligations of any of the Federal agencies set forth in clause (b) below to the extent unconditionally guaranteed by the United States of America.

(b) bonds, debentures, or other evidences of indebtedness issued or guaranteed by the following United States government sponsored agencies: Federal Home Loan Mortgage Corporation, Farm Credit System, Federal Home Loan Banks, Federal National Mortgage Association, Student Loan Marketing Association, Financing Corporation, Resolution Trust Corporation, Resolution Funding Corporation or any other government-sponsored agencies which are not backed by the full faith and credit of the U.S. government which has been or may hereafter be created pursuant to an Act of Congress as an agency or instrumentality of the United States of America;

(c) any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state (i) which are not callable prior to maturity or as to which irrevocable instructions have been given to the trustee of such bonds or other obligations by the obligor to give due notice of redemption and to call such bonds or other obligations for redemption on the date or dates specified in such instruction, (ii) which are secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or bonds or other obligations of the character described in clause (a) hereof which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the redemption date or dates specified in the irrevocable instructions referred to in subclause (i) of this clause (c), as appropriate, and (iii) as to which the principal of and interest on the bonds and obligations of the character described in clause (a) hereof which have been deposited in such fund along with any cash on deposit in such fund are sufficient to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this clause (c) on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in subclause (i) of this clause (c), as appropriate;

(d) project notes issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America;

(e) direct and general obligations of any state of the United States of America, to the payment of the principal of and interest on which the full faith and credit of such state is pledged, provided that at the time of their purchase hereunder such obligations are rated in one of the two highest Rating Categories by each Rating Agency then rating such obligations;

(f) obligations of any state of the United States of America or any political subdivision of any state of the United States of America or any agency or instrumentality of any such state or political

subdivision which shall be rated at the time of their purchase hereunder in one of the two highest Rating Categories by each Rating Agency then rating such obligations;

(g) certificates or other instruments that evidence ownership of the right to payments of principal of or interest on obligations of any state of the United States of America or any political subdivision thereof or any agency or instrumentality of any state or political subdivision, provided that such obligations shall be held in custody by a bank or trust company or a national banking association having capital stock, surplus and undivided earnings aggregating at least \$50,000,000, and provided further that the payments of all principal of and interest on such certificates or such obligations shall be fully insured or unconditionally guaranteed as to payment pursuant to a credit support arrangement provided by one or more financial institutions or insurance companies or associations the uninsured, unsecured and unguaranteed obligations of which shall be rated in the highest Rating Categories by each Rating Agency then rating such certificates or obligations or, in the case of an insurer providing municipal bond insurance policies insuring the payment, when due, of the principal of and interest on municipal bonds, such insurance policy shall result in such municipal bonds being so rated at the time of purchase hereunder;

(h) certificates that evidence ownership of the right of payments of principal or interest on obligations described in clauses (a) through (g), provided that such obligations shall be held in custody by a bank or trust company or a national banking association having capital stock, surplus and undivided earnings aggregating at least \$50,000,000;

(i) certificates of deposit, whether negotiable or non-negotiable, and banker's acceptances of any bank or trust company in the United States which are rated at the time of purchase in one of the two highest Rating Categories by each Rating Agency then rating such instruments;

(j) any repurchase agreements collateralized by securities described in clauses (a) through (f) above with any registered broker/dealer subject to Securities Investors' Protection Corporation jurisdiction, any primary broker/dealer or any commercial bank, if such broker/dealer or bank (or the parent or holding company of which) has an uninsured, unsecured and unguaranteed obligation rated (an "unsecured rating") of "Prime-1" and "A" or better by Moody's and "A-1" or "A-3" or better by S&P and of "A-1" or "A-3" or better by Fitch, but only if Moody's, S&P and/or Fitch is a Rating Agency then rating such obligation, and provided (1) a specific written agreement governs the transaction; (2) the securities are held by a depository acting solely as agent for the District, and such depository is (a) a Federal Reserve Bank, or (b) a bank which is a member of the Federal Deposit Insurance Corporation and with combined capital, surplus and undivided profits of not less than \$25 million, and the District or Trustee shall have received written confirmation from such third party that it holds such securities; (3) a perfected first security interest under the Uniform Commercial Code, or book entry procedures prescribed at 31 C.F.R. 306.1 *et seq.* or 31 C.F.R. 350.0 *et seq.* in such securities is created for the benefit of the District; (4) the repurchase agreement provides that the collateral securities will be valued no less frequently than weekly and will be liquidated if any deficiency in the required collateral percentage is not restored within two Business Days of such valuation; (5) the repurchase agreement matures at least ten days (or other appropriate liquidation period) prior to an interest payment date; and (6) the fair market value of the securities in relation to the amount of the repurchase obligations, including principal and interest, is equal to at least 102%;

(k) shares of an Investment Company, organized under the Investment Company Act of 1940, as amended, rated in one of the two highest Rating Categories by each Rating Agency then rating such Investment Company, which invests its assets exclusively in obligations of the type described in clauses (a) through (j);

(l) investment agreements which either (1) represent the unconditional obligation of one or more banks, insurance companies or other financial institutions, or are guaranteed by a financial institution, in either case that has an unsecured rating, or which agreement is itself rated, as of the date of execution thereof, in one of the two highest whole Rating Categories by each Rating Agency then rating such institution or agreement, or (2) represent the unconditional obligation of one or more banks, insurance companies or other financial institutions, or are guaranteed by a financial institution, in either case such obligation being collateralized by securities described in clauses (a), (b) or (c) above in this definition of Permitted Investments and provided that such securities at all times have a market value (exclusive of accrued interest) at least equal to such investment agreement so secured; and

(m) any other investment permitted by State law that is rated at the time of purchase in one of the two highest Rating Categories by each Rating Agency then rating such investment.

"Pledge Agreement" shall mean a Pledge Agreement entered into with respect to a specific series of Bonds or specific Bonds within a series of Variable Rate Bonds or Adjustable Rate Bonds and related to the Credit Facility for such series of Bonds or a portion thereof.

"Principal Payment Date" shall mean any date on which an installment of principal is scheduled to become due on Bonds, whether by scheduled maturity or Mandatory Sinking Fund Requirements or otherwise, which dates, unless otherwise provided by a Series Resolution, shall be December 15 of each year (for series of Bonds on which principal will be paid annually) or June 15 and December 15 of each year (for series of Bonds on which principal will be paid semiannually), commencing on such of those dates as may be provided in any applicable Series Resolution.

"Project" shall mean acquiring the Milwaukee Exposition Center site; acquiring, constructing, equipping, maintaining and improving the Project; and costs and purposes related thereto, including those enumerated in Section 229.48(1) of the Wisconsin Statutes.

"Project Fund" shall mean the Fund by that name established by Section 4.1 hereof.

"Proportionate Basis" shall mean, when used with respect to the redemption of Bonds of a specific series, that the aggregate principal amount of such Bonds of each maturity of such series to be redeemed shall be determined as nearly as practicable by multiplying the total amount of funds available for redemption by the ratio which the principal amount of Bonds of that series to be redeemed bears to the principal amount of all Bonds of that series then Outstanding; provided that if the amount available for redemption of Bonds of any maturity is insufficient to redeem a multiple of \$5,000 principal amount of such maturity, such amount shall be applied to the redemption of the highest possible integral multiple of \$5,000 principal amount of such maturity. For purposes of the foregoing, Term Bonds shall be deemed to mature in the years and in the amounts of the Mandatory Sinking Fund Requirements set forth in the applicable Series Resolution. Any Bonds purchased with moneys which would otherwise be applied to redemption on a Proportionate Basis on the next succeeding Payment Date shall be taken into account in determining "Proportionate Basis" with respect to such redemption. When used with respect to the purchase of Bonds, "Proportionate Basis" shall have the same meaning as set forth above, substituting "purchase" for "redemption" and "purchased" for "redeemed."

"Purchase Date" shall mean the date on which any Outstanding Bonds are purchased pursuant to Sections 4.5(e) and 4.6(e) and any applicable Series Resolution.

"Qualified Swap Agreement" shall mean an agreement between the District and a Swap Provider (i) which agreement is either approved by, or following review of such agreement the rating upon all

affected Bonds is confirmed by, each Rating Agency, and (ii) under which the District agrees to pay the Swap Provider an amount calculated at an agreed-upon rate or index based upon a notional amount and the Swap Provider agrees to pay the District for a specific period of time an amount circulated at an agreed-upon rate or index based upon such notional amount, where the Swap Provider, or the person who guarantees the obligation of the Swap Provider to make its payments to the District, has unsecured obligations rated, as of the date the swap agreement is entered into, in one of the two highest applicable Rating Categories by S&P and Moody's and by Fitch, if Fitch is a Rating Agency then rating such Swap Provider or other person who guarantees such obligation, but only if any such Rating Agency is then rating (1) bonds secured by such agreements of the Swap Provider or (2) the series of Bonds to which such agreement may be related.

"Quarterly Requirement" shall mean, on each Quarterly Transfer Date, for each Interest Account, Principal Account and Bond Expense Account within a Bond Fund, (a) any unpaid Adjusted Debt Service Requirements from prior Bond Years applicable to such Account, plus (b) the product of the Adjusted Debt Service Requirements for the then-current Bond Year applicable to such Account multiplied by the applicable Aggregate Quarterly Requirement Percentage, as follows:

<u>Quarterly Transfer Date</u>	<u>Aggregate Quarterly Requirement Percentage</u>
March 1	30%
June 1	60%
September 1	90%
December 1	100%

provided that any regularly scheduled payments of principal, interest and/or Bond-Related Costs previously paid during the then-current Bond Year shall be credited to the Quarterly Requirement of each applicable Account when determining compliance with the Quarterly Requirement for such Account during the then-current Bond Year.

"Quarterly Transfer Date" shall mean each March 1, June 1, September 1 and December 1. If a Quarterly Transfer Date shall fall on a day other than a Business Day, then actual payment shall be made on the next succeeding Business Day.

"Rating Agency" or "Rating Agencies," as applicable, shall mean with respect to any specific series of Bonds, S&P, Moody's and Fitch, or any other recognized national credit rating agency, to the extent that any of them then has in effect a rating for such specific series of Bonds.

"Rating Category" shall mean one of the generic rating categories of the applicable Rating Agency, without regard to any refinements or gradation of such generic rating category by numerical or other modifier.

"Rebate Amount" shall mean the amount required to be paid to the United States Treasury pursuant to Section 148 of the Code as rebate of investment earnings (and, if applicable, actual or imputed earnings thereon) to the extent such investment earnings are in excess of the yield on a series of Tax-Exempt Bonds and are subject to rebate.

"Rebate Expert" shall mean such firm of accountants, lawyers or other persons experienced in matters relating to compliance with the rebate requirements under Section 148(f) of the Code, selected

by the District and acceptable to the Trustee or, upon failure of the District to designate a Rebate Expert, the person designated by the Trustee pursuant to Section 6.2 hereof.

"Rebate Fund" shall mean the fund by that name established by Section 4.1 hereof.

"Record Date" shall mean with respect to any Interest Payment Date on a series of Bonds, (i) the first (1st) day (whether or not a Business Day) of the month in which such Interest Payment Date occurs, or (ii) if the District shall be in default in payment of interest due on such Interest Payment Date, a special Record Date for the payment of such defaulted interest established by notice mailed by the Trustee on behalf of the District; notice of such special Record Date shall be mailed not less than ten (10) days preceding such special Record Date, to the Owner at the close of business on the fifth (5th) Business Day preceding the date of mailing; provided that the Record Date under clause (i) for Variable Rate Bonds or Adjustable Rate Bonds may be as specified in the related Series Resolution; and provided, further, that the District may provide in the applicable Series Resolution for different regular or special Record Dates for any series of Bonds.

"Related Agreements" or "Related Documents" shall mean any Credit Facility, Credit Agreement or Pledge Agreement related to a series of Bonds or a specific portion thereof, including security agreements or instruments heretofore or hereafter made for the benefit and with the consent of the Trustee or a Credit Facility Provider as creditor to secure payment of any series of Bonds or a specific portion thereof or any amount due to a Credit Facility Provider; but excluding this Resolution and all Series Resolutions; provided that the term "Related Agreements" or "Related Documents," when used in relation to a specific series of Bonds or a specific portion thereof, shall include only such Related Documents as have been entered into for such series of Bonds or a specific portion thereof, and shall not include documents, agreements or other items entered into only for the purposes of a different series of Bonds or a specific portion thereof.

"Remarketing Agent" shall mean the broker-dealer appointed as Remarketing Agent for a specific series of Bonds pursuant to Section 2.17 hereof and the applicable Series Resolution.

"Remarketing Agreement" shall mean the Remarketing Agreement for a series of Bonds or a specific portion thereof, including any amendments and supplements thereto, between the Remarketing Agent and the District.

"Replacement Bonds" shall mean Bonds which replace Global Certificates as provided in Section 2.12 hereof.

"Representative" shall mean the Chairman or President of the District or an officer of a Credit Facility Provider, or any other person at any time designated to act on behalf of the District or Credit Facility Provider, as the case may be, as evidenced by a written certificate furnished to the other party and the Trustee containing the specimen signature of such person and signed for the District by its Secretary or Assistant Secretary or for a Credit Facility Provider by an officer thereof.

"Resolution" shall mean this General Resolution by and between the District and the Trustee, and, as to each series of Bonds, the Series Resolution pertaining thereto, as this Resolution or any Series Resolution may from time to time be amended or supplemented as herein or therein provided.

"Responsible Agent" shall mean any person duly authorized and designated by the Trustee to act on its behalf in carrying out the applicable duties and powers of the Trustee as set forth in this Resolution

as from time to time supplemented; any action required by the Trustee under this Resolution may be taken by a Responsible Agent.

"Restricted Obligations" shall mean obligations which are issued by the United States Treasury and any other Permitted Investments, investment in which will not cause the Bonds to be federally guaranteed obligations, within the meaning of Section 149(d) of the Code.

"Restricted Tax Revenues" shall mean proceeds of (a) the room tax imposed pursuant to Section 66.75(1m)(c)1 of the Wisconsin Statutes, (b) the local food and beverage tax imposed pursuant to subchapter VIII of Chapter 77 of the Wisconsin Statutes, and (c) the local rental car tax imposed under subchapter IX of Chapter 77 of the Wisconsin Statutes.

"Revenue Fund" shall mean the fund by that name created by Section 4.1 hereof.

"Securities Depository" shall mean a trust company or other fiduciary acting as a depository pursuant to a Securities Depository Letter Agreement with respect to Global Certificates.

"Securities Depository Letter Agreement" shall mean with respect to a series of Bonds issued as Global Certificates, the Securities Depository Letter Agreement by and among the District, the Trustee and the Securities Depository.

"Senior Bond Fund" shall mean the fund by that name established by Section 4.1 hereof.

"Senior Bonds" or "Senior Dedicated Tax Revenue Bonds" shall mean those Bonds designated as such in a Series Resolution, which shall be entitled to the benefits and protections of the Senior Bond Fund and the Accounts therein, and the Senior Debt Service Reserve Fund and the Accounts therein.

"Senior Debt Service Reserve Fund" shall mean the fund by that name established by Section 4.1 hereof.

"Senior Debt Service Reserve Fund Requirement" shall mean the Debt Service Reserve Fund Requirement applicable to the Senior Bonds.

"Series Resolution" shall mean any series resolution supplementing or amending the terms hereof and entered into by the District and the Trustee pursuant to Article Five or Sections 11.1 and 11.2 hereof, together with any award resolution adopted by the Finance and Personnel Committee of the District providing for the exact terms of each of the Series of Bonds authorized to be issued hereunder and pursuant to any Series Resolution of the District.

"SLGS" shall mean United States Treasury Obligations - State and Local Government Series, as provided for in the United States Treasury Regulation 31 C.F.R. 344.

"S&P" shall mean Standard & Poor's Ratings Group or any successor thereof which qualifies as a "Rating Agency" hereunder.

"State" shall mean the State of Wisconsin.

"State Reimbursement Agreement" shall mean that certain State Reimbursement Agreement by and between the District and the Department of Administration on behalf of the State, providing for the reimbursement to the State of any amounts advanced by the State pursuant to Section 229.50 of the

Wisconsin Statutes to the State Contribution Account of the Junior Debt Service Reserve Fund, and other matters, pursuant to subsections 229.50(1)(b)6, 7 and 8 of the Wisconsin Statutes.

"Substitute Securities Depository" shall mean a trust company or other fiduciary which replaces a Securities Depository.

"Swap Provider" shall mean the counter-party with whom the District enters into a Qualified Swap Agreement.

"Taxable Bonds" shall mean any Bonds which are not Tax-Exempt Bonds on the date of original issue thereof.

"Tax Covenants" shall mean the covenants of the District expressed in or incorporated by reference into Article Six of this Resolution, or in the corresponding section of a Series Resolution providing for assurance of the preservation of the tax-exempt character of the interest on a series of Tax-Exempt Bonds.

"Tax-Exempt Bonds" shall mean Bonds issued pursuant to this Resolution for which the District receives, on the date of the Bond Closing therefor, an opinion of Bond Counsel to the effect that interest on such Bonds is excludable from the gross income of the owners thereof for federal income tax purposes under Section 103 of the Code.

"Tax Resolutions" shall mean the following:

(a) Common Council of the City of Milwaukee, Wisconsin, File No. 940095, substitute ordinance repealing the hotel-motel room tax, adopted on May 17, 1994 (the "Tax Repeal Ordinance"), and

(b) Wisconsin Center District File No. WCD940004, resolution adopted by the District on August 24, 1994 (the "Tax Levy Resolution"),

each as now or hereafter amended and any other further resolution adopted by the board of the District under or pursuant to the Act for the express purpose of raising amounts thereunder to be pledged pursuant to this Resolution or any Series Resolution.

"Tax Revenues" shall mean all Restricted Tax Revenues and Unrestricted Tax Revenues actually received from time to time by the District or the Trustee from the State Department of Revenue.

"Term Bonds" shall mean Bonds which are subject to scheduled Mandatory Sinking Fund Requirements prior to maturity.

"Treasury" shall mean the United States Department of the Treasury, and any successor to its functions.

"Treasury Regulations" shall mean all proposed, temporary or final Income Tax Regulations issued or amended with respect to the Code by the Treasury or Internal Revenue Service.

"Trustee" shall mean Firststar Trust Company, Milwaukee, Wisconsin, and any co-trustee or successor trustee appointed, qualified and then acting as such under the provisions of this Resolution.

"Trust Estate" shall mean the Tax Revenues, the tangible and intangible properties, rights and other assets described in the Granting Clauses of this Resolution as from time to time supplemented, and (with respect to a specific series of Bonds or specific Bonds within a series) such funds, rights, properties and assets pledged to secure a series of Bonds or specific Bonds within a series pursuant to a Series Resolution.

"Trust Funds" or "Funds" shall mean the Cost of Issuance Fund, Project Fund, Revenue Fund, Senior Bond Fund, Junior Bond Fund, Senior Debt Service Reserve Fund and Junior Debt Service Reserve Fund (and all of the Accounts, subaccounts and subfunds created therein), but shall in no event include the Operating Fund or the Rebate Fund.

"Trust Moneys" shall have the meaning assigned thereto in Section 4.1(c) hereof.

"Unrestricted Tax Revenues" shall mean proceeds of the room tax imposed by the District pursuant to Section 66.75(1m)(c)2 of the Wisconsin Statutes, also known as the City of Milwaukee Room Tax.

"Valuation Date" shall mean (i) with respect to any Bonds that are Capital Appreciation Bonds, the date or dates set forth in the Series Resolution authorizing such Bonds on which specific Accreted Values are assigned to such Bonds, and (ii) with respect to any Bonds that are Deferred Interest Bonds, the date or dates prior to the Interest Commencement Date set forth in the Series Resolution authorizing such Bonds on which specific Appreciated Values are assigned to such Bonds.

"Variable Interest Rate" shall mean a variable interest rate or rates to be borne by a series of Bonds or other obligations or by any Bond within a series of Bonds. The method of computing such variable interest rate shall be specified in the Series Resolution authorizing such Bonds or Related Agreements approved thereby.

"Variable Rate Bond" shall mean any Bond which bears a Variable Interest Rate which rate is not established at the time of calculation at a single numerical rate for the remaining term of such Bond and for which the period from the most recent determination of the rate to the next such date for redetermination of the rate is two (2) years or less.

#### Section 1.2 Rules of Interpretation.

(a) This Resolution shall be interpreted in accordance with and governed by the laws of the State of Wisconsin.

(b) The words "herein" and "hereof" and "hereunder" and words of similar import, without reference to any particular section or subdivision, refer to this Resolution as a whole rather than to any particular section or subdivision of this Resolution.

(c) References in this Resolution to any particular article, section or subdivision hereof are to the designated article, section or subdivision of this Resolution as originally executed.

(d) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles; and all computations provided for herein shall be made in accordance with generally accepted accounting principles consistently applied and applied on the same basis as in prior years.

(e) The table of contents and titles of articles and sections herein are for convenience only and are not a part of this Resolution.

(f) Unless the context hereof clearly requires otherwise, the singular shall include the plural and vice versa and the masculine shall include the feminine and vice versa.

(g) Articles, sections, subsections and clauses mentioned by number only are those so numbered which are contained in this Resolution.

(h) Any opinion of counsel called for herein shall be a written opinion of such counsel.

(i) References to the Bonds as "tax-exempt" or to the "tax-exempt status of the Bonds" are to the exclusion of interest from gross income pursuant to Section 103(a) of the Code, irrespective of such forms of taxation as the alternative minimum tax or environmental tax or branch profits tax on foreign corporations, as is consistent with Section 59(i) of the Code.

## ARTICLE TWO

### THE BONDS

#### *PART A - THE BONDS - IN GENERAL*

##### Section 2.1 Form of Bond; Preparation of Definitive Bonds; Temporary Bonds.

(a) Except as specified in a Series Resolution the Bonds shall be in the form of Global Certificates unless and until Replacement Bonds are made available as provided in Section 2.12. The form of Bonds for any specific series shall be as set forth in an exhibit to the related Series Resolution, and may contain terms and provisions as to the form and time of payment, record date, notices and other matters as are consistent with this Resolution or the applicable Series Resolution.

(b) Except as otherwise provided with respect to Global Certificates, the definitive Bonds shall be lithographed or printed on steel engraved borders. Until the definitive Bonds are prepared, the District may execute, in the same manner as is provided in Section 2.4 (except that manual signatures and a manual seal may be used), and deliver, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds, except as to the denominations thereof, one or more temporary Bonds (which shall be registered as to principal and interest), substantially of the tenor of the definitive Bonds, in any denominations authorized by the District, and with such omissions, insertions and variations as may be appropriate to temporary Bonds. The District shall prepare and execute and, upon the surrender of such temporary Bonds for exchange and the cancellation of such surrendered temporary Bonds, deliver in exchange therefor, at the principal corporate trust office of the Trustee definitive Bonds of the same aggregate principal amount as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds issued pursuant to this Resolution. All temporary Bonds surrendered in exchange for a definitive bond or Bonds shall be forthwith cancelled by the Trustee.

Section 2.2 Redemption; Purchase. The Bonds of any series issued pursuant to this Resolution and a Series Resolution may be subject to optional redemption or to mandatory redemption and prepayment on a scheduled or other basis, provided that the Mandatory Sinking Fund Requirements of Bonds of a particular series and maturity shall be reduced, as provided herein or in the applicable

Series Resolution, if and to the extent the Bonds of that series and maturity have been or will be optionally or mandatorily redeemed, in whole or part, prior to or on the date scheduled for payment of the specified principal amount on the dates and at the redemption prices specified in the applicable Series Resolution. Redemption may be in whole or in part of the Bonds subject to prepayment; provided that there shall be no reduction of the amount scheduled for redemption on a mandatory redemption date except to the extent Bonds of the maturity to be redeemed have been optionally or mandatorily redeemed or will be optionally or mandatorily redeemed on the scheduled redemption date as provided above, and except that the District may, at its option, purchase Bonds of the maturity to be redeemed and upon surrender of such purchased Bonds to the Trustee and cancellation thereof apply the principal amount purchased and cancelled as a credit against the principal amount to be redeemed.

Unless otherwise specified in a Series Resolution, if an optional redemption is in part, Bonds shall be prepaid and redeemed in any order as the District shall direct the Trustee in writing. Any redemption in whole or part from the proceeds of a specific series of Bonds shall be a redemption only of that series; in all other cases, the District shall direct the Trustee in writing as to which series of Bonds are to be redeemed, in what amounts and, if permitted by the applicable Series Resolution, the maturities or specific Bonds within a maturity to be redeemed. If only part of the Bonds having a common maturity date are called for prepayment, the Bonds may be prepaid in \$5,000 increments of principal (or, in the case of Capital Appreciation Bonds or Deferred Interest Bonds which are subject to redemption prior to maturity or the Interest Commencement Date, as applicable, in \$5,000 increments of Accreted Value at maturity or Appreciated Value at the Interest Commencement Date, as applicable) and the specific Bonds to be prepaid shall be chosen by lot by the Bond Registrar as hereinafter provided. Bonds or portions thereof called for redemption shall be due and payable on the redemption date. On or before the redemption date, the District shall deposit or cause to be deposited with the Trustee money sufficient and available to pay the redemption price of and accrued interest on all Bonds to be redeemed on that date, and from and after such date, notice having been given and deposit having been made in accordance with Articles Two and Four hereof, respectively, then, notwithstanding that any Bonds called for redemption have not been surrendered, no further interest shall accrue on any such Bonds. From and after such redemption date (such notice having been given and such deposit having been made) the Bonds to be redeemed shall not be deemed to be Outstanding hereunder.

If and to the extent that Bonds of the same series and maturity are not all entitled to the benefit of the same Credit Facility or Bonds of the same series and maturity date provide for interest or principal to be computed or paid differently than with respect to other Bonds of the same series and maturity, then each portion of such series of Bonds having the same maturity but not secured by the same Credit Facility or providing for different computation or payment of principal and interest shall be treated as if such portion of such series of Bonds have a separate and distinct maturity for purposes of selection for redemption as may be further provided for in the Series Resolution authorizing the same.

The Trustee shall call Bonds for optional redemption and payment as herein provided upon receipt by the Trustee at least forty-five (45) days prior to the redemption date of a request of the District, in written form. Such request shall specify the principal amount and series of Bonds to be called for optional redemption, the redemption date and the redemption price. In all other cases, the Trustee shall call Bonds for redemption as directed for the applicable series of Bonds by this Resolution or a Series Resolution. Whether or not a Series of Bonds are evidenced by Global Certificates, any notice of redemption shall also be sent to at least two national information services two days prior to any required publication or other giving of such notice.

Published notice of redemption, if required, shall in each case be given in accordance with law, and mailed notice of redemption shall be given to the Paying Agent (if other than the Trustee) and to each

affected Owner. If and when any of the Bonds shall be called for redemption and payment prior to the stated maturity thereof, the Trustee shall give written notice in the name of the District that such Bonds will be redeemed and paid at the office of the Trustee. Mailed notice of redemption shall be given by certified mail, postage prepaid in the case of any Owner of more than \$5,000,000 of Outstanding Bonds and by first class mail, postage prepaid for all other Owners of Bonds to be redeemed, mailed not less than thirty (30) days but not more than sixty (60) days prior to the redemption date, to each Owner of Bonds to be redeemed, at the address appearing in the Bond Register; provided that if a Securities Depository Letter Agreement contains other or different requirements for delivery to a Securities Depository, then the provisions of the Securities Depository Letter Agreement shall be followed for that Owner. A second redemption notice shall be mailed to any Owner of Bonds that have been called for redemption but have not been presented for payment of the redemption price within thirty (30) days after the redemption date. All notices of redemption shall state:

- (a) The official name of the issue with applicable series designation and date of original issue;
- (b) The redemption date;
- (c) The redemption price;
- (d) The CUSIP numbers assigned to the Bonds to be redeemed, the maturity date of such Bonds and any applicable certificate numbers;
- (e) If less than all Outstanding Bonds of the applicable series are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts, Accreted Values or Appreciated Values, as applicable) of the Bonds to be redeemed;
- (f) That on the redemption date, the redemption price will become due and payable upon each such Bond, and that interest thereon shall cease to accrue from and after said date; and
- (g) The place where such Bonds are to be surrendered for payment of the redemption price (which shall be the office of the Trustee) and a telephone number and person at such office who may be contacted with questions relating to such redemption.

In addition to any other required notice of redemption, and whether or not the Bonds to be redeemed are evidenced by Global Certificate(s), at or before the date on which notice of redemption is required to be published or given to an Owner of Bonds, the Trustee shall mail any such redemption notice to: The Securities Depository Trust Company; Midwest Securities Trust Company; Philadelphia Securities Depository Trust Company; Financial Information, Inc.'s Financial Daily Called Bond Service; Kenny Information Service's Called Bond Service; Moody's Municipal and Government; and S&P's Called Bond Record. Failure to provide written notice to any Owner of Bonds to be redeemed or to any securities depositories or information service or any defect therein shall not affect the validity of the proceedings for the redemption of any Bonds for which no such failure or defect has occurred.

Section 2.3 Bond Registrar. The Trustee is appointed to act as Bond Registrar and transfer agent with respect to all series of Bonds (including all Additional Bonds), and shall so act for an Bonds unless and until a successor or different Bond Registrar is duly appointed for all Bonds or for any series of Bonds. Different persons or entities may be appointed to act as Bond Registrar or as a successor Bond Registrar for different series of Bonds, but only one person or entity shall be Bond Registrar for each series of Bonds at any time. Principal and interest on the Bonds shall be paid to the Owners of the Bonds

in the manner set forth in the forms of Bond and Section 2.8 of this Resolution or as provided in the Series Resolution applicable thereto.

Section 2.4 Execution and Delivery.

(a) The Bonds shall be executed on behalf of the District by the signatures of the Chairman of its Board and the Secretary of its Board, each with the effect noted on the forms of the Bonds, and be sealed with the seal of the District; provided, however, that the seal of the District may be a printed or photocopied facsimile; and provided further that any of such signatures may be printed or photocopied facsimiles and the corporate seal may be omitted on the Bonds as permitted by law. In the event of disability or resignation or other absence of any such officer, the Bonds may be signed by the manual or facsimile signature of that officer who may act on behalf of such absent or disabled officer. In case any such officer whose signature or facsimile of whose signature shall appear on the Bonds shall cease to be such officer before the delivery of the Bonds, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he or she had remained in office until delivery.

The Bonds, when so prepared and executed, shall be delivered by the District to the Trustee for authentication and redelivery to the Original Purchaser upon receipt of the purchase price, and the Original Purchaser shall not be obliged to see to the proper application thereof.

(b) Upon the execution and delivery of the applicable Series Resolution the District shall execute and deliver to the Trustee, and the Trustee shall authenticate, the Bonds in the aggregate amount specified therein, and the Trustee shall deliver such series of Bonds to the Original Purchaser at such time or times as may be directed by the District after filing with the Trustee the following:

Original executed counterparts or certified copies of:

- (1) this Resolution and the applicable Series Resolution;
- (2) any Credit Facility, Credit Agreement and other Related Agreements relating to the specific series of Bonds or a specific portion thereof;
- (3) the Tax Resolutions and any amendments or supplements thereto;
- (4) for the issuance of any Junior Bonds, a certificate of the Secretary of the State Department of Administration, as required pursuant to Section 229.50(1) of the Wisconsin Statutes, relating to the Junior Debt Service Reserve Fund;
- (5) any certificates, opinions or other showings required by Article Five hereof with respect to Additional Bonds;
- (6) any other documents, agreements, resolutions, instruments or other items required by the terms of the Series Resolution providing for the specific series of Bonds; and
- (7) an opinion of Bond Counsel as to the validity and enforceability of the applicable series of Bonds.

With respect to each series of Bonds, any of the foregoing already delivered to the Trustee in connection with the issuance and delivery of a prior series of Bonds need not be redelivered.

Section 2.5 Authentication; Date of Registration. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Resolution unless a Certificate of Authentication on such Bond, substantially in the form set forth on the form of Bond, shall have been duly executed by a Responsible Agent of the Trustee. Certificates of Authentication on different Bonds need not be signed by the same person. The Trustee shall authenticate the signatures of officers of the District on each Bond by execution of the Certificate of Authentication on the Bond and by inserting as the date of authentication in the space provided the date on which the Bond is authenticated. For purposes of delivering a series of Bonds to the Original Purchaser, the Trustee shall insert as the date of authentication the date of the Bond Closing therefor unless another date shall be specified in the applicable Series Resolution for such series of Bonds. The Certificate of Authentication so executed on each Bond shall be conclusive evidence that it has been authenticated and delivered under this Resolution.

Section 2.6 Registration; Transfer; Exchange. The District will cause to be kept at the principal office of the Bond Registrar a Bond Register in which, subject to such reasonable regulations as the Bond Registrar may prescribe, the Bond Registrar shall provide for the registration of Bonds and the registration of transfers of Bonds entitled to be registered or transferred as herein provided.

All Bonds surrendered upon any exchange or transfer provided for in this Resolution shall be promptly cancelled by the Bond Registrar and thereafter disposed of as directed by the District.

All Bonds delivered in exchange for or upon transfer of Bonds shall be valid special obligations of the District evidencing the same debt, and entitled to the same benefits under this Resolution, as the Bonds surrendered for such exchange or transfer.

Every Bond presented or surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, in form satisfactory to the Bond Registrar, duly executed by the Owner thereof or his, her or its attorney duly authorized in writing.

The Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange of any Bond and any legal or unusual costs regarding transfers or exchanges of Bonds.

Transfers shall also be subject to reasonable regulations of the District contained in any agreement with, or notice to, the Bond Registrar, including regulations which permit the Bond Registrar to close its transfer books between Record Dates and Payment Dates.

Section 2.7 Rights Upon Transfer or Exchange; Mutilated, Lost or Destroyed Bonds; Destruction of Bonds.

(a) Each Bond delivered upon transfer of or in exchange for or in lieu of any other Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond.

(b) In case any Bond issued hereunder shall become mutilated or be destroyed or lost, the District shall, if not then prohibited by law, cause to be executed, and the Trustee shall authenticate and deliver, a new Bond of like series, amount, maturity date and tenor in exchange and substitution for and upon cancellation of any such mutilated Bond, or in lieu of and in substitution for any such Bond destroyed or lost, upon the Owner's paying the reasonable expenses and charges of the Trustee and District and, in the case of a Bond destroyed or lost, his filing with the Trustee of evidence satisfactory to the Trustee that such Bond was destroyed or lost, and of his ownership thereof, and furnishing the

District and the Trustee with indemnity satisfactory to them. If the mutilated, destroyed or lost Bond has already matured or been called for redemption in accordance with its terms, it shall not be necessary to issue a new Bond prior to payment.

(c) Whenever any Outstanding Bond shall be delivered to the Trustee for cancellation pursuant to this Resolution, upon payment of the principal amount and interest represented thereby or for replacement or transfer, such Bond shall be cancelled and destroyed by the Trustee and counterparts of a certificate of destruction evidencing such destruction shall be furnished by the Trustee to the District.

Section 2.8 Interest Payment; Record Date; Principal Payment Date. The Interest Payment Dates for all series of Fixed Interest Rate Bonds (other than Capital Appreciation Bonds and Deferred Interest Bonds) shall be June 15 and December 15 of each year from the date of issuance thereof until maturity unless different Interest Payment Dates are specified in the Series Resolution authorizing the issuance of such series of Fixed Interest Rate Bonds. The Interest Payment Dates for each series of Variable Rate Bonds, Adjustable Rate Bonds, Capital Appreciation Bonds and Deferred Interest Bonds shall be as specified in the applicable Series Resolution.

Interest on any Global Certificate and any Non-Global Bond shall be paid on each Interest Payment Date as provided in the applicable Series Resolution to the person in whose name the Bond is registered (the "Owner") on the registration books of the District maintained by the Bond Registrar, and in each case at the address appearing thereon at the close of business on the Record Date. Any such interest not so timely paid shall cease to be payable to the person who is the Owner thereof as of the Record Date, and shall be payable to the person who is the Owner thereof at the close of business on a date (the "Special Record Date") fixed by the Trustee whenever money becomes available for payment of the defaulted interest. Notice of the Special Record Date shall be given by the Trustee as specified in the definition of "Record Date" herein.

Interest may be paid to the Owner of at least \$1,000,000 in principal amount of Bonds of a particular series, at such Owner's option, by wire transfer to an account specified in writing by such Owner, which account must be maintained in a United States office or branch of a commercial bank, thrift institution or other financial institution.

The Principal Payment Dates for each series of Bonds shall be specified in the Series Resolution authorizing the issuance of such series of Bonds. Nothing in this paragraph or otherwise in this Resolution shall be construed to limit the right of the District to schedule principal to become due as Term Bonds subject to scheduled mandatory redemption from sinking fund installments, or to require the District to schedule principal to become due in each year during the term of a specific series of Bonds.

On each Payment Date, the Trustee shall notify the Paying Agent, and the Paying Agent shall notify the Securities Depository for each related series of Bonds, as to the amount of principal and interest being paid on such Payment Date, separately setting forth the amount of principal and the amount of interest to be paid with respect to each CUSIP number assigned to the Bonds.

Section 2.9 Owners; Treatment of Registered Owner; Consent of Owners.

(a) For the purposes of all actions, consents and other matters affecting Owners of Bonds issued under this Resolution, as from time to time supplemented, other than payments, redemptions, and purchases, the District and Trustee may (but shall not be obligated to) treat as the Owner of a Bond the beneficial owner of the Bond instead of the person in whose name the Bond is registered. For that purpose, the Trustee may ascertain the identity of the beneficial owner of the Bond by such means as the

Trustee in its sole discretion deems appropriate, including but not limited to a certificate from the person in whose name the Bond is registered identifying such beneficial owner.

(b) The District and Bond Registrar may treat the person in whose name any Bond is registered as the owner of such Bond for the purpose of receiving payment of principal of and premium, if any, and interest (subject to the payment provisions in Section 2.8 above) on, such Bond and for all other purposes whatsoever whether or not such Bond shall be overdue, and neither the District nor the Bond Registrar shall be affected by notice to the contrary.

(c) Any consent, request, direction, approval, objection or other instrument required by this Resolution, as supplemented, to be signed and executed by the Owners may be in any number of concurrent writings of similar tenor and must be signed or executed by such Owners in person or by agent appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection or other instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Resolution as supplemented, and shall be conclusive with regard to any action taken by it under such request or other instrument, namely:

(1) The fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before him the execution thereof, or by an affidavit of any witness to such execution; and

(2) Subject to the provisions of Section 2.9(a) above, the fact of the ownership by any person of Bonds and the amounts and numbers of such Bonds, and the date of the holding of the same, may be proved by reference to the Bond Register.

Section 2.10 Series Resolutions - Override. Notwithstanding any provisions herein to the contrary, a Series Resolution authorizing the issuance of a series of Bonds may modify the terms of those Bonds, and the prescribed form thereof, in a manner inconsistent with this Article Two, and in such case the terms of the Series Resolution shall control as to the related series of Bonds; provided however, that the terms of the Series Resolution may not be such as to materially prejudice the interests of the Owners of Bonds then Outstanding in the opinion of the Bond Counsel, and as to Bonds secured by a Credit Facility, the Credit Facility Provider, provided that the terms of a Series Resolution permitted by Section 11.1 hereof shall be conclusively deemed to be terms which do not materially prejudice the interests of the Owners of Bonds then Outstanding.

#### *PART B - THE GLOBAL CERTIFICATES*

Section 2.11 Description of the Global Certificates and Global Book-Entry System. Unless otherwise provided in a Series Resolution, upon their original issuance any series of Bonds may be issued in the form of a single Global Certificate for each maturity (or for any specific portion of a maturity entitled to the benefit of a Credit Facility or with respect to which interest or principal is to be computed or paid differently than with respect to other Bonds of the same maturity), deposited with the Securities Depository by the Original Purchaser and immobilized as provided in Section 2.12. No beneficial owners of interests in such series of Bonds will receive certificates representing their respective interests in the Bonds except as provided in Section 2.12. Except as so provided, during the term of the Bonds, beneficial ownership (and subsequent transfers of beneficial ownership) of interests in the Global Certificates will be reflected by book entries made on the records of the Securities Depository and its

Participants and other banks, brokers, and dealers participating in the National System. The Securities Depository's book entries of beneficial ownership interests are authorized to be in increments of \$5,000 of principal of the Bonds (or, in the case of Capital Appreciation Bonds, in increments of \$5,000 Accreted Value at maturity and in the case of Deferred Interest Bonds, in increments of \$5,000 Appreciated Value at the Interest Commencement Date), but not smaller increments, despite the larger authorized denominations of the Global Certificates. Payment of principal of, premium, if any, and interest on the Global Certificates will be made to the Trustee and in turn by the Trustee to the Securities Depository or its nominee as registered owner of the Global Certificates, and the Securities Depository according to the laws and rules governing it will receive and forward payments on behalf of the beneficial owners of the Global Certificates.

Payment of principal of, premium, if any, and interest on a Global Certificate may be made by such method of transferring funds as may be requested by the Securities Depository for a Global Certificate and is acceptable to the Trustee.

Section 2.12 Immobilization of Global Certificates by the Securities Depository; Substitute Securities Depository; Replacement Bonds. Pursuant to the request of the Original Purchaser to the Securities Depository, immediately upon the original delivery of any series of Bonds the Original Purchaser will deposit the Global Certificates representing all of such series of Bonds with the Securities Depository. The Global Certificates shall be in typewritten form or otherwise as acceptable to the Securities Depository, shall be registered in the name of the Securities Depository or its nominee and shall be held immobilized from circulation at the offices of the Securities Depository on behalf of the Original Purchaser and subsequent bondowners. The Securities Depository or its nominee will be the sole Owner of record of the Global Certificates and no investor or other party purchasing, selling or otherwise transferring ownership of interests in any Bond is to receive, hold or deliver any Global Certificates so long as the Securities Depository holds the Global Certificates immobilized from circulation, except as provided below in this Section and in Section 2.14.

Global Certificates evidencing the Bonds may not, after their original delivery, be transferred or exchanged except:

(a) Upon registration of transfer of ownership of a Global Certificate, as provided in Sections 2.6 and 2.14;

(b) To any Substitute Securities Depository designated pursuant to Section 2.12(c), provided that any Substitute Securities Depository must be a qualified and registered "clearing agency" is provided in Section 17A of the Securities Exchange Act of 1934, as amended;

(c) To a Substitute Securities Depository designated by and acceptable to the District upon (i) the determination by the Securities Depository that the Bonds shall no longer be eligible for its depository services or (ii) a determination by the District that the Securities Depository is no longer able to carry out its functions, provided that any substitute depository must be qualified to act as such, as provided in Section 2.12(b); or

(d) To those persons to whom transfer is requested in written transfer instructions in the event that:

(1) the Securities Depository shall resign or discontinue its services for the Bonds and the District is unable to locate a Substitute Securities Depository within two (2) months following the resignation or determination of non-eligibility, or

(2) the District determines in its sole discretion that (A) the continuation of the book-entry system described herein, which precludes the issuance of certificates (other than Global Certificates) to any Owner other than the Securities Depository (or its nominee), might adversely affect the interests of the beneficial owners of the Bonds, or (B) that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds,

in either of which events the District shall notify Owners of its determination and of the availability of certificates (the "Replacement Bonds") to beneficial owners requesting the same and the registration, transfer and exchange of such Bonds will be conducted as provided in Sections 2.6 and 2.16 hereof.

In the event of a replacement of the Securities Depository as may be authorized by this section, the Bond Registrar upon presentation of Global Certificates shall register their transfer to the Substitute Securities Depository, and the Substitute Securities Depository shall be treated as the Securities Depository for all purposes and functions under this Resolution. The Securities Depository Letter Agreement shall not apply to a Substitute Securities Depository unless the Trustee and the Substitute Securities Depository so agree, and a similar agreement may be entered into.

Section 2.13 Redemption - Global Certificates. Upon a reduction in the aggregate principal amount of a Global Certificate, the Owner may make a notation of such redemption on the panel provided on the Global Certificate stating the amount so redeemed, or may return the Global Certificate to the Bond Registrar in exchange for a new Global Certificate authenticated by the Bond Registrar, in proper principal amount. Such notation, if made by the Owner, shall be for reference only, and may not be relied upon by any other person as being in any way determinative of the principal amount of such Global Certificate Outstanding, unless the Bond Registrar has signed the appropriate column of the panel.

For the purposes of giving notice in accordance with Section 2.2, the "Owner" of Global Certificates shall be the Securities Depository or its nominee if the Global Certificates are then registered in the name of the Securities Depository or its nominee. Notices to the Owner shall contain the CUSIP numbers of the Bonds. If there are any Owners of the Bonds other than the Securities Depository or its nominee, the Bond Registrar shall use its best efforts to deliver any such notice to the Securities Depository on the business day next preceding the date of mailing of such notice to all other Owners.

Section 2.14 Registration; Transfer; Exchange - Global Certificates. A Global Certificate shall be registered in the name of the payee on the books of the Bond Registrar by presenting the Global Certificate for registration to the Bond Registrar, who will endorse his or her name and note the date of registration opposite the name of the payee in the certificate of registration on the Global Certificate; provided however, that a Global Certificate may not be registered in blank or in the name of "bearer" or similar designation. Thereafter a Global Certificate may be transferred by delivery with an assignment duly executed by the Owner of his, her or its legal representative, and the District and Bond Registrar may treat the Owner as the person exclusively entitled to exercise all the rights and powers of an owner until a Global Certificate is presented with such assignment for registration of transfer, accompanied by assurance of the nature provided by law that the assignment is genuine and effective, and until such transfer is registered on said books and noted thereon by the Bond Registrar, all subject to the terms and conditions provided in this Resolution and to reasonable regulations of the District contained in any agreement with, or notice to, the Bond Registrar. Section 2.6 shall also apply to the registration, transfer and exchange of Global Certificates.

Global Certificates may not be exchanged for Global Certificates of smaller denominations except as provided in Section 2.13 upon a partial redemption.

Transfer of a Tax-Exempt Global Certificate may, at the direction of the District, be subject to other restrictions if required to qualify the Tax-Exempt Global Certificates as being "in registered form" within the meaning of Section 149(a) of the Code.

#### *PART C - THE NON-GLOBAL BONDS*

Section 2.15 Redemption - Non-Global Bonds. To effect a partial redemption of Non-Global Bonds having a common maturity date, the Trustee prior to giving notice of redemption shall assign to each Non-Global Bond having a common maturity date a distinctive number for each \$5,000 of the principal amount (or, in the case of Capital Appreciation Bonds, \$5,000 Accreted Value at maturity and in the case of Deferred Interest Bonds, in increments of \$5,000 Appreciated Value at the Interest Commencement Date) of such Non-Global Bond. The Trustee shall then select by lot, using such method of selection as it shall deem proper in its discretion, from the numbers so assigned to such Non-Global Bonds, as many numbers as, at \$5,000 of the principal amount (or Accreted Value at maturity or Appreciated Value at the Interest Commencement Date, as applicable) for each number, shall equal the principal amount (or Accreted Value at maturity or Appreciated Value at the Interest Commencement Date, as applicable) of such Non-Global Bonds to be redeemed. The Non-Global Bonds to be redeemed shall be the Non-Global Bonds to which were assigned numbers so selected; provided, however, that only so much of the principal amount of each such Non-Global Bond of a denomination of more than \$5,000 (or more than \$5,000 Accreted Value at maturity in the case of Capital Appreciation Bonds and in the case of Deferred Interest Bonds, in increments of \$5,000 Appreciated Value at the Interest Commencement Date) shall be redeemed as shall equal \$5,000 of principal amount (or Accreted Value at maturity or Appreciated Value at the Interest Commencement Date, as applicable) for each number assigned to it and so selected.

If a Non-Global Bond is to be redeemed only in part, it shall be surrendered to the Trustee (with, if the Trustee so requires, a written instrument of transfer in form satisfactory to the Bond Registrar duly executed by the Owner thereof or his, her or its attorney duly authorized in writing) and the District shall execute (if necessary) and the Trustee shall authenticate and deliver to the Owner of such Non-Global Bond, without service charge, a new Non-Global Bond or Bonds of the same series having the same stated maturity and interest rate of any authorized denomination or denominations, as requested by such Owner, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

If and to the extent that Bonds of the same series and maturity date are not all entitled to the benefit of the same Credit Facility or Bonds of the same series and maturity date provide for interest or principal to be computed or paid differently than with respect to other Bonds of the same series and maturity date, then each portion of such series of Bonds having the same maturity date but not secured by the same Credit Facility or providing for different computation or payment of principal and interest shall be treated as if such portion of such series of Bonds have a separate and distinct "maturity date" for purposes of selection for redemption as may be further provided in the Series Resolution authorizing the same.

Section 2.16 Registration; Transfer; Exchange - Non-Global Bond. Upon surrender for transfer of any Non-Global Bond at the principal office of the Bond Registrar, the District shall execute (if necessary), and the Trustee shall authenticate, insert the date of registration (as provided in Section 2.5) of, and deliver, in the name of the designated transferee or transferees, one or more new Non-Global Bonds of any authorized denomination or denominations of a like series and aggregate principal amount, having the same stated maturity and interest rate, as requested by the transferor; provided, however, that

no Tax-Exempt Bond may be registered in blank or in the name of "bearer" or similar designation. Whenever ownership of any Non-Global Bonds should be transferred without surrender of the Non-Global Bond for transfer or should be registered in nominee name only, the registered owner of the Non-Global Bond shall, if and to the extent required to preserve the exclusion from gross income of the interest on the Tax-Exempt Bonds and at the direction of the Bond Registrar, maintain for the Bond Registrar a record of the actual owner of the Non-Global Bond or of beneficial interests therein.

At the option of the Owner of a Non-Global Bond, such Bonds may be exchanged for Non-Global Bonds of any authorized denomination or denominations of a like series and aggregate principal amount and stated maturity, upon surrender of the Non-Global Bonds to be exchanged at the principal office of the Bond Registrar. Whenever any Non-Global Bonds are so surrendered for exchange, the District shall execute (if necessary), and the Bond Registrar shall authenticate, insert the date of registration of, and deliver the Non-Global Bonds which the Owner making the exchange is entitled to receive. Section 2.6 shall also apply to the registration, transfer and exchange of Non-Global Bonds.

If and to the extent that Bonds of the same series and maturity date are not all entitled to the benefit of the same Credit Facility or Bonds of the same series and maturity date provide for interest or principal to be computed or paid differently than with respect to other Bonds of the same series and maturity date, then each portion of such series of Bonds having the same maturity date but not secured by the same Credit Facility or providing for different computation or payment of principal and interest may be exchanged only for like Bonds of such series and maturities as may be further provided in the Series Resolution authorizing the same.

#### *PART D - OTHER BOND PROVISIONS*

##### Section 2.17 Variable Rate Bonds/Adjustable Rate Bonds.

(a) A Series Resolution may provide that a series of Bonds be issued as Variable Rate Bonds or as Adjustable Rate Bonds. In that case, the form of bond for a series of Variable Rate Bonds or Adjustable Rate Bonds shall be varied from the forms of bond contemplated by this Resolution, as appropriate to include therein provisions with respect to the rate of interest to be borne from time to time by such series of Variable Rate Bonds or Adjustable Rate Bonds, to provide for the conversion of a series of Variable Rate Bonds or Adjustable Rate Bonds to Fixed Interest Rate Bonds, and, if applicable, to provide for the purchase of Variable Rate Bonds or Adjustable Rate Bonds upon an optional or mandatory tender by an Owner thereof, or otherwise, as appropriate.

(b) If the District issues Variable Rate Bonds or Adjustable Rate Bonds, the District shall obtain the Credit Facility or Liquidity Facility or Qualified Swap Agreement for any series of Variable Rate Bonds or Adjustable Rate Bonds or any portion thereof.

(c) If and as further provided in the Series Resolution authorizing the issuance of a series of Variable Rate Bonds or Adjustable Rate Bonds, the District shall appoint a member of the National Association of Securities Dealers to remarket the Variable Rate Bonds or Adjustable Rate Bonds from time to time, and to perform such other duties as the District or the Trustee shall deem necessary or advisable, which duties may include determinations from time to time of the rate of interest to be borne by such series of Variable Rate Bonds or Adjustable Rate Bonds. Each such Remarketing Agent shall be appointed pursuant to the applicable Series Resolution, and the District shall enter into an agreement with such Remarketing Agent specifying the duties and obligations of the Remarketing Agent, and providing for compensation to the Remarketing Agent. The Trustee shall also be a party to the

Remarketing Agreement if necessary and the Trustee shall execute and deliver, or consent to, the Remarketing Agreement if directed to do so by the District.

(d) The provisions of this Resolution, as from time to time supplemented, pertinent to Variable Rate Bonds or Adjustable Rate Bonds shall apply only for so long as such Bonds bear interest subject to redetermination as provided therein and in the applicable Series Resolution. From and after the date on which such Bonds become obligations which bear interest at a single numerical rate for their remaining term, such Bonds shall be deemed Fixed Interest Rate Bonds subject only to the provisions hereof applicable to Fixed Interest Rate Bonds.

Section 2.18 Capital Appreciation Bonds/Deferred Interest Bonds.

(a) A Series Resolution may provide that a series of Bonds, or any portion thereof, may be issued as Capital Appreciation Bonds or Deferred Interest Bonds, in which case the Series Resolution authorizing the issuance of the Capital Appreciation Bonds or Deferred Interest Bonds and the form of Bond shall include therein appropriate provisions with respect to the accrual and compounding of interest and other provisions determined to be necessary or desirable. The Series Resolution authorizing the issuance of Capital Appreciation Bonds shall further specify the Accreted Value of such Capital Appreciation Bonds as of specified dates from the date of issue to maturity. The Series Resolution authorizing the issuance of Deferred Interest Bonds shall further specify the Interest Commencement Date and the Appreciated Value of such Deferred Interest Bonds as of specified dates from date of issue to the Interest Commencement Date.

(b) Unless provided to the contrary in the Series Resolution authorizing the issuance of Deferred Interest Bonds, on and after the Interest Commencement Date any such Deferred Interest Bonds shall be treated as Current Interest Bonds.

Section 2.19 Credit Facilities. Nothing in this Resolution or any Series Resolution shall be construed to limit the right of the District to obtain a Credit Facility for the benefit of the Owners of all or any portion of any series of Bonds issued hereunder. The terms and conditions for each such Credit Facility shall be set forth in the applicable Series Resolution and in the related Credit Agreement. Each Credit Facility shall be held by the Trustee for the sole and exclusive benefit of the Owners of the series of Bonds (or specific Bonds within such series) secured by such Credit Facility, and such Credit Facility shall not be in asset available for the benefit of the Owners of any other Bonds.

Section 2.20 Mandatory Purchase; Tender. The Bonds of any series or any portion thereof, may be subject to mandatory purchase by the District on a specified date or dates, or may be subject to purchase upon tender thereof by the Owners on a specified date or dates. The dates on which Bonds of a series, or any portion thereof, shall be purchased, or may be tendered for purchase, shall be set forth in the related Series Resolution and in the form of such Bonds. If the Series Resolution contemplates that the Bonds shall be remarketed upon purchase or tender for purchase, the District shall make appropriate arrangements with the Trustee or a Remarketing Agent for remarketing of the Bonds, and for related services which may include redetermining the rate of interest to be borne by such Bonds from time to time or upon remarketing. No purchase of any Bond in connection with a tender thereof, whether such purchase is made by a Credit Facility Provider, a remarketing agent, a Fiduciary, the District or any other person or entity, shall be treated as a payment of the principal amount of the tendered Bond for the purpose of any statutory limitation on the issuance of bonds or notes by the District.

The District may also retain the services of an independent entity to make such interest rate determinations. The District may retain the services of the Trustee or other Fiduciary in connection with

the purchase or tender of Bonds and the payment of the purchase price thereof, including payment from the proceeds of a Credit Facility.

Any moneys held or accumulated with the Trustee to fulfill the District's obligation to purchase Bonds shall be held in a separate subaccount in the Purchase Account in the applicable Bond Fund, which subaccount shall be designated to clearly identify the series of Bonds or any portion thereof for which it is established, and the Owners of the Bonds, other than the Owners of the series of Bonds or any portion thereof to which such subaccount relates, shall have no claim thereon.

If and to the extent the District is required to segregate or otherwise set aside moneys from Tax Revenues in connection with an obligation of the District to purchase Bonds upon tender or demand, such obligation shall be expressly subordinated to the District's obligation to pay debt service when due on all Bonds Outstanding.

### ARTICLE THREE

#### COVENANTS OF THE DISTRICT

Section 3.1 Compliance with Requirements of the Act. The District covenants and agrees that it will faithfully and diligently observe and comply with the requirements of all laws, and in particular the Act, applicable to the Bonds.

Section 3.2 Extension of Payment of Bonds. The District shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of interest. Nothing herein shall be deemed to limit the right of the District to issue refunding bonds and such issuance shall not be deemed to constitute an extension of maturity of Bonds.

Section 3.3 Offices for Servicing Bonds. The District shall at all times cause the Trustee to maintain one or more offices in the City of Milwaukee, Wisconsin, where Bonds may be presented for payment and where Bonds may be presented for registration, transfer or exchange, and where notices, demands and other documents may be served upon the District in respect of the Bonds or this Resolution.

Section 3.4 Power to Issue Bonds and to Pledge and Assign Tax Revenues and Other Funds. The District is duly authorized under all applicable laws, including but not limited to the Act, to create and issue the Bonds and to execute and deliver this Resolution and to pledge and assign and grant liens and security interests in the Tax Revenues and other moneys, securities and funds as contemplated by this Resolution in the manner and to the extent provided in this Resolution. The Tax Revenues and other moneys, securities and funds so pledged and assigned are and will be free and clear of any pledge, lien, security interest, charge or encumbrance thereon or with respect thereto, other than the pledge, assignment, lien and security interest created by this Resolution, and all necessary corporate action on the part of the District to that end has been duly and validly taken. The Bonds and the provisions of this Resolution are and will be the valid and legally enforceable obligations of the District in accordance with their terms. The District shall at all times, to the extent permitted by law, defend, preserve and protect the pledge, assignment, lien and security interest in and on the Tax Revenues and other moneys, securities and funds pledged and granted under this Resolution and all the rights of the Bondowners under this Resolution against all claims and demands of all persons whomsoever.

Section 3.5 Creation of Liens. Unless the pledge, assignment, lien and security interest created in this Resolution shall be discharged and satisfied as provided in Section 8.1, the District shall

not issue any bonds, notes, debentures, or other evidences of indebtedness of similar nature, other than Additional Bonds, payable out of or secured by a pledge or assignment of or lien or security interest in any of the Trust Estate, or create or cause to be created any other pledge or assignment of, or lien, charge or encumbrance on, any of the Trust Estate. The District reserves the right to issue such other bonds or other indebtedness payable from and secured by its operating revenues or other funds or sources other than the Trust Estate.

The District agrees that it will not create or suffer to be created or exist any mortgage, lien or encumbrance upon its interest in the Project or any other real property, buildings or fixtures now owned or hereafter acquired by it with proceeds of Bonds.

Section 3.6 Irrevocable Direction to State Treasurer and Secretary of State Department of Revenue to Pay Tax Revenues to Trustee.

(a) So long as there are any Bonds Outstanding under this Resolution, the District hereby irrevocably and unconditionally requests and directs the State Treasurer and Secretary of the State Department of Revenue to pay directly to the Trustee (by wire transfer) any and all amounts payable to the District from Tax Revenues.

(b) To evidence the request and direction in (a) above, on or prior to the date of issuance of any Bonds, the District shall deliver a certificate of the District, signed by the Chairman, irrevocably and unconditionally requesting and directing the State Treasurer and Secretary of the State Department of Revenue to make the payments to the Trustee as provided in (a) above.

(c) Any Tax Revenues received by the Trustee pursuant to the request and direction described in this Section 3.6 shall be applied as provided in Article Four of this Resolution.

Section 3.7 Moral Obligation. The Junior Debt Service Reserve Fund is hereby designated a "special debt service reserve fund" for the purposes of Section 229.50 of the Wisconsin Statutes. In the event a resort to the State moral obligation pledge is required pursuant to Section 4.8(a)(7), the District covenants that it shall, within five Business Days after notice, (a) certify as required under Section 229.50(7) of the Wisconsin Statutes to the Governor of the State, the State Secretary of Administration, the Joint Committee on Finance of the State Legislature, and the Common Council of the City of Milwaukee, the amount necessary to restore the Junior Debt Service Reserve Fund to the Junior Debt Service Reserve Fund Requirement, and (b) do everything necessary to be done by the District pursuant to Section 229.50 of the Wisconsin Statutes to restore the Junior Debt Service Reserve Fund to the Junior Debt Service Reserve Fund Requirement.

Section 3.8 Tax Resolutions. The District covenants that it shall neither do nor suffer anything to be done that will have the effect of reducing the Tax Revenues to be collected pursuant to the Tax Resolutions, or of reducing the rate of tax provided for in the Tax Resolutions. If any resort is made to the State moral obligation pursuant to Section 4.8(a)(7) or if, immediately following any Payment Date, the amount on deposit in the Junior Debt Service Reserve Fund shall be less than the Junior Debt Service Reserve Fund Requirement and as set forth in Section 229.50(5) of the Wisconsin Statutes, then the District shall immediately notify the Secretary of the State Department of Administration and the Secretary of the State Department of Revenue of the amount of such deficiency so that the increase in tax rates for the hotel-motel room taxes and food and beverage taxes provided in the Tax Levy Resolution shall be immediately effective as provided therein; and if any payment shall be made to the State Contribution Account of the Junior Debt Service Reserve Fund by the State of Wisconsin pursuant to Section 229.50(7) of the Wisconsin Statutes, then the District shall immediately notify the Secretary of

the State Department of Administration and the Secretary of the State Department of Revenue of the amount of such payment so that the tax rate for the rental car tax shall be immediately increased as provided in the Tax Levy Resolution.

Section 3.9 Payment of Principal, Premium and Interest. Solely from the moneys derived from the Tax Revenues and amounts otherwise available from the Trust Estate, the District will duly and punctually pay the principal of, premium, if any, and interest on the Bonds in accordance with the terms of the Bonds and this Resolution. The moneys and other assets pledged hereby shall include all moneys derived from the sources identified in the Granting Clauses set forth herein and in each Series Resolution, including, but not limited to, Trust Moneys deposited in the Funds and Accounts established under Article Four herein to the extent and in the manner provided in said Article. Nothing in the Bonds or in this Resolution shall be considered as assigning or pledging funds or assets of the District other than those covered by the Granting Clauses set forth herein and in each Series Resolution.

Section 3.10 Performance of and Authority for Covenants. The District covenants that it will faithfully perform at all times any and all of its covenants, undertakings, stipulations and provisions contained in this Resolution and each Series Resolution, in any and every Bond executed, authenticated and delivered hereunder and in all proceedings of its governing body pertaining thereto; that it is duly authorized under the Constitution and laws of the State, including particularly and without limitation the Act, to issue the Bonds authorized hereby, to execute this Resolution, to assign and pledge the Tax Revenues and Trust Estate in the manner and to the extent herein set forth; that any action on its part for the issuance of the Bonds and the execution and delivery of this Resolution has been or will be duly and effectively taken; and that the Bonds in the hands of the Owners thereof are and will be valid and enforceable special limited obligations of the District according to the terms thereof.

Section 3.11 Instruments of Further Assurance. The District covenants that it has not made, done, executed or suffered, and will not make, do, execute or suffer, any act or thing whereby its interest in the Tax Revenues or Trust Estate or any part thereof is now or at any time hereafter impaired, changed or encumbered in any manner whatsoever, except as may be expressly permitted herein; and that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such instruments supplemental hereto and such further acts, instruments and transfers as the Trustee may reasonably require for the better assuring, transferring, pledging, assigning and confirming unto the Trustee all and singular the sums assigned and pledged hereby to the payment of the principal of and interest on the Bonds.

Section 3.12 Recording and Filing. The Trustee covenants that solely from available moneys paid to it for this purpose it will cause this Resolution, all supplements thereto and all related financing statements, to be kept, recorded and filed in such manner and in such places as may be required by law in order to preserve and protect fully the security of the Owners of the Bonds and the rights of the Trustee hereunder and under any other instruments aforesaid.

Section 3.13 Books and Records. So long as any Outstanding Bonds issued hereunder and secured by this Resolution shall be unpaid, the Trustee will keep proper books or records and accounts, in which full, true and correct entries will be made of all its financial dealings or transactions in relation to the Projects, this Resolution, and the Related Agreements. At reasonable times and under reasonable regulations established by the Trustee, such books shall be open to the inspection of the Original Purchaser(s), the Owners (subject to the provisions of Section 3.14 hereof) and such accountants or other agents as the Trustee may from time to time designate.

Section 3.14 Bondowners' Access to Bond Register. At reasonable times and under reasonable regulations established by the Trustee, the Bond Register or a copy thereof may be inspected and copied by Owners (or a designated representative thereof) of twenty-five percent (25%) or more in principal amount of the Bonds then Outstanding, such authority of any such designated representative to be evidenced to the satisfaction of the Trustee. Except as otherwise may be provided by law, the Bond Register shall not be deemed a public record and shall not be made available for inspection by the public, unless and until notice to the contrary is given to the Trustee by the District.

Section 3.15 Rights of Credit Facility Providers. This Resolution contemplates that Credit Facilities will secure all or some series of Bonds, or portions thereof, and that the District will accept and deposit with the Trustee the related Credit Facilities, and will enter into related Credit Agreements and Related Agreements. The District hereby covenants to keep and abide by and comply with all agreements on its part expressed therein, and to pay to each Credit Facility Provider, but only from Tax Revenues and the Trust Estate, all amounts due to such Credit Facility Provider in accordance with the terms of the applicable Credit Agreement and Related Agreements related thereto. The Trustee similarly covenants and agrees to keep, abide by and comply with all provisions of Credit Agreements, Credit Facilities and Related Agreements applicable to it or its duties as Trustee hereunder, and to pay to each Credit Facility Provider, but only from trust funds available hereunder, amounts owed by the District to such Credit Facility Provider.

#### ARTICLE FOUR

#### FUNDS AND ACCOUNTS

##### Section 4.1 Creation of Funds and Accounts.

(a) The following funds and accounts are hereby established with the Trustee, to be held and administered as Trust Funds (unless otherwise indicated herein) under and pursuant to the terms of this Resolution:

- (1) Cost of Issuance Fund
- (2) Project Fund
  - (A) Refunding Account
  - (B) Acquisition Account
  - (C) Phase I Construction Account
  - (D) Phase II Construction Account
  - (E) Capitalized Interest Account
  - (F) Insurance Proceeds Account

- (3) Revenue Fund
  - (A) General Account
  - (B) Restricted Tax Revenues Account
  - (C) Unrestricted Tax Revenues Account
- (4) Senior Bond Fund
  - (A) Senior Interest Account
  - (B) Senior Principal Account
  - (C) Senior Bond Expense Account
  - (D) Senior Credit Facility Account (with respect to each Credit Facility which is not a Debt Service Reserve Fund Credit Facility)
  - (E) Senior Purchase Account
- (5) Junior Bond Fund
  - (A) Junior Interest Account
  - (B) Junior Principal Account
  - (C) Junior Bond Expense Account
  - (D) Junior Credit Facility Account (with respect to each Credit Facility which is not a Debt Service Reserve Fund Credit Facility)
  - (E) Junior Purchase Account
- (6) Senior Debt Service Reserve Fund
  - (A) Senior Bond Proceeds Account
  - (B) Senior Debt Service Reserve Credit Facility Account
  - (C) Senior District Contribution Account
- (7) Junior Debt Service Reserve Fund
  - (A) Junior Bond Proceeds Account
  - (B) Junior Debt Service Reserve Credit Facility Account

- (C) Junior District Contribution Account
- (D) State Contribution Account
- (8) Special Redemption Fund
- (9) Rebate Fund (which shall not be a Trust Fund)
- (10) Operating Fund (which shall not be a Trust Fund)
  - (A) Operating Reserve Account
  - (B) Capital Maintenance Account
  - (C) Surplus Account

(b) In addition to the foregoing, the District may create in a Series Resolution additional funds and accounts that do not conflict with the terms of this General Resolution.

(c) All moneys received by the Trustee as provided herein or in a Series Resolution to be held in a Trust Fund, including but not limited to, Tax Revenues and investment income of all moneys held by the Trustee under this Resolution in Trust Funds (all such moneys being sometimes called "Trust Moneys") shall be held by the Trustee as part of the Trust Estate and shall be applied as provided herein and in a Series Resolution.

(d) Notwithstanding anything herein to the contrary, a Series Resolution may provide with respect to any Bonds which are, at the relevant time, secured by a Credit Facility that moneys for the payment of principal or redemption price of, premium, if any, and interest on such Bonds shall be drawn from the Credit Facility, and in connection therewith a Series Resolution which creates such Bonds may provide for application of Trust Moneys in related Accounts in the applicable Bond Fund to reimburse the Credit Facility Provider for such drawing on a parity with principal and interest payments on Bonds if required or permitted by a Rating Agency in connection with the award of a credit rating for such Bonds.

(e) Notwithstanding anything herein to the contrary, a Series Resolution may, with respect to any Qualified Swap Agreement which was executed and delivered in connection with any one or more series of Bonds and to which reference was made in the Series Resolution creating such series of Bonds, provide for application of Trust Moneys in the related Accounts in the applicable Bond Fund to make any required net payments due under such Qualified Swap Agreement on a parity with interest payments on Bonds if required or permitted by a Rating Agency in connection with the award of a credit rating to such Bonds.

(f) The District or Trustee may establish one or more subaccounts within any of the foregoing Funds or Accounts in order to provide for the proper administration of and accounting for the moneys and securities held therein, and the Trustee shall establish such subaccounts to the extent required by a Series Resolution.

Section 4.2 Cost of Issuance Fund.

(a) The Trustee may establish within the Cost of Issuance Fund a separate, segregated account for the benefit of one or more series of Bonds as provided in the Series Resolution creating such series of Bonds. There shall be deposited in the Cost of Issuance Fund, from the proceeds of each series of Bonds, the amount specified pursuant to the Series Resolution creating such account. Further deposits to the Cost of Issuance Fund may be made from time to time as the District shall determine from any lawful source including from any account in the Project Fund as provided in Section 4.3(b) hereof.

(b) Amounts from time to time on deposit in the Cost of Issuance Fund shall be disbursed to or upon the order of the District to pay the costs of issuance of a series of Bonds.

(c) The Trustee shall disburse funds from the Cost of Issuance Fund upon receipt of a requisition or certificate of a District Representative in form satisfactory to the Trustee specifying the amount to be disbursed, the payee of each such amount, and the purpose of each such payment.

(d) On the date which is one hundred eighty (180) days following the date of the Bond Closing of each series of Bonds, any funds remaining in the Cost of Issuance Fund deposited from or on account of such series of Bonds shall be transferred to the Account in the Project Fund designated by a certificate delivered by the District to the Trustee, except that the District may, by certificate delivered to the Trustee on or before such 180th day, direct transfer earlier than such date, or direct the Trustee to retain moneys in the Cost of Issuance Fund after such date, or (if the moneys are not derived from the proceeds of the applicable series of Bonds) direct transfer to a person or Fund or Account other than the Project Fund.

Section 4.3 Project Fund.

(a) Proceeds of one or more series of Bonds issued for a specific purpose or project shall be deposited within the accounts of the Project Fund as specified in the related Series Resolution and permitted by the Act. All amounts realized by investment of moneys on deposit in the several accounts within the Project Fund shall be credited to each respective account.

(b) The Trustee shall disburse funds from the several accounts within the Project Fund upon receipt of a requisition or certificate of a District Representative in form satisfactory to the Trustee specifying as follows:

- (1) The account within the Project Fund from which the requisition is requested;
- (2) The amount to be disbursed;
- (3) The payee(s) of such amount;
- (4) The purpose of each such payment; and
- (5) The following certifications:

(A) that the amount requisitioned will be applied to pay or reimburse the District for payment and cost of the Project financed from the proceeds of the applicable series of Bonds;

(B) that the requisition will not violate any covenant or agreement with respect to Tax-Exempt Bonds contained in Article Six hereof; and

(C) costs being paid are eligible to be financed with Bond proceeds under the Act.

(c) Notwithstanding the foregoing, funds may be transferred from the Project Fund to the Cost of Issuance Fund, or between accounts within the Project Fund, upon receipt by the Trustee of a written certificate of the District.

(d) The completion of any project (including the Project) financed by one or more series of Bonds shall be evidenced by a certificate of completion issued by the District and delivered to the Trustee, supported by certificates from the construction manager or the project architect/engineer stating the amount, if any, required for the payment of any remaining costs financed by such series of Bonds. Thereafter, the balance in the Project Fund related to such project in excess of the amount, if any, stated in such certificate shall be applied by the Trustee as provided in Section 4.3(e) and the applicable Series Resolution. Thereafter, if the District shall deliver a certificate to the Trustee, stating that part or all of the amount retained in the Project Fund pursuant to this Section 4.3(d) is no longer required for the payment of any remaining costs financed by such series of Bonds, the Trustee shall also apply any such excess amount as provided in Section 4.3(e) and the applicable Series Resolution.

(e) The proceeds of any series of Bonds (and any earnings thereon) in the Project Fund in excess of the amount required to pay all costs financed thereby shall be transferred to the Special Redemption Fund, and shall thereafter be promptly applied pursuant to Section 8.3 of this Resolution to cause Bonds to be deemed paid as provided in Article Eight hereof and any applicable provision of the related Series Resolution; provided that the excess proceeds of Taxable Bonds, or of Tax-Exempt Bonds (if the District has received an opinion of Bond Counsel to the effect that such transfer will not impair the tax-exempt status of such Tax-Exempt Bonds), may be transferred to such other Fund or Account as the District may direct to the extent not prohibited by a Series Resolution. Any amounts on deposit in the Project Fund in excess of the amount required to pay all costs financed by the related series of Bonds shall, to the extent such amounts are attributable to a source other than the proceeds of Bonds or earnings thereon, be transferred or applied as directed by the District. Prior to any transfer from the Project Fund of the proceeds of any series of Tax-Exempt Bonds (or earnings thereon) contemplated by this Section 4.3(e), the Trustee shall cause the District to cause a Rebate Expert to calculate the Rebate Amount, if any, attributable to the investment of funds in the appropriate Account in the Project Fund, and shall transfer the Rebate Amount so calculated to the Rebate Fund prior to transferring any remaining moneys as provided herein. Notwithstanding anything herein to the contrary, Rebate Amounts attributable to Tax-Exempt Bonds and on deposit in the Project Fund shall be transferred to the Rebate Fund.

(f) Capitalized Interest Account. Except as provided in a Series Resolution with respect to a series of Bonds, to the extent available therein, on each Quarterly Transfer Date and Interest Payment Date, the Trustee shall transfer from the Capitalized Interest Account to any related Interest Account the amount of interest required to be transferred pursuant to Section 4.4(d)(1) and (6) hereof and any applicable Series Resolution, which transfer shall be credited against the transfer then due from the Revenue Fund. Investment income on amounts held in the Capitalized Interest Account (net of investment losses and amounts required to be transferred to the Rebate Fund) shall be credited to the Capitalized Interest Account.

(g) Insurance Proceeds Account. The proceeds of any condemnation award of insurance claim in excess of \$100,000 received by the District shall be deposited into the Insurance Proceeds

Account and shall be withdrawn only as provided in this Section 4.3. If the Project is damaged, destroyed or taken by exercise of the power of eminent domain, and the District exercises its option, if any, to direct the Trustee to call for redemption all or part of Outstanding Bonds as may be provided in any Series Resolution, the Trustee shall, as soon as possible, give a notice of redemption for such Bonds. Upon the exercise of any such option by the District, and upon receipt of an opinion of Bond Counsel that all necessary steps have been taken, then the Trustee shall apply proceeds net of compensation and reimbursement to the Trustee, for the purpose of redeeming and paying the Bonds to be redeemed, with interest accrued thereon.

If the conditions for redemption of Bonds do not exist, the District shall restore the Project as nearly as practicable to its condition prior to any such casualty or condemnation, and may requisition funds from the Insurance Proceeds Account as provided in Section 4.3(b) hereof; provided that the Trustee shall have received the following items prior to any such disbursement from the Insurance Proceeds Account to pay such cost:

- (1) Plans and specifications for restoration of the Project; and
- (2) The contract or contracts for the furnishing of the work and materials necessary for restoration in accordance with the plans and specifications.

Section 4.4 Revenue Fund.

(a) All moneys, other than Tax Revenues, deposited into the Revenue Fund shall be deposited into the General Account.

(b) All Restricted Tax Revenues shall upon receipt be deposited into the Restricted Tax Revenues Account.

(c) All Unrestricted Tax Revenues shall upon receipt be deposited into the Unrestricted Tax Revenues Account.

(d) Tax Revenues and other moneys deposited in the Revenue Fund shall be transferred on each Quarterly Transfer Date and Payment Date to the other Funds and Accounts hereunder in the order set forth below:

- (1) To the Senior Interest Account, an amount sufficient to cause the amount on deposit in such Account to equal the Quarterly Requirement;
- (2) To the Senior Principal Account, an amount sufficient to cause the amount on deposit in such Account to equal the Quarterly Requirement;
- (3) To the Senior Bond Expense Account, an amount sufficient to cause the amount on deposit in such Account to equal the Quarterly Requirement;
- (4) To the Senior Debt Service Reserve Fund, an amount sufficient to cause the amount on deposit in such Account to equal the Senior Debt Service Reserve Fund Requirement;
- (5) To any Senior Credit Facility Account in the Senior Bond Fund, an amount sufficient to pay any principal or interest then owing to a Credit Provider under the applicable

Series Resolution and Credit Agreement by reason of any drawing of amounts under the related Credit Facility;

(6) To the Junior Interest Account, an amount sufficient to cause the amount on deposit in such Account to equal the Quarterly Requirement;

(7) To the Junior Principal Account, an amount sufficient to cause the amount on deposit in such Account to equal the Quarterly Requirement;

(8) To the Junior Bond Expense Account, an amount sufficient to cause the amount on deposit in such Account to equal the Quarterly Requirement;

(9) To the Junior Debt Service Reserve Fund, an amount sufficient to cause the amount on deposit in such Account to equal the Junior Debt Service Reserve Fund Requirement;

(10) To any Junior Credit Facility Account in the Junior Bond Fund, an amount sufficient to pay any principal or interest then owing to a Credit Provider under the applicable Series Resolution and Credit Agreement by reason of any drawing of amounts under the related Credit Facility;

(11) To the Special Redemption Fund, as directed in a certificate of a District Representative; and

(12) To the Operating Fund, provided that no Restricted Tax Revenues may be transferred to the Operating Fund.

(e) On each Quarterly Transfer Date and Payment Date, funds in the Restricted Tax Revenues Account shall be expended first, funds in the General Account shall be expended second, and funds in the Unrestricted Tax Revenues Account shall be expended third.

Section 4.5 Senior Bond Fund and Accounts Therein. There shall be deposited into the accounts of the Senior Bond Fund all amounts required to be transferred thereto as provided in Section 4.4, together with such additional amounts to be deposited into various specified Accounts within the Senior Bond Fund as described herein.

(a) Senior Interest Account.

(1) There shall be deposited in the applicable Senior Interest Account in the Senior Bond Fund, upon issuance of each series of Senior Bonds, the amount of accrued interest received from the Original Purchaser thereof, as provided in the applicable Series Resolution.

(2) There shall be transferred to the Senior Interest Account, on each Quarterly Transfer Date and Interest Payment Date, the amount required to be transferred from the Revenue Fund pursuant to Section 4.4(d)(1) hereof. If on any Interest Payment Date there are not sufficient amounts on deposit in the Senior Interest Account to pay the total amount of interest coming due on the Senior Bonds on such Interest Payment Date, the Trustee shall forthwith transfer to the Senior Interest Account from other Funds and Accounts, funds on deposit in such Funds and Accounts in the order listed in Section 4.5(f)(1) hereof, until the amount so transferred equals the amount of the deficiency. Interest income derived from the investment of amounts on deposit in the Senior Interest Account shall remain in the Senior Interest Account and shall be

credited against the amount next due to be transferred to the Senior Interest Account from the Revenue Fund pursuant to Section 4.4(d)(1) hereof. Notwithstanding the foregoing, any Rebate Amount on deposit in the Senior Interest Account shall be transferred to the Rebate Fund at the direction of the District.

(3) On each Interest Payment Date the Trustee shall withdraw from the Senior Interest Account an amount sufficient to pay the interest coming due on the Senior Bonds on such Interest Payment Date and shall use such amounts to pay, or make provision with the Paying Agent for the payment of, interest on the Senior Bonds on such Interest Payment Date; provided however, that if and to the extent payment of interest on the Senior Bonds, or any series thereof or specific portion thereof, shall be made from moneys drawn under a Credit Facility (other than a Debt Service Reserve Fund Credit Facility), the Trustee shall transfer to the subaccount in the Senior Credit Facility Account relating to such a series of Senior Bonds or specific portion thereof and remit to the Credit Facility Provider from said subaccount in the Senior Credit Facility Account, on the Interest Payment Date, all moneys replaced by Credit Facility proceeds or otherwise apply such moneys as provided in the related Series Resolution, Credit Agreement or a Related Agreement.

(b) Senior Principal Account.

(1) There shall be transferred to the Senior Principal Account, on each Quarterly Transfer Date and Principal Payment Date, the amount required to be transferred from the Revenue Fund pursuant to Section 4.4(d)(2) hereof. If on any Principal Payment Date there are not sufficient amounts on deposit in the Senior Principal Account to pay the total amount of principal coming due on the Senior Bonds on such Principal Payment Date, the Trustee shall forthwith transfer to the Senior Principal Account from other Funds and Accounts, funds on deposit in such Funds and Accounts in the order listed in Section 4.5(f)(1) hereof, until the amount so transferred equals the amount of the deficiency. All interest income derived from the investment of amounts on deposit in the Senior Principal Account shall be transferred on each Quarterly Transfer Date and Interest Payment Date to the Senior Interest Account and applied as a credit against the amount next due to be transferred to the Senior Interest Account from the Revenue Fund. Notwithstanding the foregoing, any Rebate Amount on deposit in the Senior Principal Account shall be transferred to the Rebate Fund at the direction of the District.

(2) On or before each Principal Payment Date, the Trustee shall withdraw from the Senior Principal Account an amount sufficient to pay the scheduled principal coming due on the Senior Bonds on such Principal Payment Date, and shall use such amounts to pay, or make provision with the Paying Agents for the payment of, principal of the Senior Bonds on such Principal Payment Date, whether by reason of Stated Maturity or by reason of Mandatory Sinking Fund Requirements applicable to any Senior Term Bonds; provided, however, that if and to the extent payment of principal coming due on the Senior Bonds, or any series thereof or specific portion thereof, shall be made from moneys drawn under a Credit Facility (other than a Debt Service Reserve Fund Credit Facility), the Trustee shall transfer to the subaccount within the Senior Credit Facility Account related to such series of Senior Bonds or specific portion thereof and remit to the Credit Facility Provider from said subaccount within the Senior Credit Facility Account, on the Principal Payment Date on which payment is made, all moneys then on deposit in the Senior Principal Account replaced by Credit Facility proceeds or otherwise apply such moneys as provided in the related Series Resolution, Credit Agreement or Related Agreement.

(c) Senior Bond Expense Account.

(1) The Trustee shall transfer from the Revenue Fund to the Senior Bond Expense Account on each Quarterly Transfer Date and Payment Date the amounts directed by Section 4.4(d)(3) hereof for the payment of amounts therein specified. The Trustee may rely in good faith upon written directions of the District as to the amount to be transferred to the Senior Bond Expense Account, or disbursed therefrom to any payee, to the extent the Trustee has not previously been provided with the information necessary to make such a determination. The amount disbursed from the Senior Bond Expense Account to the Trustee (as Trustee, Paying Agent, Bond Registrar, or in any other capacity) shall not exceed the amount agreed to by the District as the compensation due to the Trustee for its services. For payees other than the Trustee, the amount disbursed to any payee shall be the amount agreed to by the District in writing, or if no agreement exists or is applicable, in the amount directed in writing by the District.

(2) All income derived from the investment of amounts on deposit in the Senior Bond Expense Account shall be transferred to the General Account. Notwithstanding the foregoing, any Rebate Amount on deposit in the Senior Bond Expense Account shall be transferred to the Rebate Fund.

(d) Senior Credit Facility Account.

(1) To the extent so provided in the applicable Series Resolution, the Trustee shall create a separate Senior Credit Facility Account within the Senior Bond Fund for each series of Senior Bonds (or specific Senior Bonds within a series) secured by a Credit Facility which is not a Debt Service Reserve Fund Credit Facility. In addition, for any Credit Facility which constitutes a bond insurance policy or similar instrument pursuant to which the Credit Facility Provider is entitled to subrogation rights as to amounts paid to Bondowners secured thereby, the Series Resolution relating thereto may provide for payment directly to such Credit Facility Provider of available amounts in the Senior Principal Account and Senior Interest Account by reason of such subrogation rather than establishing a Senior Credit Facility Account and requiring a transfer of such amounts thereto prior to payment of such amounts to such a Credit Facility Provider.

(2) All amounts drawn under a Credit Facility for which a Senior Credit Facility Account is established under this Section 4.5(d) to pay the principal or redemption price of, purchase price of, premium, if any, and interest on, any series of Senior Bonds or a specific portion thereof, shall be deposited in the related Senior Principal Account, Senior Interest Account, Special Redemption Fund, Senior Purchase Account or other Account created under the related Series Resolution, and the Trustee shall apply such amounts to the purpose for which they were drawn, as further provided in the related Series Resolution, Credit Agreement and Related Agreements. Promptly upon such deposit and application, the Trustee shall transfer from the appropriate Fund or Account to the applicable Senior Credit Facility Account all Tax Revenues or other amounts replaced by Credit Facility proceeds or such Tax Revenues, or other amounts which become available by reason of the application of such Credit Facility proceeds as provided in the Series Resolution, all of which amounts shall not exceed the amounts drawn on the Credit Facility and deposited pursuant to the first sentence of this Section 4.5(d)(2) plus interest thereon at a rate which is the lesser of (a) the interest rate specified in the Credit Agreement or (b) the interest rate or rates on the Senior Bonds paid with the proceeds of the Credit Facility. The Trustee shall remit such amounts from the applicable Senior Credit Facility Account to the

applicable Credit Facility Provider as shall be provided in the related Series Resolution or Credit Agreement.

(3) The proceeds of any Credit Facility (other than a Debt Service Reserve Fund Credit Facility) issued in connection with and for the benefit of any series of Senior Bonds (or specific Senior Bonds within a series) shall be deposited as provided in this Section 4.5(d) and the Series Resolution for the related series of Senior Bonds (or specific Senior Bonds within a series) and shall be transferred and/or applied solely for the benefit of the Bondowners of the series of Senior Bonds (or specific Senior Bonds within a series) to which the Credit Facility relates; and accordingly, the Owners of the Senior Bonds of any other series shall not be entitled to the benefit of, or receive, the proceeds of a Credit Facility which does not secure the Senior Bonds held by Owners.

(4) The provisions of this Section 4.5(d) are subject in all respects to the terms and conditions of each Credit Facility, Credit Agreement, Related Agreements and the related Series Resolution.

(e) Senior Purchase Account.

(1) The Trustee shall deposit funds in the Senior Purchase Account as follows and as provided in any Series Resolution:

(A) the proceeds of remarketing of Senior Bonds, except to the extent such proceeds are required by the terms of a Series Resolution and related Remarketing Agreement to be paid to Bondowners selling such Senior Bonds or to a Credit Facility Provider which has provided the funds required to purchase Senior Bonds;

(B) funds provided by a Credit Facility Provider to purchase Senior Bonds;

(C) other funds provided to the Trustee by the District or any other person accompanied by a written direction to deposit such funds in the Senior Purchase Account; and

(D) any other funds required to be so deposited by a Series Resolution.

(2) Funds from time to time held in the Senior Purchase Account shall be disbursed therefrom as provided in the related Series Resolution, or as directed in writing by the District, which direction may not be inconsistent with the other provisions of this Resolution or the applicable related Series Resolution.

(3) All income derived from the investment of amounts on deposit in the Senior Purchase Account shall be transferred to the General Account. Notwithstanding the foregoing, any Rebate Amount on deposit in the Senior Purchase Account shall be transferred to the Rebate Fund.

(f) Deficiencies in the Senior Interest Account or Senior Principal Account.

(1) In the event, on a Payment Date, the amount then on deposit in the Senior Interest Account or the Senior Principal Account is not sufficient to pay to the Owners of the Senior Bonds the full amount of interest on and principal of all Outstanding Senior Bonds then due, the

Trustee shall promptly notify the District of such fact and thereafter withdraw from other Funds and Accounts, funds on deposit in such Funds and Accounts in the following order, and transfer such funds to the Senior Interest Account or Senior Principal Account, as appropriate, until the amounts so withdrawn and transferred equal the amount of such deficiency:

- (A) the Restricted Tax Revenues Account;
- (B) the General Account;
- (C) the Unrestricted Tax Revenues Account;
- (D) the Special Redemption Fund (other than amounts held therein to pay or redeem Bonds for which notice of redemption has theretofore been given and amounts held therein to defease Outstanding Bonds pursuant to Article Eight hereof);
- (E) the Junior Bond Expense Account;
- (F) the Junior Principal Account;
- (G) the Junior Interest Account;
- (H) the Senior Bond Expense Account;
- (I) the Senior Principal Account (for deficiencies in the Senior Interest Account);
- (J) the Senior Interest Account (for deficiencies in the Senior Principal Account);
- (K) the Senior Debt Service Reserve Fund; and
- (L) the Project Fund (to the extent such application is permitted by the Series Resolution governing the same).

Deficiencies in the Senior Interest Account shall be fully cured prior to curing any deficiency in the Senior Principal Account. Deficiencies in the Senior Interest Account and/or Senior Principal Account shall be fully cured prior to curing any deficiencies in the Junior Interest Account and/or Junior Principal Account (except that deficiencies in the Junior Interest Account and/or Junior Principal Account may be cured by transfers from the Junior Debt Service Reserve Fund).

(2) In addition to the withdrawals and transfers described above, the District shall have the option but not the obligation to direct the Trustee to transfer moneys from the Operating Fund to the Senior Interest Account and the Senior Principal Account.

(g) Pro-Rata Payments. In the event the amount then on deposit in the Senior Interest Account or the Senior Principal Account under Sections 4.5(a) and (b) hereof on a Payment Date is not sufficient to pay to the Owners of the Senior Bonds the full amount of interest on and principal of all Outstanding Senior Bonds then due and such deficiency cannot be cured as provided in Section 4.5(f) hereof, the Trustee shall nonetheless pay out all moneys on deposit in the Senior Interest Account and Senior Principal Account to the persons entitled thereto, pro rata according to the amount owed to each

(subject in all events to any provisions to the contrary as to Credit Facilities or other amounts which a Series Resolution may pledge or otherwise provide for under procedures by which specific Tax Revenues thereunder are for the specific benefit of a series of Senior Bonds or specific Senior Bonds within a series).

Section 4.6 Junior Bond Fund and Accounts Therein. There shall be deposited into the accounts of the Junior Bond Fund all amounts required to be transferred thereto as provided in Section 4.4, together with such additional amounts to be deposited into various specified Accounts within the Junior Bond Fund as described herein.

(a) Junior Interest Account.

(1) There shall be deposited in the applicable Junior Interest Account in the Junior Bond Fund, upon issuance of each series of Junior Bonds, the amount of accrued interest received from the Original Purchaser thereof, as provided in the applicable Series Resolution.

(2) There shall be transferred to the Junior Interest Account, on each Quarterly Transfer Date and Interest Payment Date, the amount required to be transferred from the Revenue Fund pursuant to Section 4.4(d)(6) hereof. If on any Interest Payment Date there are not sufficient amounts on deposit in the Junior Interest Account to pay the total amount of interest coming due on the Junior Bonds on such Interest Payment Date, the Trustee shall forthwith transfer to the Junior Interest Account from other Funds and Accounts, funds on deposit in such Funds and Accounts in the order listed in Section 4.6(f)(1) hereof, until the amount so transferred equals the amount of the deficiency. Interest income derived from the investment of amounts on deposit in the Junior Interest Account shall remain in the Junior Interest Account and shall be credited against the amount next due to be transferred to the Junior Interest Account from the Revenue Fund pursuant to Section 4.4(d)(6) hereof. Notwithstanding the foregoing, any Rebate Amount on deposit in the Junior Interest Account shall be transferred to the Rebate Fund at the direction of the District.

(3) On each Interest Payment Date the Trustee shall withdraw from the Junior Interest Account an amount sufficient to pay the interest coming due on the Junior Bonds on such Interest Payment Date and shall use such amounts to pay, or make provision with the Paying Agent for the payment of, interest on the Junior Bonds on such Interest Payment Date; provided however, that if and to the extent payment of interest on the Junior Bonds, or any series thereof or specific portion thereof, shall be made from moneys drawn under a Credit Facility (other than a Debt Service Reserve Fund Credit Facility), the Trustee shall transfer to the subaccount in the Junior Credit Facility Account relating to such a series of Junior Bonds or specific portion thereof and remit to the Credit Facility Provider from said subaccount in the Junior Credit Facility Account, on the Interest Payment Date, all moneys replaced by Credit Facility proceeds or otherwise apply such moneys as provided in the related Series Resolution, Credit Agreement or a Related Agreement.

(b) Junior Principal Account.

(1) There shall be transferred to the Junior Principal Account, on each Quarterly Transfer Date and Principal Payment Date, the amount required to be transferred from the Revenue Fund pursuant to Section 4.4(d)(7) hereof. If on any Principal Payment Date there are not sufficient amounts on deposit in the Junior Principal Account to pay the total amount of principal coming due on the Junior Bonds on such Principal Payment Date, the Trustee shall

forthwith transfer to the Junior Principal Account from other Funds and Accounts, funds on deposit in such Funds and Accounts in the order listed in Section 4.6(f)(1) hereof, until the amount so transferred equals the amount of the deficiency. All interest income derived from the investment of amounts on deposit in the Junior Principal Account shall be transferred on each Quarterly Transfer Date and Interest Payment Date to the Junior Interest Account and applied as a credit against the amount next due to be transferred to the Junior Interest Account from the Revenue Fund. Notwithstanding the foregoing, any Rebate Amount on deposit in the Junior Principal Account shall be transferred to the Rebate Fund at the direction of the District.

(2) On or before each Principal Payment Date, the Trustee shall withdraw from the Junior Principal Account an amount sufficient to pay the scheduled principal coming due on the Junior Bonds on such Principal Payment Date, and shall use such amounts to pay, or make provision with the Paying Agents for the payment of, principal of the Junior Bonds on such Principal Payment Date, whether by reason of Stated Maturity or by reason of Mandatory Sinking Fund Requirements applicable to any Junior Term Bonds; provided, however, that if and to the extent payment of principal coming due on the Junior Bonds, or any series thereof or specific portion thereof, shall be made from moneys drawn under a Credit Facility (other than a Debt Service Reserve Fund Credit Facility), the Trustee shall transfer to the subaccount within the Junior Credit Facility Account related to such series of Junior Bonds or specific portion thereof and remit to the Credit Facility Provider from said subaccount within the Junior Credit Facility Account, on the Principal Payment Date on which payment is made, all moneys then on deposit in the Junior Principal Account replaced by Credit Facility proceeds or otherwise apply such moneys as provided in the related Series Resolution, Credit Agreement or Related Agreement.

(c) Junior Bond Expense Account.

(1) The Trustee shall transfer from the Revenue Fund to the Junior Bond Expense Account on each Quarterly Transfer Date and Payment Date the amounts directed by Section 4.4(d)(8) hereof for the payment of amounts therein specified. The Trustee may rely in good faith upon written directions of the District as to the amount to be transferred to the Junior Bond Expense Account, or disbursed therefrom to any payee, to the extent the Trustee has not previously been provided with the information necessary to make such a determination. The amount disbursed from the Junior Bond Expense Account to the Trustee (as Trustee, Paying Agent, Bond Registrar, or in any other capacity) shall not exceed the amount agreed to by the District as the compensation due to the Trustee for its services. For payees other than the Trustee, the amount disbursed to any payee shall be the amount agreed to by the District in writing, or if no agreement exists or is applicable, in the amount directed in writing by the District.

(2) All income derived from the investment of amounts on deposit in the Junior Bond Expense Account shall be transferred to the General Account. Notwithstanding the foregoing, any Rebate Amount on deposit in the Junior Bond Expense Account shall be transferred to the Rebate Fund.

(d) Junior Credit Facility Account.

(1) To the extent so provided in the applicable Series Resolution, the Trustee shall create a separate Junior Credit Facility Account within the Junior Bond Fund for each series of Junior Bonds (or specific Junior Bonds within a series) secured by a Credit Facility which is not a Debt Service Reserve Fund Credit Facility. In addition, for any Credit Facility which

constitutes a bond insurance policy or similar instrument pursuant to which the Credit Facility Provider is entitled to subrogation rights as to amounts paid to Bondowners secured thereby, the Series Resolution relating thereto may provide for payment directly to such Credit Facility Provider of available amounts in the Junior Principal Account and Junior Interest Account by reason of such subrogation rather than establishing a Junior Credit Facility Account and requiring a transfer of such amounts thereto prior to payment of such amounts to such a Credit Facility Provider.

(2) All amounts drawn under a Credit Facility for which a Junior Credit Facility Account is established under this Section 4.6(d) to pay the principal or redemption price of, purchase price of, premium, if any, and interest on, any series of Junior Bonds or a specific portion thereof, shall be deposited in the related Junior Principal Account, Junior Interest Account, Special Redemption Fund, Junior Purchase Account or other Account created under the related Series Resolution, and the Trustee shall apply such amounts to the purpose for which they were drawn, as further provided in the related Series Resolution, Credit Agreement and Related Agreements. Promptly upon such deposit and application, the Trustee shall transfer from the appropriate Fund or Account to the applicable Junior Credit Facility Account all Tax Revenues or other amounts replaced by Credit Facility proceeds or such Tax Revenues, or other amounts which become available by reason of the application of such Credit Facility proceeds as provided in the Series Resolution, all of which amounts shall not exceed the amounts drawn on the Credit Facility and deposited pursuant to the first sentence of this Section 4.6(d)(2) plus interest thereon at a rate which is the lesser of (a) the interest rate specified in the Credit Agreement or (b) the interest rate or rates on the Junior Bonds paid with the proceeds of the Credit Facility. The Trustee shall remit such amounts from the applicable Junior Credit Facility Account to the applicable Credit Facility Provider as shall be provided in the related Series Resolution or Credit Agreement.

(3) The proceeds of any Credit Facility (other than a Debt Service Reserve Fund Credit Facility) issued in connection with and for the benefit of any series of Junior Bonds (or specific Junior Bonds within a series) shall be deposited as provided in this Section 4.6(d) and the Series Resolution for the related series of Junior Bonds (or specific Junior Bonds within a series) and shall be transferred and/or applied solely for the benefit of the Bondowners of the series of Junior Bonds (or specific Junior Bonds within a series) to which the Credit Facility relates; and accordingly, the Owners of the Junior Bonds of any other series shall not be entitled to the benefit of, or receive, the proceeds of a Credit Facility which does not secure the Junior Bonds held by Owners.

(4) The provisions of this Section 4.6(d) are subject in all respects to the terms and conditions of each Credit Facility, Credit Agreement, Related Agreements and the related Series Resolution.

(e) Junior Purchase Account.

(1) The Trustee shall deposit funds in the Junior Purchase Account as follows and as provided in any Series Resolution:

(A) the proceeds of remarketing of Junior Bonds, except to the extent such proceeds are required by the terms of a Series Resolution and related Remarketing Agreement to be paid to Bondowners selling such Junior Bonds or to a Credit Facility Provider which has provided the funds required to purchase Junior Bonds;

- (B) funds provided by a Credit Facility Provider to purchase Junior Bonds;
- (C) other funds provided to the Trustee by the District or any other person accompanied by a written direction to deposit such funds in the Junior Purchase Account; and
- (D) any other funds required to be so deposited by a Series Resolution.

(2) Funds from time to time held in the Junior Purchase Account shall be disbursed therefrom as provided in the related Series Resolution, or as directed in writing by the District, which direction may not be inconsistent with the other provisions of this Resolution or the applicable related Series Resolution.

(3) All income derived from the investment of amounts on deposit in the Junior Purchase Account shall be transferred to the General Account. Notwithstanding the foregoing, any Rebate Amount on deposit in the Junior Purchase Account shall be transferred to the Rebate Fund.

(f) Deficiencies in the Junior Interest Account or Junior Principal Account.

(1) In the event, on a Payment Date, the amount then on deposit in the Junior Interest Account or the Junior Principal Account is not sufficient to pay to the Owners of the Junior Bonds the full amount of interest on and principal of all Outstanding Junior Bonds then due, the Trustee shall promptly notify the District of such fact and thereafter withdraw from other Funds and Accounts, funds on deposit in such Funds and Accounts in the following order, and transfer such funds to the Junior Interest Account or Junior Principal Account, as appropriate, until the amounts so withdrawn and transferred equal the amount of such deficiency:

- (A) the Restricted Tax Revenues Account;
- (B) the General Account;
- (C) the Unrestricted Tax Revenues Account;
- (D) the Special Redemption Fund (other than amounts held therein to pay or redeem Bonds for which notice of redemption has theretofore been given and amounts held therein to defease Outstanding Bonds pursuant to Article Eight hereof);
- (E) the Junior Bond Expense Account;
- (F) the Junior Principal Account (for deficiencies in the Senior Interest Account);
- (G) the Junior Interest Account (for deficiencies in the Senior Principal Account);
- (H) the Junior Debt Service Reserve Fund; and
- (I) the Project Fund (to the extent such application is permitted by the Series Resolution governing the same).

Deficiencies in the Junior Interest Account shall be fully cured prior to curing any deficiency in the Junior Principal Account. Deficiencies in the Senior Interest Account and/or Senior Principal Account shall be fully cured prior to curing any deficiencies in the Junior Interest Account and/or Junior Principal Account (except that deficiencies in the Junior Interest Account and/or Junior Principal Account may be cured by transfers from the Junior Debt Service Reserve Fund).

(2) In addition to the withdrawals and transfers described above, the District shall have the option but not the obligation to direct the Trustee to transfer moneys from the Operating Fund to the Junior Interest Account and the Junior Principal Account.

(g) Pro-Rata Payments. In the event the amount then on deposit in the Junior Interest Account or the Junior Principal Account under Sections 4.6(a) and (b) hereof on a Payment Date is not sufficient to pay to the Owners of the Junior Bonds the full amount of interest on and principal of all Outstanding Junior Bonds then due and such deficiency cannot be cured as provided in Section 4.6(f) hereof, the Trustee shall nonetheless pay out all moneys on deposit in the Junior Interest Account and Junior Principal Account to the persons entitled thereto, pro rata according to the amount owed to each (subject in all events to any provisions to the contrary as to Credit Facilities or other amounts which a Series Resolution may pledge or otherwise provide for under procedures by which specific Tax Revenues thereunder are for the specific benefit of a series of Junior Bonds or specific Junior Bonds within a series).

Section 4.7 Senior Debt Service Reserve Fund.

(a) An initial deposit to the credit of the Senior Debt Service Reserve Fund is to be made by the Trustee from the proceeds of each series of Senior Bonds in an amount sufficient to satisfy the Senior Debt Service Reserve Fund Requirement or, in lieu thereof, the District may cause a Debt Service Reserve Fund Credit Facility to be delivered to the Trustee for such purpose. Thereafter, the Senior Debt Service Reserve Fund shall be maintained at the Senior Debt Service Reserve Fund Requirement. If on any Payment Date the amount then on deposit in the Senior Debt Service Reserve Fund is less than the Senior Debt Service Reserve Fund Requirement for such account, the Trustee shall promptly notify the District of such fact and thereafter withdraw from other Funds and Accounts, in the following order, and transfer to the Senior Debt Service Reserve Fund an amount equal to the deficiency:

- (1) the Restricted Tax Revenues Account;
- (2) the General Account;
- (3) the Unrestricted Tax Revenues Account;
- (4) the Special Redemption Fund (other than amounts held therein to pay or redeem Bonds for which notice of redemption has theretofore been given and amounts held therein to defease Outstanding Bonds pursuant to Article Eight hereof);
- (5) the Junior Bond Expense Account;
- (6) the Junior Principal Account;
- (7) the Junior Interest Account; and

(8) the Project Fund (to the extent such application is permitted by the Series Resolution governing the same).

In addition to the withdrawals and transfers described above, the District shall have the option but not the obligation to direct the Trustee to transfer moneys from the Operating Fund to the Senior Debt Service Reserve Fund. The Senior Debt Service Reserve Fund shall be replenished to the Senior Debt Service Reserve Fund Requirement prior to any transfers pursuant to Section 4.8(a) hereof.

(b) If on any Interest Payment Date there are not sufficient amounts on deposit in the Senior Interest Account to pay the total amount of interest coming due on any Senior Bonds entitled to the benefit and security of the Senior Debt Service Reserve Fund on such Interest Payment Date or if on any Principal Payment Date there are not sufficient amounts on deposit in the Senior Principal Account to pay the total amount of principal coming due on any Senior Bonds entitled to the benefit and security of the Senior Debt Service Reserve Fund on such Principal Payment Date, and after making the transfers required to be made from other Funds or Accounts as provided in Section 4.5(f)(1) hereof prior to a transfer from the Senior Debt Service Reserve Fund, the Trustee shall transfer sums on deposit in the Senior Debt Service Reserve Fund as provided in Section 4.5(f)(1) to the Senior Interest Account or Senior Principal Account, as the case may be, in an amount sufficient to make up any such deficiency. At the time of such transfer the Trustee shall notify the District of such transfer. In all such events, the Trustee shall not draw on any Debt Service Reserve Fund Credit Facility until all cash and any investment securities in the Senior Debt Service Reserve Fund have been liquidated and applied as aforesaid unless all Credit Facility Providers which have provided Debt Service Reserve Fund Credit Facilities have consented in writing to a different order of liquidation of investments. In the event that the amounts on deposit in the Senior Debt Service Reserve Fund are invested in one or more investment securities, the Trustee shall comply with written direction (if any) of the District as to any required liquidation, sale or other disposition of any investment in connection with the provisions of this Section 4.7. In the event that a portion of the Senior Debt Service Reserve Fund Requirement is evidenced or satisfied by a Credit Facility, the Trustee shall comply with any limitations or other requirements in or relating to such Credit Facility or in the related Credit Agreement or Related Agreements.

(c) Except as provided in Section 4.7(d) below, following any transfer required by Section 4.7(b) hereof the Trustee shall withdraw from the Senior Debt Service Reserve Fund and remit to each Credit Facility Provider (other than a Credit Facility Provider which has provided a Debt Service Reserve Fund Credit Facility) any amounts required by an applicable Credit Agreement to be paid to the Credit Facility Provider under such Credit Agreement; provided that such remittance shall not exceed the amount then due to the applicable Credit Facility Provider and permitted to be so paid to such Credit Facility Provider pursuant to Section 4.4(d)(3) and (5) and Section 4.5(d) hereof; and provided, further, that if the amount then on deposit in the Senior Debt Service Reserve Fund is not sufficient to pay when due all amounts then due to all Credit Facility Providers, the Trustee shall pay to each Credit Facility Provider entitled to such payments from the amount available (pro rata according to the amount due to each Credit Facility Provider) of the debt then due until all funds in the Senior Debt Service Reserve Fund are exhausted.

(d) Senior Debt Service Reserve Fund Credit Facility.

(1) To the extent so provided in the applicable Series Resolution, the Trustee shall create a separate Senior Debt Service Reserve Account for each Debt Service Reserve Fund Credit Facility.

(2) The Trustee shall deposit in the related Senior Debt Service Reserve Account all amounts drawn under or in connection with a Debt Service Reserve Fund Credit Facility required to pay the principal or redemption price of and interest on, any series of Senior Bonds or a specific portion thereof and shall apply such amounts to the purpose for which they were drawn as provided in Section 4.5(f)(1) hereof and as may be further provided in the related Series Resolution.

(3) If and to the extent that the amount on deposit in the Senior Debt Service Reserve Fund is less than the Senior Debt Service Reserve Fund Requirement and moneys are transferred to the Senior Debt Service Reserve Fund pursuant to Section 4.4(d)(4) hereof, such moneys shall be applied first to satisfy any obligation of the District with respect to a Credit Agreement or Related Agreements which relates to a Debt Service Reserve Fund Credit Facility, including interest or expenses relating to any repayment obligation of the District which may arise by reason of a drawing on such Debt Service Reserve Fund Credit Facility.

(4) The provisions of this Section 4.7 are subject in all respects to the terms and conditions of each Debt Service Reserve Fund Credit Facility, Related Document and the related Series Resolution.

(e) All income derived from the investment of amounts on deposit in the Senior Debt Service Reserve Fund and any Account therein shall be retained therein at all times when the amount on deposit in the Senior Debt Service Reserve Fund is less than the Senior Debt Service Reserve Fund Requirement, and at all other times shall be transferred to the Senior Interest Account and applied as otherwise required by Section 4.5(a) hereof; provided that in all events, all Rebate Amounts allocable to amounts on deposit in the Senior Debt Service Reserve Fund shall be transferred to the Rebate Fund.

(f) No later than thirteen (13) months preceding the final maturity date of each series of Senior Bonds, the District shall elect in writing whether to apply amounts in the Senior Debt Service Reserve Fund to the payment of the amount due on such final maturity date. The amount so applied shall not exceed the lesser of (1) the Senior Debt Service Reserve Fund Requirement, or (2) the amount actually on deposit in the Senior Debt Service Reserve Fund and attributable to that series of Senior Bonds. If the District elects to so apply amounts in the Senior Debt Service Reserve Fund, the amount to be so applied shall be transferred, in quarterly installments equal to the Quarterly Requirement, to the related Senior Interest Account and Senior Principal Account and each amount transferred shall be credited against the Quarterly Requirement transferrable from the Revenue Fund to the related Senior Interest Account and Senior Principal Account under Section 4.4 hereof on account of the series of Senior Bonds for which the election is made.

#### Section 4.8 Junior Debt Service Reserve Fund.

(a) An initial deposit to the credit of the Junior Debt Service Reserve Fund is to be made by the Trustee from the proceeds of each series of Junior Bonds in an amount sufficient to satisfy the Junior Debt Service Reserve Fund Requirement or, in lieu thereof, the District may cause a Debt Service Reserve Fund Credit Facility to be delivered to the Trustee for such purpose. Thereafter, the Junior Debt Service Reserve Fund shall be maintained at the Junior Debt Service Reserve Fund Requirement. If on any Payment Date the amount then on deposit in the Junior Debt Service Reserve Fund is less than the Junior Debt Service Reserve Fund Requirement for such account, the Trustee shall promptly notify the District of such fact and thereafter withdraw from other Funds and Accounts, in the following order, and transfer to the Junior Debt Service Reserve Fund an amount equal to the deficiency:

- (1) the Restricted Tax Revenues Account;
- (2) the General Account;
- (3) the Unrestricted Tax Revenues Account;
- (4) the Special Redemption Fund (other than amounts held therein to pay or redeem Bonds for which notice of redemption has theretofore been given and amounts held therein to defease Outstanding Bonds pursuant to Article Eight hereof);
- (5) the Project Fund (to the extent such application is permitted by the Series Resolution governing the same); and
- (6) resort to the State moral obligation pledge pursuant to Section 3.7 hereof.

In addition to the withdrawals and transfers described above, the District shall have the option but not the obligation to direct the Trustee to transfer moneys from the Operating Fund to the Junior Debt Service Reserve Fund. Notwithstanding any of the foregoing in this Section 4.8(a), on any date the Senior Debt Service Reserve Fund shall be replenished to the Senior Debt Service Reserve Fund Requirement prior to any transfers pursuant to this Section 4.8(a).

(b) If on any Interest Payment Date there are not sufficient amounts on deposit in the Junior Interest Account to pay the total amount of interest coming due on any Junior Bonds entitled to the benefit and security of the Junior Debt Service Reserve Fund on such Interest Payment Date or if on any Principal Payment Date there are not sufficient amounts on deposit in the Junior Principal Account to pay the total amount of principal coming due on any Junior Bonds entitled to the benefit and security of the Junior Debt Service Reserve Fund on such Principal Payment Date, and after making the transfers required to be made from other Funds or Accounts as provided in Section 4.6(f)(1) hereof prior to a transfer from the Junior Debt Service Reserve Fund, the Trustee shall transfer sums on deposit in the Junior Debt Service Reserve Fund as provided in Section 4.6(f)(1) to the Junior Interest Account or Junior Principal Account, as the case may be, in an amount sufficient to make up any such deficiency. Moneys transferred from the Junior Debt Service Reserve Fund to the Junior Interest Account or the Junior Principal Account may not in any event be transferred to the Senior Interest Account or the Senior Principal Account under Section 4.5(f). At the time of such transfer the Trustee shall notify the District of such transfer. In all such events, the Trustee shall not draw on any Debt Service Reserve Fund Credit Facility until all cash and any investment securities in the Junior Debt Service Reserve Fund have been liquidated and applied as aforesaid unless all Credit Facility Providers which have provided Debt Service Reserve Fund Credit Facilities have consented in writing to a different order of liquidation of investments. In the event that the amounts on deposit in the Junior Debt Service Reserve Fund are invested in one or more investment securities, the Trustee shall comply with written direction (if any) of the District as to any required liquidation, sale or other disposition of any investment in connection with the provisions of this Section 4.8. In the event that a portion of the Junior Debt Service Reserve Fund Requirement is evidenced or satisfied by a Credit Facility, the Trustee shall comply with any limitations or other requirements in or relating to such Credit Facility or in the related Credit Agreement or Related Agreements.

(c) Except as provided in Section 4.8(d) below, following any transfer required by Section 4.8(b) hereof the Trustee shall withdraw from the Junior Debt Service Reserve Fund and remit to each Credit Facility Provider (other than a Credit Facility Provider which has provided a Debt Service Reserve Fund Credit Facility) any amounts required by an applicable Credit Agreement to be paid to the Credit

Facility Provider under such Credit Agreement; provided that such remittance shall not exceed the amount then due to the applicable Credit Facility Provider and permitted to be so paid to such Credit Facility Provider pursuant to Section 4.4(d)(3) and (10) and Section 4.6(d) hereof; and provided, further, that if the amount then on deposit in the Junior Debt Service Reserve Fund is not sufficient to pay when due all amounts then due to all Credit Facility Providers, the Trustee shall pay to each Credit Facility Provider entitled to such payments from the amount available (pro rata according to the amount due to each Credit Facility Provider) of the debt then due until all funds in the Junior Debt Service Reserve Fund are exhausted.

(d) Junior Debt Service Reserve Fund Credit Facility.

(1) To the extent so provided in the applicable Series Resolution, the Trustee shall create a separate Junior Debt Service Reserve Account for each Debt Service Reserve Fund Credit Facility.

(2) The Trustee shall deposit in the related Junior Debt Service Reserve Account all amounts drawn under or in connection with a Debt Service Reserve Fund Credit Facility required to pay the principal or redemption price of and interest on, any series of Junior Bonds or a specific portion thereof and shall apply such amounts to the purpose for which they were drawn as provided in Section 4.6(f)(1) hereof and as may be further provided in the related Series Resolution.

(3) If and to the extent that the amount on deposit in the Junior Debt Service Reserve Fund is less than the Junior Debt Service Reserve Fund Requirement and moneys are transferred to the Junior Debt Service Reserve Fund pursuant to Section 4.4(d)(4) hereof, such moneys shall be applied first to satisfy any obligation of the District with respect to a Credit Agreement or Related Agreements which relates to a Debt Service Reserve Fund Credit Facility, including interest or expenses relating to any repayment obligation of the District which may arise by reason of a drawing on such Debt Service Reserve Fund Credit Facility.

(4) The provisions of this Section 4.8 are subject in all respects to the terms and conditions of each Debt Service Reserve Fund Credit Facility, Related Document and the related Series Resolution.

(e) All income derived from the investment of amounts on deposit in the Junior Debt Service Reserve Fund and any Account therein shall be retained therein at all times when the amount on deposit in the Junior Debt Service Reserve Fund is less than the Junior Debt Service Reserve Fund Requirement, and at all other times shall be transferred to the Junior Interest Account and applied as otherwise required by Section 4.6(a) hereof; provided that in all events, all Rebate Amounts allocable to amounts on deposit in the Junior Debt Service Reserve Fund shall be transferred to the Rebate Fund.

(f) No later than thirteen (13) months preceding the final maturity date of each series of Junior Bonds, the District shall elect in writing whether to apply amounts in the Junior Debt Service Reserve Fund to the payment of the amount due on such final maturity date. The amount so applied shall not exceed the lesser of (1) the Junior Debt Service Reserve Fund Requirement, or (2) the amount actually on deposit in the Junior Debt Service Reserve Fund and attributable to that series of Junior Bonds. If the District elects to so apply amounts in the Junior Debt Service Reserve Fund, the amount to be so applied shall be transferred, in quarterly installments equal to the Quarterly Requirement, to the related Junior Interest Account and Junior Principal Account and each amount transferred shall be credited against the Quarterly Requirement transferrable from the Revenue Fund to the related Junior

Interest Account and Junior Principal Account under Section 4.4 hereof on account of the series of Junior Bonds for which the election is made.

(g) On each Payment Date, the Trustee shall deposit into the State Contribution Account, for payment to the State, amounts owed to the State pursuant to and in accordance with the State Reimbursement Agreement.

Section 4.9 Special Redemption Fund.

(a) Any Restricted Tax Revenues remaining in the Restricted Tax Revenues Account following all required transfers on the last Payment Date of a Bond Year, any excess Bond proceeds and other amounts to be used to prepay Bonds pursuant to Section 4.4(d) hereof and any applicable Series Resolution and such other sums designated for the prepayment of Bonds by the District shall be deposited in the Special Redemption Fund and applied as provided by the Series Resolution or, if no provision is made by the applicable Series Resolution, as directed in a certificate of a District Representative, such amounts shall be applied to purchase Bonds to be surrendered to the Trustee as a credit against Debt Service Requirements when due or to pay the principal of and premium, if any, of the Bonds then subject to and called for redemption.

(b) If the series of Bonds to be redeemed (or any specific Bonds within such series) is secured by a Credit Facility, and the related Credit Facility or Credit Agreement provides that payment of principal of such series of Bonds (or specific Bonds within such series) will be made from such Credit Facility, the Trustee shall transfer to the subaccount within the Credit Facility Account related to such series of Bonds and remit to the Credit Facility Provider from such subaccount within the related Credit Facility Account, on the redemption date, all moneys then on deposit in the Special Redemption Fund replaced by Credit Facility proceeds.

(c) Any funds transferred to the Special Redemption Fund from a Project Account as excess proceeds shall be applied only to redeem Bonds of the series from which such Project Account proceeds were derived. Other funds transferred to the Special Redemption Fund shall be applied to redeem Bonds then subject to redemption as provided in the applicable Series Resolution or, if the Series Resolution does not specifically so provide, as the District shall direct in writing.

(d) All income derived from the investment of amounts on deposit in the Special Redemption Fund shall be transferred to the General Account. Notwithstanding the foregoing, any Rebate Amount on deposit in the Special Redemption Fund shall be transferred to the Rebate Fund.

(e) Notwithstanding any other provisions of this Resolution, moneys on deposit in the Special Redemption Fund may be withdrawn therefrom only to the extent that such moneys have not theretofore been committed to the purchase or redemption of Bonds for which proper notice has been given.

Section 4.10 Rebate Fund. The Rebate Fund shall be established by the District as a separate, segregated account with the Trustee. The Rebate Fund shall not be subject to the lien of this Resolution, nor shall the Rebate Fund be part of the Trust Estate established hereby. The Rebate Fund shall be utilized for the purposes set forth in Section 6.2 hereof.

Section 4.11 Operating Fund.

(a) The Operating Reserve Account, Capital Maintenance Account and Surplus Account within the Operating Fund shall be established by the District as separate, segregated accounts within the

Operating Fund. Neither the Operating Fund nor any Account therein shall be subject to the lien of this Resolution nor be part of the Trust Estate established hereby.

(b) Amounts deposited into the Operating Fund shall be deposited into the Accounts therein as follows:

(1) first, to the Operating Reserve Account, an amount sufficient to cause the amount on deposit in such Account to equal or exceed \$2,500,000 (or such higher figure as provided in a Series Resolution); provided, however, that once the District has achieved a balance of at least \$2,500,000 (or such higher figure as provided in a Series Resolution) in the Operating Reserve Account, it need not maintain such amount in the Operating Reserve Account thereafter;

(2) second, to the Capital Maintenance Account, an amount equal to (A) \$650,000 in the Bond Year ending on December 15, 2000, and (B) in each subsequent Bond Year, 103% of the deposit requirement for the previous Bond Year; and

(3) third, to the Surplus Account.

(c) The Operating Reserve Account shall be funded as provided in Section 4.11(b)(1) hereof, and may be transferred to the Surplus Account as follows:

(1) if, following any such expenditure, the balance on deposit in the Operating Reserve Account shall be less than \$2,500,000 (or such higher figure as provided in a Series Resolution) but in excess of \$1,000,000 (or such higher figure as provided in a Series Resolution), such expenditure shall be authorized by a vote of two-thirds of the Members of the Board of Directors of the District then in office; and

(2) prior to any expenditure that would reduce the balance on deposit in the Operating Reserve Account to less than \$1,000,000 (or such higher figure as provided in a Series Resolution), the District shall first have passed a resolution increasing the tax rate for one or more of the taxes available to the District to a rate sufficient to increase total Tax Revenues for the following Bond Year by an amount projected to be at least equal to the amount of such expenditure.

Subject to the foregoing, moneys in the Operating Reserve Account shall be paid by the Trustee to the District upon request.

(d) The District may apply any moneys on deposit in the Capital Maintenance Account to purchase equipment or capital maintenance items expected to have an economic life of three years or more, subject to approval by a vote of two-thirds of the Members of the Board of Directors of the District then in office. Moneys in the Capital Maintenance Account shall be disbursed according to the procedures set forth in Section 4.3(b) hereof.

(e) The District may apply any moneys on deposit in the Surplus Account at the times and in the amounts it determines appropriate, but only for such purposes as the Act shall, from time to time, permit.

(f) Interest on amounts held in the Operating Fund shall be retained in the respective Accounts therein, provided that amounts held in the Operating Reserve Account and Capital Maintenance

Account shall be transferred to the Surplus Account if and to the extent that the amounts on deposit therein exceed the amounts provided in Section 4.11(b) hereof.

Section 4.12 Deposit of Funds with Paying Agent.

(a) The Trustee shall transfer and remit sums from the Bond Funds to the Paying Agent in advance of each Payment Date, from the balance then on hand in the Bond Funds, sufficient to pay all principal, interest and redemption premiums then due on related Bonds. The Paying Agent shall hold in trust for the Owners of such Bonds all sums so transferred to it until paid to such Owners or otherwise disposed of as herein provided. If the Paying Agent is other than the Trustee, the Trustee shall designate each such transfer by the series designation of the series of Bonds to which it relates, and the moneys so received by the Paying Agent shall be held in trust only for the Owners of the Bonds of the designated series.

(b) Interest on each Bond including accrued interest to the date of deposit and interest, to the extent permitted by law, on overdue installments of interest at the rate borne by such Bond, (1) shall cease on its maturity date, or on any prior redemption date, provided that funds sufficient for the payment thereof with accrued interest and any redemption premium have been deposited with the Paying Agent on or before the maturity date or redemption date, as the case may be, and in the case of redemption, that the requirements of the applicable Series Resolution have been complied with, or (2) shall cease on any date after maturity or a redemption date on which such deposit has been made, and the Owner shall have no further rights with respect to the Bonds or under this Resolution except to receive the payment so deposited.

(c) If any Bond is not presented for payment when due and funds sufficient to pay such Bond shall have been paid to the Trustee (or other Paying Agent, if any): (1) all liability of the District for payment of such Bond shall forthwith cease, (2) such Bond shall forthwith cease to be entitled to any lien, benefit or security under this Resolution and the Owner of such Bond shall forthwith have no rights in respect thereof except to receive payment thereof, and (3) the Trustee (or other Paying Agent, if any) shall hold such funds, without liability for interest thereon, for the benefit of the Owner of such Bond. Any moneys still held by the Trustee (or other Paying Agent, if any) after four years and eleven months from the date on which the Bond with respect to which such amount was paid to the Trustee (or other Paying Agent, if any), shall, if and to the extent permitted by law, be paid by the Trustee (or other Paying Agent, if any) to the District and the Trustee shall thereupon be discharged from the trust and all liability of the Paying Agent or the Trustee with respect to such trust money; and the Bondowners shall thereafter be entitled to look only to the District for payment, and the District shall not be liable for any interest thereon.

(d) If there is any Paying Agent who is not the Trustee, the Trustee will cause such Paying Agent to execute and deliver to it an instrument in which such Paying Agent shall agree with the Trustee, subject to the provisions of this Section 4.12, that such Paying Agent will:

(1) hold all sums held by it for the payment of principal of (and premium, if any) or interest on Bonds in trust for the benefit of the Owners of such Bonds until such sums shall be paid to such Owners or otherwise disposed of as herein provided; and

(2) at any time during the continuance of any default in the making of any such payment of principal (and premium, if any) or interest, upon the written request of the Trustee forthwith pay to the Trustee all sums so held in trust by such Paying Agent.

The Trustee, acting as Paying Agent, shall also be bound by the terms of the foregoing requirements.

Section 4.13 Monthly Report by Trustee. Within seven (7) days after the end of each month, the Trustee shall prepare a written report for each Fund and Account held by it under the provisions of this Article Four. Such report shall set out the receipts and disbursements, both principal and income, and shall list the investments held at the end of the month. A copy of each such report shall be furnished to the District and the Secretary of the State Department of Administration. For purposes of this report, the investments in each Fund or Account shall be valued as provided in Section 7.3 hereof.

Section 4.14 No Sale or Other Disposition of Permitted Investments Required. Any transfer of amounts hereunder from one Fund or Account to another may be made by the Trustee by journal entry and no sale or other disposition of Permitted Investments shall be required to be made in connection therewith unless required for the purpose of making payments on a Payment Date.

## ARTICLE FIVE

### ADDITIONAL BONDS AND REFUNDING BONDS

#### Section 5.1 Additional Bonds; Other Revenue Obligations.

(a) So long as no Event of Default has occurred and is continuing, the District, from time to time after the execution and delivery hereof, may enter into a Series Resolution providing for the issuance of Additional Bonds pursuant to Section 5.3 hereof. Such Additional Bonds may be for any purpose for which bonds or other obligations may be now or hereafter issued under the Act.

(b) Any such Additional Bonds may bear interest at any rate lawful at the time of the issuance thereof and may mature over any period of time not exceeding the maximum maturity permitted by law, and may provide for such other payment terms and conditions as the District shall determine in a Series Resolution. Any Additional Bonds shall be given a designation by year, alphabetical letter or other identifying language or symbol differentiating such Additional Bonds from other Bonds then Outstanding.

Section 5.2 District Covenants Regarding Additional Bonds Which Are Tax-Exempt Bonds. The District further covenants that it shall make such covenants, representations and agreements in the Series Resolution related to each series of Tax-Exempt Additional Bonds as may be necessary or desirable in the opinion of Bond Counsel to assure the tax-exempt status thereof.

#### Section 5.3 Conditions to the Issuance of Additional Bonds.

(a) Additional Bonds payable from and secured by a lien on the Tax Revenues and the remainder of the Trust Estate (except as to any Credit Facility which secures only a specific series of Bonds or specific Bonds of a series) on a parity basis with the Bonds then Outstanding may be hereafter issued if and only if:

(1) No Event of Default under Section 9.1 hereof shall be continuing.

(2) The Trustee shall have received a Series Resolution providing for the issuance of the Additional Bonds and the terms and conditions thereof, designating the Additional Bonds either as Senior Bonds or Junior Bonds.

(3) The Trustee shall have received a certificate of the Secretary of the State Department of Administration certifying compliance with Section 229.50 of the Wisconsin Statutes, and consenting to the designation of the Junior Debt Service Reserve Fund as a "special debt service reserve fund" pursuant to Section 229.50 of the Wisconsin Statutes.

(4) The Trustee shall have received a certificate of the Chairman of the District that the Tax Revenues received in the Fiscal Year prior to the issuance of Additional Senior Bonds was at least 1.25 times the maximum Adjusted Debt Service Requirements on all Outstanding Bonds and any Additional Senior Bonds proposed to be issued for every future Bond Year.

(5) The Trustee shall have received a report prepared by an independent feasibility consultant that for each future Bond Year, projects that the Tax Revenues for that Bond Year will exceed the sum of (i) the Adjusted Debt Service Requirements on all such Outstanding and proposed Additional Bonds for that Bond Year, (ii) the projected annual operating surpluses or deficiencies for that Bond Year, and (iii) the required deposits into the Capital Maintenance Account pursuant to Section 4.11(b)(2) for that Bond Year. Such report may project annual Tax Revenues to increase annually at a rate not greater than the average annual increases for such Tax Revenues in the previous three Fiscal Years immediately prior to the issuance of such Additional Bonds, not taking into account any increase in the tax rate on any of the Tax Revenues available to the District. Projected Tax Revenues may, however, reflect any actual increase in the tax rate for any of the Tax Revenues available to the District.

(6) Receipt by the Trustee of an opinion of Bond Counsel that the principal amount of the Additional Bonds will not cause the principal amount of all Outstanding Bonds immediately following the issuance of the Additional Bonds to exceed any aggregate principal amount limitation thereon imposed by law.

(7) All other conditions precedent to the issuance of Bonds set forth elsewhere herein shall have been met.

(b) If the Additional Bonds are subject to mandatory purchase or are to be purchased upon optional tender by the Owners thereof, any Tax Revenues required to be segregated or set aside by the District to fulfill its purchase obligation shall be deemed additional Adjusted Debt Service Requirements with respect to the related series of Bonds in the amounts and at the times such amounts are required to be so set aside.

(c) The conversion of Variable Rate Bonds or Adjustable Rate Bonds to Fixed Interest Rate Bonds shall not be treated as the issuance of Additional Bonds subject to the other requirements of Section 5.3 unless the interest rate to be borne by such Bonds from and after the date of conversion will exceed the maximum rate taken into account for the purposes of computing Adjusted Debt Service Requirements under Section 5.3(a)(4) and (5) hereof.

#### Section 5.4 Refunding Bonds.

(a) Additional Bonds may be issued for the purpose of refunding all or any part of one or more series of Outstanding Bonds. A series of refunding bonds may be issued only upon receipt by the Trustee (in addition to the receipt by the Trustee of the documents required by Section 5.3 hereof) of:

(1) irrevocable instructions from the District to the Trustee, satisfactory to the Trustee, to give due notice of redemption of all of the Bonds which are to be redeemed prior to maturity on the redemption date specified in such instructions;

(2) irrevocable instructions from the District to the Trustee, satisfactory to the Trustee, to give due notice of redemption provided for in Section 8.1 hereof to the Owners of the Bonds being refunded; and

(3) obligations set forth in Section 8.1 hereof in such principal amounts, of such maturities, bearing such interest and otherwise having such terms and qualifications, provided that all moneys and obligations held by a Fiduciary pursuant to this Section 5.4(a)(3) shall be held in a separate account irrevocably in trust for and assigned to the respective Owners of the Bonds to be refunded, to be used only as provided in Section 8.1 hereof.

(b) Tax-Exempt Bonds shall not be advance refunded except as permitted by the Code.

(c) Notwithstanding Section 5.3(a) above, Additional Bonds may be issued for the purpose of paying, purchasing, redeeming or refunding any Bonds, provided that the Adjusted Debt Service Requirements for each Bond Year for such Additional Bonds shall be no greater than the Adjusted Debt Service Requirements for each Bond Year for the Bonds paid for, purchased, redeemed or refunded by the proceeds of such Additional Bonds.

## ARTICLE SIX

### TAX-EXEMPT BONDS; REBATE FUND

Section 6.1 Assurance of Tax Exemption - Tax-Exempt Bonds. In order to assure that the interest on the Tax-Exempt Bonds shall at all times be free from federal income taxation, the District represents and covenants with the Trustee and all Owners of Tax-Exempt Bonds that it shall take all action (and refrain from taking any action) which is necessary in order for the interest on the Tax-Exempt Bonds to be excluded from gross income of the owners thereof for federal income taxation purposes. This Section 6.1 shall apply solely to Tax-Exempt Bonds (also referred to in this Section as the "Bonds").

Except as otherwise provided in a Series Resolution, with respect to each series of Tax-Exempt Bonds, the District specifically covenants that:

(a) No Arbitrage. The "proceeds" of the Bonds (as such term is defined in Section 148 of the Code), will not be used in any manner (including use of any Project by the United States or any agency or instrumentality thereof) which would cause such Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code or "federally guaranteed obligations" within the meaning of Section 149(b) of the Code.

(b) Internal Revenue Service Form 8038. The District will file with the United States Internal Revenue Service a complete Internal Revenue Service Form 8038-G or other form as required by Section 149(e) of the Code.

(c) Rebate. The District will:

(1) to the extent there are available Tax Revenues or other amounts constituting the Trust Estate available therefore, pay to the United States (and within five days thereof furnish the Trustee with documents evidencing such payment), or deposit with the Trustee an amount sufficient to enable the Trustee to pay from the Rebate Fund, as a rebate, an amount equal to the sum of (i) the excess of (a) the aggregate amount earned on all nonpurpose investments (other than investments attributable to an excess described in this clause), over (b) the amount which would have been earned if all nonpurpose investments were invested at a rate equal to the yield on each series of Bonds, plus (ii) any income attributable to the excess described in clause (i), at the times and in the amounts required by Section 148(f) of the Code, all within the meaning of Section 148(f) of the Code;

(2) maintain or cause to be maintained records of the interest rate borne by the Bonds and the investments of the funds and earnings thereon in adequate detail to enable the District or any Rebate Expert to calculate the amount of any rebate required to be made to the United States;

(3) calculate, or cause the Rebate Expert to calculate, the amount of rebatable arbitrage for each Bond Year and cause the Trustee to transfer the amount so calculated from the other Funds and Accounts held under this Resolution or from any other legally available funds of the District to the Rebate Fund, and further calculate, or cause the Rebate Expert to calculate, the amount to be rebated as of the end of each fifth Bond Year and on the date the last bond of each series of Tax-Exempt Bonds is redeemed, and furnish the Trustee with such calculations within 60 days of the time they are made; provided that if the Trustee is not furnished with such calculations by March 1 of each year, the Trustee shall undertake to have such calculations made by the Rebate Expert. All calculations made by or on behalf of the Trustee shall in any event be at the expense of the District, and the District shall promptly furnish the Trustee with such information as the Trustee may request for that purpose; and

(4) with respect to each series of Tax-Exempt Bonds, cause such calculations to be retained until six years after the retirement of the last bond of each series of Tax-Exempt Bonds.

For purposes of carrying out the provisions of this Section 6.1(c), both the District and the Trustee may in good faith conclusively rely upon a written opinion of the Rebate Expert stating in effect that the rebate calculations referred to in the opinion are in compliance with Section 148(f) of the Code.

(d) General Tax Covenant. The District shall not use the Project or otherwise use Bond proceeds, or take or fail to take any action, the effect of which would be to impair the exemption of interest on the Bonds from federal income taxation.

#### Section 6.2 Rebate Fund.

(a) Moneys deposited and held in the Rebate Fund shall not be subject to the lien or pledge of this Resolution.

(b) If, at the time of any calculation, the amount on deposit in the Rebate Fund attributable to a specific series of Tax-Exempt Bonds exceeds the amount of rebatable arbitrage for such series of Tax-Exempt Bonds, the Trustee shall transfer the excess to the General Account.

(c) If the Trustee does not have on deposit in the Rebate Fund sufficient amounts to make the payments required by Section 6.1(c)(1) hereof, the Trustee shall direct the District to remit to the Trustee, in immediately available funds, within five (5) Business Days, the amount of the deficiency. Each payment required to be made to the United States pursuant to Section 6.1(c)(1) hereof shall be submitted to the Internal Revenue Service Center, Philadelphia, Pennsylvania 19255 (or such other place of payment as the Rebate Expert shall direct), on or before the date such payment is due, may be accompanied by a statement of the Rebate Expert summarizing the determination of the amount required to be paid to the United States under this Section and shall be accompanied by a copy of the Internal Revenue Service Form 8038-G filed with respect to the Bonds.

(d) The Rebate Expert shall be selected by the District, and the fees and expenses of the Rebate Expert shall be paid by the District, as provided in an agreement between the District and the Rebate Expert. If the District fails or refuses to select a Rebate Expert, the Trustee shall do so and may pay the fees and expenses of the Rebate Expert as an expense under Section 10.2 hereof.

(e) Investment earnings on amounts held in the Rebate Fund shall be credited to the Rebate Fund upon receipt.

(f) The Trustee shall notify the District and Rebate Expert in writing not more than sixty (60) days nor less than thirty (30) days prior to the last day of each Bond Year for each series of Tax-Exempt Bonds that the calculations required by Section 6.1 hereof must be made.

#### Section 6.3 Modifications of Covenants and Requirements.

(a) Notwithstanding the foregoing, if the District delivers to the Trustee an opinion of Bond Counsel that failure to make any rebate payments to the United States with respect to a series of Tax-Exempt Bonds will not adversely affect the tax-exempt status of the series of Tax-Exempt Bonds, then no rebate shall be required under this Article.

(b) Notwithstanding the foregoing, the District and the Trustee may enter into, and the Trustee shall enter into at the written direction of the District, any Series Resolution supplementing, amending or modifying any provision of this Resolution or any Series Resolution for the following purposes:

(1) to maintain or preserve the tax-exempt character of the interest on any or all series of Tax-Exempt Bonds; or

(2) to relieve the District of any covenant relating to any or all series of Tax-Exempt Bonds, if then permitted by law.

For the purposes of this Section 6.3(b), the District and the Trustee may in good faith rely upon a written opinion of Bond Counsel.

(c) Earnings on amounts held in the Operating Fund may be assumed to be exempt from any requirement to rebate such earnings to the Treasury unless and until the District and the Trustee receive an opinion of Bond Counsel or the Rebate Expert to the effect that arbitrage rebate requirements do apply to such earnings under Section 148 of the Code, and directing the District and the Trustee as to compliance with such requirements.

## ARTICLE SEVEN

### INVESTMENTS

#### Section 7.1 Investments by Trustee.

(a) Except during the continuance of an Event of Default, and subject to the provisions of Section 6.2 moneys held for the credit of the Funds established by Article Four shall be held by the Trustee as required by law and shall at the written request, or verbal request confirmed in writing, of the District Representative, or in the absence of such direction at the initiative of the Trustee, to the extent practicable and permitted by the Act, be invested as received and reinvested by the Trustee in such securities as are authorized by law and which are Permitted Investments. Subject to the requirement that all sums held in the Funds and Accounts hereunder may only be invested in Permitted Investments, the amount and maturity of such investments shall be as specified by the District Representative, subject to the approval of the Trustee; provided that (i) sums in any Bond Fund may in any event only be invested in securities which mature or are subject to redemption or repurchase at the option of the Trustee on or prior to the date or dates on which the Trustee anticipates that cash funds will be required, and (ii) all investments shall be subject to any restrictions set forth in a tax regulatory agreement relating to any series of Tax-Exempt Bonds.

(b) The Trustee shall sell and reduce to cash funds a sufficient portion of investments under the provisions of this Section whenever the cash balance in the Fund for which the investment was made is insufficient for its current requirements. Securities so purchased as an investment of money shall be held by the Trustee, shall be registered in the name of the Trustee if registration is required, and shall be deemed at all times a part of the applicable Fund, and the interest accruing thereon and any profit realized from such investments shall be credited to the Fund from which the investment was made, subject to any transfer to another Fund as herein provided. Any loss resulting from such investment shall be charged to the Fund from which the investment was made.

(c) The Trustee may purchase from or sell to itself, or through any affiliated company, as principal or agent, securities herein authorized so long as such purchase or sale is at fair market value.

#### Section 7.2 Return on Investments.

(a) In directing investments, the District will not instruct the Trustee to use (and, in the absence of directions from the District, the Trustee will not use) the proceeds of Tax-Exempt Bonds or other sums pledged to the payment of Tax-Exempt Bonds, directly or indirectly, to acquire any securities or obligations the acquisition of which would cause any of the Tax-Exempt Bonds to be an "arbitrage bond" as defined in Section 148 of the Code, and for this purpose the Trustee, in order to restrict yield on investments, may invest in SLGS (and accordingly is hereby authorized to act as agent of the District for such purpose) and may assume (unless otherwise specified in writing by the District or the District) that the yield on each series of Tax-Exempt Bonds is as stated in the arbitrage certificate of the District relating thereto. The Trustee may rely in good faith on an opinion of Bond Counsel with respect to whether the acquisition of any securities or obligations would have the effect prohibited by this Section.

(b) Investment of the proceeds of Tax-Exempt Bonds are further subject to the limitations and conditions stated in Section 6.1(a) hereof.

Section 7.3 Computation of Balances in Fund.

(a) In computing the amount in any Fund established hereunder, investments and accrued but unpaid interest thereon shall be deemed a part thereof, and such investments, other than in a Debt Service Reserve Fund, shall be valued at the lower of cost or par value.

(b) In computing the amount in a Debt Service Reserve Fund for purposes of determining whether the applicable Debt Service Reserve Fund Requirement has been satisfied, obligations purchased as an investment of moneys therein shall be valued at market.

ARTICLE EIGHT

DISCHARGE OF LIEN

Section 8.1 Payment of Bonds; Satisfaction and Discharge of Bonds and Obligation to Bondowners. Whenever the conditions specified in either clause (1) or clause (2) of the following subsection (a) and the conditions specified in the following subsections (b), (c), (d) and (e), to the extent applicable, shall exist, namely:

(a) either:

(1) all Bonds have been cancelled by the Trustee or delivered to the Trustee for cancellation, excluding, however:

(A) Bonds for whose payment money has theretofore been deposited in trust or segregated and held in trust by a trust company or bank in the State having the power of a trust company and possessing capital and surplus of not less than \$50,000,000 (which trust company or bank may be the Paying Agent or Trustee) and thereafter repaid to the District or discharged from such trust as provided in Section 4.12 hereof; and

(B) Bonds alleged to have been destroyed, lost or stolen which have been replaced or paid as provided in Section 2.7 hereof, and (i) which, prior to the satisfaction and discharge of this Resolution as hereinafter provided, have not been presented to the Paying Agent or the Trustee with a claim of ownership and enforceability by the Owner thereof, or (ii) whose enforceability by the Owner thereof has been determined adversely to the Owner by a court of competent jurisdiction or other competent tribunal; or

(2) the District has deposited or caused to be deposited as trust funds:

(A) with the Paying Agent under Section 4.12, cash, or

(B) with the Trustee, cash and/or Defeasance Securities, which do not permit the redemption thereof at the option of the issuer thereof, the principal of, premium, if any, and interest on which when due (or upon the redemption thereof at the option of the holder), will without reinvestment, provide cash which together with the cash, if any, deposited with the Trustee at the same time,

which shall be sufficient to pay and discharge the entire indebtedness on Bonds not theretofore cancelled by the Trustee or delivered to the Trustee for cancellation by the payment of interest

on and principal (and premium, if any) of the Bonds which have become due and payable or which shall become due at their stated maturity or redemption date, as the case may be, and which are to be discharged under the provisions hereof, and has made arrangements satisfactory to the Trustee for the giving of notice of redemption, if any, by the Trustee in the name, and at the expense, of the District; and

(b) the District has paid, caused to be paid or made arrangements satisfactory to the Trustee for the payment of all other sums payable hereunder and under any Credit Facility, Credit Agreement and other Related Documents by the Trustee or the District until the Bonds secured by such Credit Facility are so paid; and

(c) the District has delivered to the Trustee a report of an Independent Accountant stating that the cash and payments to be made on the Defeasance Securities referred to in clause (2) of Section 8.1(a) above will be sufficient to pay when due the principal of, premium, if any, and interest on the Bonds to be defeased; and

(d) if discharge is to be effected under clause (2) of Section 8.1(a) above, an opinion of Bond Counsel is delivered to the Trustee stating in effect that such discharge will not impair the tax-exempt status of the Tax-Exempt Bonds then Outstanding; and

(e) if full discharge and satisfaction of this Resolution is to be effected under clause (2) of Section 8.1(a) above, an opinion of Independent Counsel to the effect that all conditions precedent to the satisfaction and discharge of this Resolution have been complied with;

then, the rights of the Owners of such Bonds shall be limited to the cash or cash and securities deposited as provided in clause (1) or (2) above, and the rights and interest granted by this Resolution and any related Series Resolution to or for the benefit of the Trustee or Bondowners shall cease, terminate and become null and void, and the District and the Trustee shall, at the expense of the District, execute and deliver such instruments of satisfaction and transfer as may be necessary, and forthwith the estate, right, title and interest of the Trustee in and to all rights under this Resolution and any Series Resolution (except the moneys or securities or both deposited as required above) shall thereupon be discharged and satisfied.

The satisfaction and discharge of this Resolution shall be without prejudice to the rights of the Trustee to charge and be reimbursed by the District for any expenditures which it may thereafter incur in connection herewith.

**Section 8.2 Cancellation of Surrendered Bonds.** The District may at any time surrender to the Trustee for cancellation by the Trustee any Bonds previously authenticated and delivered hereunder which the District acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

**Section 8.3 Payment of Bonds.** Any series of Bonds or a portion of any series of Bonds shall be deemed paid, if the conditions set forth in clause (1) or (2) of Section 8.1(a) and, if clause (2) is applicable and securities are deposited in trust, Sections 8.1(b), (c) and (d), have been satisfied with respect thereto even though other Bonds may remain Outstanding and, if notice as provided in Section 8.6 hereof shall have been given, such portion of Bonds or such series of Bonds shall cease to be entitled to any lien, benefit or security under this Resolution. However, the liability of the District in respect of such portion of the Bonds or such series of Bonds, as the case may be, shall continue, but the holders thereof shall thereafter be entitled to payment (to the exclusion of all other Bondowners) only out of the moneys or Defeasance Securities deposited with the Trustee as aforesaid.

Section 8.4 Application of Deposited Money. All money, obligations and income thereon deposited with the Trustee pursuant to Section 8.1 for the purpose of paying the principal, premium, if any, and interest on Bonds shall be applied by the Trustee solely for such purpose.

Section 8.5 Liability of District Not Discharged. Upon the deposit with the Trustee, in trust, at or before maturity, of money or Defeasance Securities in the necessary amount to pay or redeem all Outstanding Bonds (whether upon or prior to maturity or the redemption date of such Bonds), provided that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as in Article Two herein provided, or provisions satisfactory to the Trustee shall have been made for the giving of such notice, and compliance with the other payment requirements of Section 8.1, and subject to the provisions of Sections 8.4 and 8.6, this Resolution may be discharged in accordance with the provisions hereof, but the liability of the District in respect of such Bonds shall continue, provided that the owners thereof shall thereafter be entitled to payment only out of the moneys or Defeasance Securities deposited with the Trustee as aforesaid.

Section 8.6 Notice of Provision for Payment of Bonds.

(a) In the event that less than all of the Bonds of a particular series are deemed paid as provided by Section 8.3 hereof, the Trustee, at the written direction of the District and in the manner provided in Article Two hereof, shall determine by Bond number or similar designation or identification characteristic the specific Bonds of such series, and each maturity within such series, that are secured by the trust funds described in Section 8.1(a)(2), and the Trustee shall promptly publish notice of such determination in a manner similar to the notice of redemption required by Article Two hereof.

(b) In addition, the Trustee shall give written notice to the owner of each Bond with respect to which a deposit has been made pursuant to the provisions of Section 8.1 or 8.3, which notice shall provide that (a) cash and/or Defeasance Securities have been deposited with the Trustee, (b) such cash and Defeasance Securities (and investment earnings thereon, if applicable) will be applied to the payment of such Bonds on the maturity date or earlier redemption date stated therein, and (c) such Bonds are no longer Outstanding hereunder.

Section 8.7 When Advance Refunding is Not Permitted. None of the Bonds Outstanding hereunder may be refunded as aforesaid nor may this Resolution be discharged if under any circumstances such refunding would result in the loss of any exemption for purposes of federal income taxation to which interest on such refunded Bonds would otherwise be entitled. The Trustee may rely upon an opinion of Bond Counsel (which opinion may be based upon a ruling or rulings of the Internal Revenue Service) to the effect that such Bonds would not, by reason of such of such refunding, be made subject to any additional federal income taxation to which such Bonds would not otherwise be subject.

## ARTICLE NINE

### DEFAULT PROVISIONS AND REMEDIES

Section 9.1 Events of Default. Subject to the provisions of Section 9.9, any of the following events is hereby defined as and deemed to be and to constitute an Event of Default (whatever the reason for such an Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(a) If default shall be made in the due and punctual payment of any interest on any Outstanding Senior Bond hereby secured; or

(b) If default shall be made in the due and punctual payment of the principal of or any redemption premium on any Outstanding Senior Bond hereby secured, whether at the stated maturity thereof or at the date fixed for redemption thereof; or

(c) If default shall be made in the due and punctual payment of any interest on any Outstanding Junior Bond hereby secured; provided that such a default shall not cause a default on the Senior Bonds; or

(d) If default shall be made in the due and punctual payment of the principal of or any redemption premium on any Outstanding Junior Bond hereby secured, whether at the stated maturity thereof or at the date fixed for redemption thereof; provided that such a default shall not cause a default on the Senior Bonds; or

(e) If default shall be made in the due and punctual payment of any other moneys required to be paid to the Trustee under the provisions hereof or any Series Resolution, Credit Agreement or Related Document and such default shall have continued for a period of thirty (30) days after written notice thereof specifying such default, shall have been given by the Trustee to the District, or to the District and the Trustee by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding affected by such default; or

(f) If default shall be made in the performance or observance of any other of the covenants, agreements or conditions on the part of the District contained in this Resolution, any Series Resolution, the Bonds, Credit Agreement or Related Document, and such default shall have continued for a period of thirty (30) days after written notice thereof given in the manner provided in clause (e) above.

Section 9.2 Remedies.

(a) Upon the occurrence of an Event of Default, the Trustee shall proceed to pursue any available remedy by suit at law or in equity to enforce all rights of the Bondowners, including without limitation the right to the payment of the principal or premium, if any, and interest on the Bonds then Outstanding out of any available Tax Revenues or any remainder of the Trust Estate and, without limiting the foregoing, the Trustee shall subject to Section 9.3 hereof proceed to protect and enforce its rights and the rights of Bondowners under the Act, this Resolution, any Credit Facility and any Related Document by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for the specific performance of any covenant or agreement contained herein or in aid of execution of any power herein granted or for the enforcement of any proper legal or equitable remedy, as the Trustee (being advised by Independent Counsel) shall deem most expedient in the interests of the Bondowners; provided, however, that the Trustee shall have the right to decline to comply with any request of Bondowners under Section 9.3 hereof if the Trustee shall be advised by Independent Counsel that the action so requested may not lawfully be taken or if the Trustee in good faith shall determine that such action would be unjustly prejudicial to the Bondowners not parties to such request; and provided, further, that notwithstanding any other provision hereunder or under any Series Resolution and under no circumstances (including in an Event of Default upon an act of bankruptcy, upon a determination of insolvency, in connection with a receivership proceeding or otherwise) shall the Trustee, any Bondowner or any other person have the right or power to accelerate the maturity of any Bonds.

(b) Upon the occurrence of an Event of Default under any Related Document, the Trustee shall also enforce any and all rights or obligations of the District thereunder.

(c) No remedy by the terms of this Resolution conferred upon or reserved to the Trustee (or to the Bondowners) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy (i) given to the Trustee or to the Owners hereunder, or (ii) now or hereafter existing at law or in equity or by statute.

(d) No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default, or acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient.

(e) No waiver of any Event of Default hereunder, whether by the Trustee or by the Owners, shall extend to or shall affect any subsequent Event of Default or impair any rights or remedies consequent thereon.

(f) All rights of action under this Resolution or under any of the Outstanding Bonds, enforceable by the Trustee, may be enforced by it without the possession of any of the Outstanding Bonds, or the production thereof, in the trial or other proceeding relative thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name for the benefit of all the Owners of such Outstanding Bonds affected by the related Event of Default, subject to the provisions of this Resolution.

Section 9.3 Direction of Proceedings by Bondowners. The Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Resolution, the Series Resolutions and the Related Documents or for the appointment of a receiver or any other proceedings hereunder; provided that such direction shall not be otherwise than in accordance with the provisions of law and of this Resolution. Notwithstanding the foregoing, the Owners of a majority in aggregate principal amount of the Senior Bonds then Outstanding shall have the right to direct the Trustee as provided in this Section 9.3 as to matters pertaining only to the Senior Bonds, and the Owners of a majority in aggregate principal amount of the Junior Bonds then Outstanding shall have the right to direct the Trustee as provided in this Section 9.3 as to matters pertaining only to the Junior Bonds. If any direction of the Bondowners shall relate to or affect the Senior Bonds, then a majority in aggregate principal amount of the Senior Bonds then Outstanding shall be required under this Section 9.3 in addition to the requirement of a majority in aggregate principal amount of all Bonds then Outstanding.

Section 9.4 Waiver of Stay or Extension Laws. Upon the occurrence of an Event of Default, to the extent that such rights may then lawfully be waived, neither the District nor anyone claiming through it or under it shall or will set up, claim or seek to take advantage of any appraisement, valuation, stay, extension or redemption laws now or hereafter in force, in order to prevent or hinder the enforcement of this Resolution, but the District, for itself and all who may claim through or under it, hereby waives to the extent that it lawfully may do so the benefit of all such laws and all right of appraisement and redemption to which it may be entitled under the laws of the State of Wisconsin.

Section 9.5 Priority of Payment and Application of Moneys.

(a) All Senior Bonds issued hereunder and secured hereby shall be equally and ratably secured by and payable from the Senior Bond Fund, without priority of one Senior Bond over any other, except as otherwise expressly provided (i) in this Resolution with respect to Senior Bonds of a specific series (or specific Senior Bonds within a series) secured by a Credit Facility, (ii) in a Series Resolution, or (iii) with respect to moneys or assets whether or not held in the Senior Bond Fund pledged to secure one or more series of Senior Bonds (or specific Senior Bonds within a series).

(b) All Junior Bonds issued hereunder and secured hereby shall be equally and ratably secured by and payable from the Junior Bond Fund, without priority of one Junior Bond over any other, except as otherwise expressly provided (i) in this Resolution with respect to Junior Bonds of a specific series (or specific Junior Bonds within a series) secured by a Credit Facility, (ii) in a Series Resolution, or (iii) with respect to moneys or assets whether or not held in the Junior Bond Fund pledged to secure one or more series of Junior Bonds (or specific Junior Bonds within a series).

(c) Upon the occurrence of an Event of Default, all moneys collected pursuant to action taken pursuant to the Trustee's or Bondowners' remedies hereunder shall be deposited:

(1) into the Senior Credit Facility Account, Senior Debt Service Reserve Credit Facility Account, Junior Credit Facility Account, Junior Debt Service Reserve Credit Facility Account or State Contribution Account, as appropriate, or

(2) into the Revenue Fund, to be further deposited as provided in Section 4.4(d) hereof;

and thereafter all moneys in the applicable Bond Fund (and, at the discretion of the Trustee except when otherwise required hereunder, any other Fund described in Article Four), excluding however (A) any moneys held in trust for the payment of any Bonds or interest thereon which have matured or otherwise become payable prior to such Event of Default and (B) any moneys (such as Credit Facility proceeds) pledged exclusively to secure one or more specific series of Bonds (or specific Bonds within a series) shall be applied as provided as follows:

Unless the principal of all Bonds shall have become due and payable, all such moneys in the respective Funds securing such obligations shall be applied consistent with the respective priorities of liens and the respective purposes for such Funds each as follows:

FIRST: To the payment of the persons entitled thereto of all installments of interest then due on the Bonds in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or privilege; and

SECOND: To the payment of the persons entitled thereto of the unpaid principal of and redemption premium, if any, on any of the Bonds which shall have become due (other than Bonds which have matured or have otherwise become payable prior to such Event of Default and moneys for the payment of which are held in trust pursuant to the provisions of this Resolution) in the order of their due dates and, if the amount available shall not be sufficient to pay in full the unpaid principal and redemption premium, if any, on Bonds due on any particular due date,

then to the payment ratably, according to the amount of principal and premium, if any, due on such date, to the persons entitled thereto, without any discrimination or privilege; and

THIRD: To the payment of interest and premium, if any, on and the principal of the Bonds and to the redemption of such Bonds, as thereafter may from time to time become due, all in accordance with the provisions of Article Four of this Resolution; and

FOURTH: To reimburse the Trustee for its costs and expenses; provided, however, that if the Trustee shall take any action relating solely to the Junior Bonds, whether at the direction of the Junior Bondowners pursuant to Section 9.3, 9.7 or 9.9 hereof or otherwise, the Trustee shall be reimbursed solely from the Junior Bond Expense Account.

Whenever moneys are to be applied by the Trustee pursuant to the provisions of this Section, such moneys shall be applied by it at such times, and from time to time, as the Trustee shall determine, having due regard to the source of such moneys, the priority of liens securing the Bonds hereunder, the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall (i) fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue, and (ii) on or before such date set aside the moneys necessary to effect such application. The Trustee shall give to the Bondowners mailed notice of the deposit with it of any such moneys and of the fixing of any such date. Neither the Trustee nor any Paying Agent shall be required to make payment to the Owner of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Whenever all Bonds and interest thereon and all other indebtedness secured hereby have been paid under the provisions of this Section 9.5, and all expenses and charges of the Trustee have been paid, any balance remaining shall be paid to the person entitled to receive the same pursuant to Section 13.1.

Section 9.6 Remedies Vested in Trustee. All rights of action (including the right to file proof of claims) under this Resolution or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Owners of the Bonds, and any recovery or judgment shall be for the benefit of the Owners of the Outstanding Bonds to the extent and in the manner provided in Section 9.5. The District and the Trustee hereby agree, without in any way limiting the effect and scope thereof, that the pledge and assignment hereunder to the Trustee of all rights included within the Trust Estate shall constitute an agency appointment coupled with an interest on the part of the Trustee which, for all purposes of this Resolution, shall be irrevocable and shall survive and continue in full force and effect notwithstanding the bankruptcy or insolvency of the District or its default hereunder or on the Bonds.

Section 9.7 Rights and Remedies of Owners. No Owner of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Resolution, a Series Resolution, a Credit Facility, Credit Agreement or any Related Documents or for the execution of any trust hereof or any remedy hereunder or thereunder or for the appointment of a receiver, unless: (i) a default thereunder shall have become an Event of Default and the Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have made written request to the Trustee and shall have offered it reasonable opportunity either to proceed to exercise the powers hereunder granted or to institute such action, suit or proceeding in its own name; (ii) such Owners shall have offered to indemnify

the Trustee as provided in Section 10.1(k); and (iii) the Trustee shall thereafter fail or refuse to exercise within a reasonable period of time the remedies hereunder granted, or to institute such action, suit or proceeding in its own name. Notwithstanding clause (i) of this Section 9.7, the Owners of a majority in aggregate principal amount of the Senior Bonds then Outstanding shall have the right to direct the Trustee as provided in this Section 9.7 as to matters pertaining only to the Senior Bonds, and the Owners of a majority in aggregate principal amount of the Junior Bonds then Outstanding shall have the right to direct the Trustee as provided in this Section 9.7 as to matters pertaining only to the Junior Bonds. If any direction of the Bondowners shall relate to or affect the Senior Bonds, then a majority in aggregate principal amount of the Senior Bonds then Outstanding shall be required under this Section 9.7 in addition to the requirement of a majority in aggregate principal amount of all Bonds then Outstanding. Such notification, request and offer of indemnity are hereby declared in every such case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of this Resolution, and to any action or cause of action for the enforcement of this Resolution, a Series Resolution, a Credit Facility, Credit Agreement or a Related Document, or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more Owners of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Resolution, by its, his, her or their action or to enforce any right thereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of the Owners of all Bonds then Outstanding (subject to the priority of the Senior Bonds as provided herein); provided, however, that nothing herein shall be construed to preclude any Bondowner from enforcing, or impair the right of any Bondowner to enforce, the payment by the Trustee of principal of, and interest and premium, if any, on any Bond of such Bondowner at or after its date of maturity, if and to the extent that such payment is required to be made to such Bondowner by the Trustee from available funds in accordance with the terms hereof.

Section 9.8 Termination of Proceedings. In case the Trustee shall have proceeded to enforce any right under this Resolution, a Series Resolution, any Credit Facility, Credit Agreement or Related Document by the appointment of a receiver, by entry and possession or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case the District and the Trustee shall be restored to their former positions and rights hereunder with respect to the property herein conveyed, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 9.9 Waiver of an Event of Default. The Trustee shall waive any Event of Default hereunder and its consequences upon written request of the Owners of (i) a majority in aggregate principal amount of all the Bonds then Outstanding with respect to which default in the payment of principal premium, and interest, or any of them, exists, or (ii) a majority in aggregate principal amount of all the Bonds then Outstanding in the case of any other Event of Default; provided, however, that there shall not be waived (A) any Event of Default in the payment of the principal of or premium on any Outstanding Bonds on the redemption date or at the date of maturity specified therein or (B) any Event of Default in the payment when due of the interest on any such Bonds, unless prior to such waiver all arrearages of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds with respect to which such Event of Default shall have occurred, and all arrearages of payments of principal and premium, if any, with interest (to the extent permitted by law) at the rate borne by the Bonds with respect to which such Event of Default shall have occurred, and all expenses of the Trustee and Paying Agents in connection with such Event of Default, shall have been paid or provided for. No such waiver or rescission shall extend to any subsequent or other Events of Default, or impair any right consequent thereon. Notwithstanding clause (i) of this Section 9.9, the Owners of a majority in aggregate principal amount of the Senior Bonds then Outstanding shall have the right to direct the Trustee as provided in this Section 9.9 as to matters pertaining only to the Senior Bonds, and the Owners of a majority in aggregate

principal amount of the Junior Bonds then Outstanding shall have the right to direct the Trustee as provided in this Section 9.9 as to matters pertaining only to the Junior Bonds. If any direction of the Bondowners shall relate to or affect the Senior Bonds, then a majority in aggregate principal amount of the Senior Bonds then Outstanding shall be required under this Section 9.9 in addition to the requirement of a majority in aggregate principal amount of all Bonds then Outstanding.

Section 9.10 Trustee as Agent of District.

(a) Anything herein to the contrary notwithstanding, no default under Section 9.1(e) or (f) of this Resolution shall constitute an Event of Default until actual notice of such default by registered or certified mail shall be given by the Trustee to the District, and the District shall have had the time permitted by the applicable subsection after receipt of such notice to correct said default or cause said default to be corrected and the District shall not have corrected said default or caused said default to be corrected within said time; provided, however, if said default occurs under Section 9.1(f) and is such that it can be corrected but not within the time permitted by Section 9.1(f), it shall not constitute an Event of Default if corrective action is instituted by the District within said time and diligently pursued until the default is corrected.

(b) With regard to any alleged default concerning which notice is given to the District under the provisions of this Section 9.10, the District hereby names and appoints the Trustee as its attorney-in-fact and agent with full authority to perform any covenant or obligation of the District alleged in said notice to constitute a default, in the name and stead of the District with full power to do any and all things and acts to the same extent that the District could do and perform any such things and acts and with power of substitution; provided that the Trustee shall give the District notice of its intention so to perform on behalf of the District, and provided further that the District may at any time, by a writing addressed to the Trustee, cancel, withdraw, limit or modify the appointment hereby made.

(c) With respect to any series of Bonds or a specific portion thereof secured by a Credit Facility, the provisions of Section 9.10(a) shall apply to the related Credit Facility Provider as though the Credit Facility Provider were named therein.

ARTICLE TEN

THE TRUSTEE

Section 10.1 Acceptance of the Trustee. Prior to the issuance of the initial series of Bonds, the Trustee shall, by written certificate, accept the duties and obligations of Trustee under this General Resolution. The Trustee, prior to the occurrence of an Event of Default, shall perform such duties and only such duties as are specifically set forth in this Resolution; and no implied covenants or obligations should be read into this Resolution against the Trustee. In case an Event of Default has occurred, the Trustee shall perform such trusts as an ordinarily prudent trustee under a corporate mortgage, but in any such event, only upon and subject to the following express terms and conditions:

(a) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers, or employees, but shall be answerable for the conduct of the same in accordance with the standard specified above, and shall be entitled to advice of counsel concerning all matters of trusts hereof and duties hereunder, and may in all cases pay such reasonable compensation to any attorney, agent, receiver or employee retained or employed by it in connection herewith. The Trustee may act upon the written opinion or written advice of any attorney, surveyor,

engineer or accountant selected by it in the exercise of reasonable care or, if selected or retained by the District, approved by the Trustee in the exercise of such care, provided that the only legal advice or opinion that the Trustee may rely upon for purposes of securing advice or an opinion relating to the tax-exempt status of the Tax-Exempt Bonds is legal advice or an opinion given by Bond Counsel. The Trustee shall not be responsible for any loss or damage resulting from any action or nonaction in good faith in reliance upon such opinion or advice.

(b) The Trustee shall not be responsible for any recital herein, or in the Bonds (except with respect to the certificate of the Trustee endorsed on the Bonds) or for the investment of moneys as herein provided, except as provided in Section 6.2, or for insuring the Project or collecting any insurance moneys, or for the validity of the execution by the District of this Resolution, or of any Series Resolutions or instruments of further assurance, or for the sufficiency of any security for the Bonds issued hereunder or intended to be secured hereby, or otherwise as to the maintenance of the security hereof; and except that in the event the Trustee enters into possession of a part or all of the property conveyed pursuant to any provisions of this Resolution, or any Credit Facility, Credit Agreement or Related Document, it shall use due diligence in preserving such property. The Trustee may, but shall be under no duty to, require of the District full information and advice as to the performance of the covenants, conditions and agreements in any Credit Facility, Credit Agreement or Related Document as to the condition of any encumbered property and the performance of all other obligations thereunder and shall use its best efforts, but without any obligation, to advise the District of any impending Event of Default known to the Trustee.

(c) The Trustee shall not be accountable for the use or application by the District of any of the Bonds or the proceeds thereof (except as herein expressly provided) or for the use or application of any money paid over by the Trustee in accordance with the provisions of this Resolution or for the use and application of money received by any Paying Agent. The Trustee may become the owner of Bonds secured hereby with the same rights it would have if not Trustee.

(d) The Trustee shall be protected in acting upon any written notice, order, requisition, request, consent, certificate, opinion (including an opinion of Independent Counsel or Bond Counsel), affidavit, letter, telegram or other paper or document reasonably believed by it to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Trustee pursuant to this Resolution upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Owner of any Bond, shall be conclusive and binding upon all future Owners of the same Bond and upon Bonds issued in exchange therefor, upon transfer thereof, or in place thereof.

(e) As to the existence or non-existence of any fact or as to the sufficiency or authenticity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon a certificate of the District signed by its District Representative under the seal of the District as sufficient evidence of the facts stated therein as the same appear from the books and records under the custody or control or are otherwise known to a District Representative. The Trustee may accept a certificate of the District Representative under the seal of the District to the effect that a motion or resolution in the form therein set forth has been adopted by the governing body of the District as conclusive evidence that such motion or resolution has been duly adopted, and is in full force and effect, and may accept such motion or resolution as sufficient evidence of the facts stated therein and the necessity or expediency of any particular dealing, transaction or action authorized or approved thereby, but may at its discretion, secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same.

(f) The Trustee shall not be answerable except for its negligence or willful default.

(g) The Trustee shall not be personally liable for any debts contracted or for damages to persons or to personal property injured or damaged, or for salaries or nonfulfillment of contracts during any period in which it may be in possession of or managing the real and tangible personal property as in this Resolution provided.

(h) At any and all reasonable times, the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right fully to inspect any and all of the property comprising any Project, including all books, papers and records of the District pertaining to such Project(s) and the Bonds, and to take such memoranda from and with regard thereto as may be desired.

(i) The Trustee shall not be required to give any bond or surety with respect to the execution of said trusts and powers or otherwise in respect to the premises.

(j) Notwithstanding anything elsewhere in this Resolution contained, the Trustee shall have the right, but shall not be required, to demand, with respect to the authentication of any Bonds, the withdrawal of any cash, the release of any property or any action whatsoever within the purview of this Resolution, any showings, certificates, opinions (including opinions of Independent Counsel), appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action by the Trustee, deemed desirable for the purpose of establishing the right of the District to the authentication of any Bonds, the withdrawal of any cash, the release of any property, or the taking of any other action by the Trustee.

(k) Before taking any action hereunder, the Trustee may require that it be furnished an indemnity bond satisfactory to it for the reimbursement of all expenses to which it may be put and to protect it against all liability except liability which is adjudicated to have resulted from the negligence or willful default of the Trustee, by reason of any action so taken by the Trustee.

Section 10.2 Trustee's Fees, Charges and Expenses. The Trustee and any Paying Agent and Bond Registrar shall be entitled to payment and/or reimbursement for reasonable fees for services rendered hereunder as shall be provided in any Series Resolution and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by the Trustee in and about the execution of the trusts created by this Resolution and in and about the exercise and performance of the powers and duties of the Trustee hereunder and for the reasonable and necessary costs and expenses incurred in defending any liability in the premises of any character whatsoever (unless such liability is adjudicated to have resulted from the negligence or willful default of the Trustee). Upon an Event of Default, but only upon an Event of Default, the Trustee shall have a first lien with right of payment prior to payment on account of interest on or principal or premium, if any, of any Bond and upon the money received by it hereunder, for said fees, advances, counsel fees, costs and expenses incurred by it. The Trustee and the District may from time to time agree in writing upon the fees, costs and expenses to be paid to the Trustee and each such writing shall be enforceable by either party.

Section 10.3 Notice to Owners of Default. The Trustee shall give to the Bondowners and to the Original Purchaser of each series of Bonds written notice of all Events of Default known to the Trustee, within ninety (90) days after the occurrence of an Event of Default; provided that except in the case of an Event of Default in the payment of the principal of or interest on any of the Bonds, the Trustee shall be protected in withholding such notice if and so long as the Board of Directors, the executive committee or a trust committee of directors or chief executive officer of the Trustee in good faith determines that the withholding of such notice is in the interest of the Owners.

Section 10.4 Intervention by Trustee. In any judicial proceeding to which the District is a party and which in the opinion of the Trustee and its counsel has a substantial bearing on the interests of Owners of Bonds, the Trustee may intervene on behalf of Owners and shall do so if requested in writing by the Owners of a majority in the aggregate principal amount of Outstanding Bonds. The rights and obligations of the Trustee under this Section are subject to the approval of a court of competent jurisdiction in the premises.

Section 10.5 Successor Trustee. Any corporation, association or agency into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, ipso facto, shall be and become successor trustee and paying agent under this Resolution and vested with all of the title to the Trust Estate, and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or flag of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 10.6 Resignation by Trustee. The Trustee shall not resign from the trusts hereby created unless and until a successor trustee has been appointed, which successor has agreed in writing to perform the duties of the Trustee and Bond Registrar hereunder.

Subject to the preceding paragraph, the Trustee and any successor trustee may at any time resign from the trusts hereby created by giving thirty (30) days written notice to the District and by first class mail to each Owner of Bonds as shown on the Bond Register. Such resignation shall take effect at the end of such thirty (30) days, or upon the earlier appointment of a successor trustee by the Owners or by the District. Such notice to the District may be served personally or sent by registered mail.

Section 10.7 Removal of Trustee. The Trustee may be removed at any time by an instrument or concurrent instruments in writing delivered to the Trustee, and to the District, and signed by the Owners of a majority in aggregate principal amount of Bonds then Outstanding.

Section 10.8 Appointment of Successor Trustee. In case the Trustee hereunder shall resign or be removed, or be dissolved or shall be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the District or, if the District fails to appoint a successor, by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, by an instrument or concurrent instruments in writing signed by such Owners, or by their attorney-in-fact, duly authorized. Nevertheless, in case of such vacancy the District by resolution of its governing body may appoint a temporary trustee to fill such vacancy until a successor trustee shall be appointed by the Owners in the manner above provided; and any such temporary trustee so appointed by the District shall immediately and without further act be superseded by the Trustee so appointed by such Owners. Every such Trustee appointed pursuant to the provisions of this Section 10.8 shall be a trust company or bank having trust powers and having a reported capital and surplus not less than \$25,000,000, if there be such an institution willing, qualified and able to accept the trust upon reasonable or customary terms.

In case at any time the Trustee shall resign and no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Resolution prior to the date specified in the notice of resignation as the date when such resignation is to take effect, the retiring Trustee may forthwith apply to a court of competent jurisdiction for the appointment of a successor Trustee. Such court may thereupon, after such notice, if any, as it may deem proper, appoint a successor Trustee.

Section 10.9 Acceptance by Successor Trustees. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and to the District, an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed or conveyance shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessors as Trustee, Paying Agent and Bond Registrar; but such predecessor shall nevertheless, on the written request of the District, or of its successor Trustee, execute and deliver an instrument transferring to such successor Trustee all the estates, properties, rights, powers and trusts of such predecessor hereunder, and every predecessor Trustee shall deliver all securities and moneys held by it as Trustee hereunder to its successor. Should any instrument in writing from the District be required by any successor Trustee for more fully and certainly vesting in such successor the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor trustee, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the District. The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all other instruments provided for in this Article, shall be forthwith filed or recorded or both by the successor Trustee in each recording office where this Resolution shall have been filed or recorded or both.

Section 10.10 Trustee Protected in Relying Upon Resolutions. The resolutions, orders, requisitions, opinions, certificates and other instruments provided for in this Resolution may be accepted by the Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection and authority to the Trustee.

Section 10.11 Successor Trustee as Custodian of Bond Fund and Paying Agent. In event of a change in the office of Trustee the predecessor trustee which has resigned or been removed shall cease to be custodian of the Funds prescribed in Article Four and shall cease to act as the Paying Agent for principal and interest on the Bonds, and the successor trustee shall be and become such custodian and Paying Agent.

Section 10.12 Co-Trustee. At any time or times, for any purpose (including the purpose of meeting any legal requirements of any jurisdiction in which any part of the Trust Estate may at the time be located), the District and the Trustee shall have the power to appoint, and, upon the request of the Trustee or of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, the District shall for such purpose join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to appoint one or more persons approved by the Trustee either to act as co-trustee or co-trustees, jointly with the Trustee, of all or any part of the Trust Estate, or to act as separate trustee or separate trustees of all or any part of the Trust Estate, and to vest in such person or persons, in such capacity, such right to the Trust Estate or any part thereof, and such rights, powers, duties, trusts or obligations as the District and the Trustee may consider necessary or desirable subject to the remaining provisions of this Section 10.12.

If the District shall not have joined in such appointment within fifteen (15) days after the receipt by it of a request so to do, or in case an Event of Default shall have occurred and be continuing the Trustee alone shall have power to make such appointment.

The District shall execute, acknowledge and deliver all such instruments as may be required by any such co-trustee or separate trustee for more fully confirming such title, rights, powers, trusts, duties and obligations to such co-trustee or separate trustee.

Every co-trustee or separate trustee shall to the extent permitted by law but to such extent only, be appointed subject to the following terms, namely:

(a) The Bonds shall be authenticated and delivered, and all rights, powers, trusts, duties and obligations by this Resolution conferred upon the Trustee in respect of the custody, control or management of moneys, papers, securities and other personal property shall be exercised solely by the Trustee.

(b) All rights, powers, trusts, duties and obligations conferred or imposed upon the trustees shall be conferred or imposed upon and exercised or performed by the Trustee, or by the Trustee and such co-trustee or co-trustees or separate trustee or separate trustees jointly, as shall be provided in the instrument appointing such co-trustee or co-trustees or separate trustee or separate trustees, except to the extent that, under the law of any jurisdiction in which any particular act or acts are to be performed, the Trustee shall be incompetent or unqualified to perform such act or acts, in which event such act or acts shall be performed by such co-trustee or co-trustees or separate trustee or separate trustees.

(c) Any request in writing by the Trustee to any co-trustee or separate trustee to take or to refrain from taking any action hereunder shall be sufficient warrant for the taking, or the refraining from taking, of such action by such co-trustee or separate trustee.

(d) Any co-trustee or separate trustee may delegate to the Trustee the exercise of any right, power, trust, duty or obligation, discretionary or otherwise.

(e) The Trustee at any time, by an instrument in writing, with the concurrence of the District, may accept the resignation of or remove any co-trustee or separate trustee appointed under this Section 10.12, and, in case of a continuing Event of Default the Trustee shall have power to accept the resignation of, or remove, any such co-trustee or separate trustee without the concurrence of the District. Upon the request of the Trustee, the District shall join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to effectuate such resignation or removal. A successor to any co-trustee or separate trustee so resigned or removed may be appointed in the manner provided in this Section 10.12.

(f) No trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder.

(g) Any demand, request, direction, appointment, removal notice, consent waiver or other action in writing delivered to the Trustee shall be deemed to have been delivered to each co-trustee or separate trustee.

(h) Any moneys, papers, securities or other items of personal property received by any such co-trustee or separate trustee hereunder shall forthwith, so far as may be permitted by law, be turned over to the Trustee.

Upon the acceptance in writing of such appointment by any such co-trustee or separate trustee, it or he shall be vested with such interest in and to the Trust Estate or any part thereof, and with such rights, powers, duties or obligations, as shall be specified in the instrument of appointment jointly with the Trustee (except insofar as local law makes it necessary for any such co-trustee or separate trustee to act alone) subject to all the terms of this Resolution. Every such acceptance shall be filed with the Trustee. Any co-trustee or separate trustee may, at any time by an instrument in writing, constitute the Trustee its or his attorney-in-fact and agent with full power and authority to do all acts and things and to exercise all discretion on its or his behalf and in its or his name.

In case any co-trustee or separate trustee shall die, become incapable of acting, resign or be removed, the title to the Trust Estate and all rights, powers, trusts, duties and obligations of said co-trustee or separate trustee shall, so far as permitted by law, vest in and be exercised by the Trustee unless and until a successor co-trustee or separate trustee shall be appointed in the manner herein provided.

Section 10.13 Obligation of Trustee as to Reporting. In addition to the information and reports required by Section 4.13 hereof, the Trustee shall at the request of the District, cause to be filed any reports lawfully required by any public agency to be filed under any applicable security laws and any other reports lawfully required by any public agency to be filed under the Act or any other applicable state law. For this purpose the Trustee is entitled to require the District to cause to be furnished to the Trustee whatever information is necessary to comply with such reporting requirements at the District's sole expense.

Section 10.14 Successor Paying Agent. The provisions of this Resolution with respect to removal, resignation and appointment of a successor trustee shall be equally applicable to resignation, removal and appointment of a successor to the Paying Agent. The Trustee shall be eligible for appointment as successor to the Paying Agent.

Section 10.15 Remarketing Agent. This Section shall apply only to Variable Rate Bonds for which a Remarketing Agent is or has been appointed.

(a) The Remarketing Agent shall designate to the Trustee its principal office and signify its acceptance of the duties and obligations imposed upon it hereunder by a written instrument of acceptance delivered to the District and the Trustee under which the Remarketing Agent will agree, particularly:

(1) to offer for sale, and use its best efforts to sell in a form and manner acceptable to the District, Bonds to be purchased at the principal amount thereof plus accrued interest to the relevant purchase date; and

(2) to keep such books and records as shall be consistent with prudent industry practice and to make such books and records available for inspection by the District and the Trustee at all reasonable times.

(b) The Remarketing Agent shall be (i) a member of the National Association of Securities Dealers, Inc., or some other comparable trade association, and (ii) authorized by law to perform all of the duties imposed upon it by the applicable Series Resolution and related Remarketing Agreement.

(c) The Remarketing Agent may at any time resign and be discharged of the duties and obligations created by this Resolution and the applicable Series Resolution and Remarketing Agreement by giving at least 30 days' written notice to the District, any Credit Facility Provider which has furnished a Credit Facility for the related series of Bonds and the Trustee. The Remarketing Agent may be removed with cause at any time upon not more than 45 days written notice by an instrument, signed by the District, filed with the Remarketing Agent, the Trustee and any Credit Facility Provider which has furnished a Credit Facility for the related series of Bonds, all as provided in the applicable Remarketing Agreement.

(d) In the event that the Remarketing Agent shall resign or be removed, and the District shall not have appointed a successor Remarketing Agent the Trustee shall ipso facto be deemed to be the Remarketing Agent for all purposes of this Resolution until the appointment by the District of a successor Remarketing Agent; provided, however, that (i) the Trustee, in its capacity as Remarketing Agent, shall

not be required to sell or market Bonds, (ii) the Trustee shall be entitled to rely in good faith on the advice of any consultant engaged in marketing tax-exempt bonds in carrying out its duties as a Remarketing Agent, and (iii) the Trustee shall only be liable for gross negligence or willful misconduct in performing its functions as Remarketing Agent.

(e) The Remarketing Agent shall at all times act as an independent contractor in the performance of its duties under this Resolution and not as an agent of either the District or the Trustee; and neither the District nor the Trustee shall be liable for the failure of the Remarketing Agent to perform any of the duties to be performed by it under this Resolution.

(f) Nothing in this Section shall be construed as conferring on the Trustee additional duties other than as set forth herein.

## ARTICLE ELEVEN

### SERIES RESOLUTIONS

Section 11.1 Series Resolutions and Amendments of General Resolution Not Requiring Consent of Bondowners. The District and the Trustee may, from time to time and at any time, without the consent of, or notice to, any of the Owners, and when so required by this Resolution shall enter into any series resolution and may supplement any series resolution as shall not be inconsistent with the limitations of Section 11.2 hereof (which Series Resolutions shall thereafter form a part hereof), so as to thereby:

(a) provide for the issuance of Bonds or Additional Bonds as permitted by Article Five hereof;

(b) cure any ambiguity or formal defect or omission in this Resolution or in any Series Resolution;

(c) grant to or confer upon the Trustee for the benefit of the Owners any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Owners or the Trustee;

(d) more precisely identify the Trust Estate, or any other property which may become a part of the Trust Estate;

(e) subject to the lien and pledge of this Resolution additional revenues, properties or collateral;

(f) evidence the appointment of a separate trustee or a co-trustee or the succession of a new Trustee and/or Paying Agent hereunder;

(g) modify, eliminate and/or add to the provisions of this Resolution to such extent as shall be necessary to prevent any interest on Tax-Exempt Bonds from becoming taxable under the Code, or as permitted by Section 6.3(b) hereof;

(h) effect the qualification of this Resolution under the Trust Indenture Act of 1939, as then amended, or under any similar Federal statute hereafter enacted, and to add to this Resolution such other

provisions as may be expressly permitted by said Trust Indenture Act of 1939, excluding however the provisions referred to in Section 316(a)(2) of said Trust Indenture Act of 1939;

(i) make any other change which is required by any provision of this Resolution or which is deemed by the Trustee necessary to reconcile this Resolution with the Related Documents, or any amendments thereto; or

(j) make any other change which in the judgment of the District and Trustee is necessary or desirable and will not materially prejudice any non-consenting Owner of a Bond.

Section 11.2 Series Resolutions and Amendments of General Resolution Requiring Consent of Bondowners. Exclusive of Series Resolutions permitted by Section 11.1 hereof and subject to the terms and provisions contained in this Section, and not otherwise, the Trustee, upon receipt of an instrument evidencing the consent to the below-mentioned series resolution by the Owners of a majority in the aggregate principal amount of the Bonds then Outstanding, shall join with the District in the execution of such Series Resolutions as shall be deemed necessary and desirable for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Resolution or in any Series Resolution; provided, however, that nothing herein contained shall permit or be construed as permitting (1) an extension of the maturity of the principal or of the interest on any Bond issued hereunder, or (2) a reduction in the principal amount of any Bond or the rate of interest thereon, or (3) a privilege or priority of any Bond or Bonds over any other Bond or Bonds except as may be otherwise expressly provided herein, or (4) a reduction in the aggregate principal amount of the Bonds required for consent to such series resolution, or (5) modifying any of the provisions of this Section without the consent of the Owners of one hundred percent (100%) of the principal amount of all Bonds adversely affected thereby ("100% Bondowners' Consent"). Notwithstanding the foregoing, the Owners of a majority (or 100%, as applicable) in aggregate principal amount of the Senior Bonds then Outstanding shall have the right to consent as provided in this Section 11.2 as to matters pertaining only to the Senior Bonds, and the Owners of a majority (or 100%, as applicable) in aggregate principal amount of the Junior Bonds then Outstanding shall have the right to consent as provided in this Section 11.2 as to matters pertaining only to the Junior Bonds. If any consent of the Bondowners shall relate to or affect the Senior Bonds, then a majority (or 100%, as applicable) in aggregate principal amount of the Senior Bonds then Outstanding shall be required under this Section 11.2 in addition to the requirement of a majority in aggregate principal amount of all Bonds then Outstanding.

If at any time the District shall request the Trustee to enter into any such series resolution for any of the purposes of this Section which does not require 100% Bondowners' Consent, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such series resolution to be mailed by first class mail, postage prepaid, to the Owners of the Bonds at the addresses shown on the Bond Register. Such notice shall briefly set forth the nature of the proposed series resolution and shall state that copies thereof are on file at the principal office of the Trustee for inspection by all Bondowners. The Trustee shall not, however, be subject to any liability to any Bondowner by reason of its failure to mail such notice to any particular Bondowner if notice was generally mailed to Bondowners, and any such failure shall not affect the validity of such series resolution when consented to and approved as provided in this Section. If the Owners of a majority in aggregate principal amount of the Bonds then Outstanding at the time of the execution of any such series resolution shall have consented to and approved the execution thereof as herein provided, no Owner of any Bond shall have any right to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution thereof or to enjoin or restrain the Trustee or the District from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such series resolution as in this Section permitted and provided, this

Resolution shall be and is deemed to be modified and amended in accordance herewith. Anything herein to the contrary notwithstanding, a Series Resolution under this Article Eleven which adversely affects the rights of the District shall not become effective unless and until the District shall have consented (either in writing or by inaction as provided below) to the execution and delivery of such series resolution. In this regard, the Trustee shall cause notice of the proposed execution and delivery of any such series resolution, together with a copy of the proposed series resolution, to be mailed by certified or registered mail to the District at least fifteen (15) days prior to the proposed date of execution and delivery of any such series resolution. The District shall be deemed to have consented to the execution and delivery of any such series resolution if the Trustee does not receive a letter of protest or objection thereto, signed by a District Representative, on or before 4:30 p.m., Central Standard or Central Daylight time, whichever is then in effect, of the fifteenth day after the mailing of said notice and a copy of the proposed series resolution to the District unless such fifteenth day is not a Business Day, in which event the letter of objection must be received on the next succeeding Business Day.

Section 11.3 Rights of Trustee. If, in the opinion of the Trustee, any series resolution provided for in this Article affects the rights, duties or immunities of the Trustee under this Resolution or otherwise, the Trustee may, in its discretion, decline to execute such series resolution, except to the extent that this may be required in the case of a Series Resolution entered into under Section 11.1. The Trustee shall be entitled to receive, and shall be fully protected in relying upon, an opinion of Independent Counsel as conclusive evidence that any such series resolution conforms to the requirements of this Resolution.

## ARTICLE TWELVE

### AMENDMENTS TO RELATED DOCUMENTS

Section 12.1 Amendments Not Requiring Bondowner Consent. The District and/or the Trustee may, without the consent of or notice to the Bondowners, consent to any amendment, change or modification of the Credit Facility, Credit Agreement or any of the Related Documents:

- (a) which may be required or permitted without Bondowner consent by the provisions of this Resolution;
- (b) for the purpose of curing any ambiguity or formal defect or omission;
- (c) to reconcile any Credit Facility, Credit Agreement or a Related Document with any amendment or supplement to this Resolution including any Series Resolution permitted by Sections 11.1 and 11.2 hereof; or
- (d) to effect any other change in a Credit Facility, Credit Agreement or a Related Document which, in the judgment of the District and Trustee, will not materially prejudice any non-consenting Owner of a Bond.

Section 12.2 Amendments Requiring Bondowner Consent. Except for (1) amendments, changes or modifications as provided in Section 12.1, and (2) amendments, changes or modifications permitted by the Credit Facility, Credit Agreement or any Related Document, neither the District nor the Trustee shall consent to any other amendment, change or modification of any Related Document, without the giving of notice and the written approval or consent of the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding given and procured as provided in this Section;

provided that in no event shall such amendment, change or modification relieve the District of the obligation under the Credit Facility, Credit Agreement or any Related Documents to make when and as due any payments required for the payment of principal interest and any premium due or to become due on the Bonds unless the consent of the Owners of all Bonds adversely affected thereby is first secured. Notwithstanding the foregoing, the Owners of a majority in aggregate principal amount of the Senior Bonds then Outstanding shall have the right to consent as provided in this Section 12.2 as to matters pertaining only to the Senior Bonds, and the Owners of a majority in aggregate principal amount of the Junior Bonds then Outstanding shall have the right to consent as provided in this Section 12.2 as to matters pertaining only to the Junior Bonds. If any consent of the Bondowners shall relate to or affect the Senior Bonds, then a majority in aggregate principal amount of the Senior Bonds then Outstanding shall be required under this Section 12.2 in addition to the requirement of a majority in aggregate principal amount of all Bonds then Outstanding.

If at any time the District shall request the consent of the Trustee to any such proposed amendment, change or modification of any Credit Facility, Credit Agreement or any Related Document to which the District is a party or the District shall request consent of the Trustee to any such proposed amendment, change or modification of any other Related Document to which the District is not a party, the Trustee shall upon being satisfactorily indemnified with respect to expenses, cause notice of such proposed amendment, change or modification to be given in the same manner as provided in Section 11.2 hereof with respect to Series Resolutions. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the principal office of the Trustee for inspection by all Owners. The Trustee shall not, however, be subject to any liability to any Owner by reason of its failure to mail such notice to any particular Bondowner if notice was generally mailed to Bondowners, and any such failure shall not affect the validity of such amendment, change or modification when consented to and approved as provided in this Section. If the Owners of a majority in aggregate principal amount of the Bonds then Outstanding at the time of the execution of any such amendment shall consent to the execution thereof as herein provided, no Owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the District from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such amendment, the applicable Credit Facility, Credit Agreement or any Related Document thereby amended shall be deemed to be modified and amended in accordance therewith. Nothing in this Section contained shall permit or be construed as permitting a reduction or change in the stated maturities of the Bonds.

## ARTICLE THIRTEEN

### MISCELLANEOUS PROVISIONS

Section 13.1 Amounts Remaining in Funds. Upon discharge hereof as provided herein and after adequate provision has been made to discharge the Bonds in accordance with Article Eight and make all other payments required hereunder and under the Related Documents, the Trustee forthwith shall pay all remaining amounts in the Funds established in Article Four hereof to the District.

Section 13.2 Rights Under Resolution. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Resolution or the Bonds is intended or shall be construed to give any person or company other than the parties hereto, and the Bondowners, any legal or equitable right, remedy, or claim under or in respect to this Resolution or any covenants, conditions and provisions herein contained; this Resolution and all of the covenants, conditions and provisions hereof

being intended to be and being for the sole and exclusive benefit of the parties hereto and the Owners of the Bonds hereby secured as herein provided.

Section 13.3 Meetings of Bondowners.

(a) Meetings of Bondowners pursuant to this Section 13.3 may be meetings of all of the Owners of Bonds Outstanding, all of the Owners of Senior Bonds Outstanding, or all of the Owners of Junior Bonds Outstanding, as applicable. A meeting of Bondowners may be called at any time and from time to time pursuant to this Section to facilitate any of the following purposes:

(1) to give any notice to the District or the Trustee, or to give any directions to the Trustee, or to consent to the waiving of any default under this Resolution, or to take any other action authorized to be taken by the Bondowners under this Resolution;

(2) to remove the Trustee or to appoint a successor trustee pursuant to Sections 10.7 and 10.8 of this Resolution;

(3) to consent to the execution of a Series Resolution pursuant to Section 11.2 hereof, or to consent to the execution of an amendment, change or modification of a Related Document, or any of them, pursuant to Section 12.2 hereof; or

(4) to take any other action authorized to be taken by or on behalf of the Owners of any specified aggregate principal amount of the Bonds under any other provision of this Resolution or under applicable law.

(b) Meetings of Bondowners may be held at such place or places as the Trustee or, in case of its failure to act, the Bondowners calling the meeting, shall from time to time determine.

(c) The Trustee may at any time call a meeting of Bondowners to be held at such time and at such place as the Trustee shall determine. Notice of every meeting of Bondowners setting forth the time and the place of such meeting and in general terms the action proposed to be taken at such meeting, shall be mailed by first class mail, postage prepaid, to the Owners of the Bonds at the address shown on the Bond Register. Any failure of the Trustee to mail such notice to a particular Bondowner, or any defect therein shall not, however, in any way impair or affect the validity of any such meeting if notice was generally mailed to Bondowners. In the event that the Owners of at least 10% in aggregate principal amount of the Outstanding Bonds (or of the Outstanding Senior Bonds or Junior Bonds, as applicable) shall have requested the Trustee to call a meeting of the Bondowners by written request setting forth in reasonable detail the action proposed to be taken at the meeting, and the Trustee shall not have accomplished the mailing of notice of such meeting within 20 days after receipt of such request, then such Bondowners may determine the time and the place for such meeting and may call such meeting to take any action authorized in Section 13.3(a) by giving notice of such meeting in accordance with the provisions of this Section 13.3(c).

(d) To be entitled to vote at any meeting of Bondowners, a person shall be an Owner of one or more Bonds Outstanding, or a person appointed by an instrument in writing as proxy for a Bondowner by such Bondowner. The only persons who shall be entitled to be present or to speak at any meeting of Bondowners shall be the persons entitled to vote at such meeting and their counsel and any representatives of the Trustee, District and their counsel.

(e) Notwithstanding any other provisions of this Resolution, the Trustee may make such reasonable regulations as it may deem advisable for any meeting of Bondowners in regard to proof of the ownership of Bonds and of the appointment of proxies and in regard to the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidence of the right to vote, and such other matters concerning the conduct of the meeting as it shall deem appropriate. Except as otherwise permitted or required by any such regulations, the ownership of Bonds shall be proved in the manner specified in Section 2.9(e) of this Resolution and the appointment of any proxy shall be proved in the manner specified in said Section or by having the signature of the person executing the proxy witnessed or guaranteed by any bank, banker or trust company authorized by said Section to certify to the ownership of Bonds.

(1) The Trustee or, if the Bondowners have called the meeting, the Bondowners shall, by an instrument in writing, appoint a temporary chairperson of the meeting. A permanent chairperson and a permanent secretary of the meeting shall be elected by vote of the Owners of a majority of the Bonds represented at the meeting and entitled to vote.

(2) At any meeting such Bondowner or proxy shall be entitled to one vote for each \$5,000 of principal amount of Outstanding Bonds owned or represented by him or her; provided, however, that no vote shall be cast or counted at any meeting in respect of any Bond challenged as not Outstanding and ruled by the chairperson of the meeting to be not Outstanding. The chairperson of the meeting shall have no right to vote, except as a Bondowner or proxy.

(3) At any meeting of Bondowners, the presence of persons owning or representing Bonds in an aggregate principal amount sufficient under the appropriate provision of this Resolution to take action upon the business for the transaction of which such meeting was called shall constitute a quorum. Any meeting of Bondowners duly Called pursuant to this Section may be adjourned from time to time by vote of the Owners (or proxies for the Owners) of a majority of the Bonds represented at the meeting and entitled to vote, whether or not a quorum shall be present; and the meeting may be held as so adjourned without further notice.

(f) The vote upon any resolution submitted to any meeting of Bondowners shall be by written ballots on which shall be subscribed the signatures of the Bondowners or of their proxies and the number or numbers of the Bonds Outstanding held or represented by them. The permanent chairperson of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports in duplicate of all votes cast at the meeting. A record, at least in duplicate, of the proceedings of each meeting of Bondowners shall be prepared by the secretary of the meeting. The original reports of the inspectors of votes on any vote by ballot taken at such meeting, and affidavits by one or more persons having knowledge of the facts setting forth a copy of the notice of the meeting and showing that said notice was published or mailed as provided in this Section shall be attached to such record. Each copy shall be signed and verified by the affidavits of the permanent chairperson and secretary of the meeting and one such copy shall be delivered to the District and another to the Trustee to be preserved by the Trustee, which copy shall have attached thereto the ballots voted at the meeting. Any record so signed and verified shall be conclusive evidence of the matters therein stated.

(g) At any time prior to the preparation of the record of the meeting in accordance with the terms of this Section for delivery to the Trustee evidencing the taking of any action by the Owners of the percentage in aggregate principal amount of the Bonds specified in this Resolution in connection with such action, any Owner of a Bond the number of which is included in the Bonds, the Owners of which have consented to such action, may, by filing written notice with the Trustee at its principal corporate trust

office and upon proof of holding as provided in Section 2.9(c) of this Resolution, revoke such consent so far as it concerns such Bond. Except as aforesaid, any such consent given by the Owner of any Bond shall be conclusive and binding upon such Owner and upon all future Owners and owners of such Bond and of any Bond issued in exchange therefor, upon transfer thereof, or in lieu thereof, irrespective of whether or not any notation in regard thereto is made upon such Bond. Any action taken by the Owners of the percentage in aggregate principal amount of the Bonds specified in this Resolution in connection with such action shall be conclusively binding upon the District, the Trustee and the Owners of all the Bonds.

Section 13.4 Severability. If any provision of this Resolution shall be held or deemed to be or shall in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions or in all cases because it conflicts with any provisions of any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provisions herein contained invalid, inoperative or unenforceable to any extent whatever.

The invalidity of any one or more phrases, sentences, clauses or paragraphs in this Resolution contained shall not affect the remaining portions of this Resolution or any part thereof.

Section 13.5 Notices. All notices, certificates or other communications hereunder shall be in writing (except as otherwise expressly provided herein) and shall be sufficiently given and shall be deemed given when mailed by first class mail, postage prepaid, with proper address as indicated below. The District, the Bondowners and the Trustee may, by written notice given by each to the others, designate any address or addresses to which notices, certificates or other communications to them shall be sent when required as contemplated by this Resolution. Until otherwise provided by the respective parties, all notices, certificates and communications to each of them shall be addressed as follows:

To the District:	Wisconsin Center District 500 West Kilbourn Avenue Milwaukee, WI 53203 Attn: President
To the Trustee:	Firststar Trust Company 615 East Michigan Street Milwaukee, WI 53202 Attn: Corporate Trust Services
To the Bondowners:	As specified variously herein.

Section 13.6 Limitation of Liability of District and its Officers, Employees and Agents. To the extent permitted by law, no provision, covenant or agreement contained in this Resolution or any Series Resolution or the Bonds, or any obligation herein or therein imposed upon the District, or the breach thereof, shall constitute or give rise to or impose upon any of the District's officers, employees or agents a pecuniary liability or give rise to or impose a charge upon the District's general credit or taxing powers (other than the District Taxes to the extent pledged herein). In making the agreements, provisions and covenants set forth in this Resolution, the District has not obligated itself except with respect to the Tax Revenues and the Trust Estate and the application thereof as hereinabove provided.

File No. WCD010030

WISCONSIN CENTER DISTRICT

**RESOLUTION RATIFYING AND CONFIRMING  
AMENDMENT TO GENERAL RESOLUTION**

June 27, 2001

WHEREAS, the District adopted its General Resolution dated December 20, 1995 (the "General Resolution") for the purpose of issuing dedicated tax revenue bonds; and

WHEREAS, pursuant to Section 4.9 of the General Resolution, certain Restricted Tax Revenues (as defined in the General Resolution) shall, after all of the other Funds and Accounts established under the General Resolution are fully funded, be assigned to the Special Redemption Fund so as to assure that no Restricted Tax Revenues would be used other than to pay debt service on District bonds; and

WHEREAS, Section 4.11 of the General Resolution provides that Unrestricted Tax Revenues (as defined in the General Resolution) shall, after all of the other Funds and Accounts established under the General Resolution are fully funded, be assigned to the District's Operating Fund; and

WHEREAS, pursuant to the District's Authorizing Resolution dated April 4, 2001 and Award Resolution dated June 14, 2001, the District has entered into an Indenture of Trust dated as of June 1, 2001 (the "Indenture") with Firststar Bank, National Association, Milwaukee, Wisconsin, as Trustee, relating to the District's \$30,000,000 Variable Rate Demand Revenue Bonds, Series 2001A; and

WHEREAS, the District now wishes to ratify and confirm the amendment of the General Resolution, pursuant to Section 11.1 of the General Resolution, to amend Sections 4.9 and 4.11 of the General Resolution, such that Restricted Tax Revenues and Unrestricted Tax Revenues of the District shall, after all of the other Funds and Accounts established under the General Resolution are fully funded, be deposited into the appropriate subaccounts within the Tax Revenues Account within the Bond Fund created under the Indenture;

NOW, THEREFORE, BE IT RATIFIED AND CONFIRMED as follows:

So long as any Bonds are outstanding under the General Resolution of the District dated December 20, 1995 (the "General Resolution") and under the Indenture, the Trustee under the General Resolution is hereby irrevocably directed to pay directly to the Trustee under the Indenture at the earliest date such funds are available under the terms of the General Resolution:

(1) Any Unrestricted Tax Revenues otherwise payable to the Operating Fund under Section 4.11 of the General Resolution, to be deposited into the Unrestricted Tax Revenues Subaccount created under the Indenture; and

(2) Any Restricted Tax Revenues otherwise payable to the Special Redemption Fund under Section 4.9 of the General Resolution, to be deposited into the Restricted Tax Revenues Subaccount created under the Indenture.

ADOPTED on June 27, 2001.

**D. Resolution imposing hotel-motel room taxes, a food and beverage tax and a rental car tax.**

A RESOLUTION

WHEREAS, pursuant to Subchapter II of Chapter 229, Wis.Stats. (the "District Act"), the District is authorized to impose certain taxes specified in s.66.75(lm), s.77.98 and s.77.99, Wis. Stats.; and

WHEREAS, the District desires to impose such taxes for the lawful purpose of raising revenues to finance the operations and activities of the District in accordance with and subject to the requirements of the District Act;

NOW, THEREFORE, the Board of Directors of the District hereby adopts the following Resolutions:

I. Hotel-Motel Room Taxes. The title to this Resolution is the "Hotel-Motel Room Taxes."

1. The District hereby imposes a tax on the privilege of furnishing, at retail within the boundaries of the District's jurisdiction under s.229.43, Wis. Stats., except sales for resale, rooms or lodging to transients by hotel keepers, motel operators and other persons furnishing accommodations that are available to the public, irrespective of whether membership is required for use of the accommodations. The tax imposed under this Resolution is not subject to the selective sales tax imposed by s.77.52(2)(a), Wis. Stats., and does not apply to sales to the federal government and persons listed under s.77.54(9a), Wis. Stats.

2. The amount of the tax imposed under section 1, above, shall be 2% of total room charges; provided, however, that if the balance in a special debt service reserve fund of the District is, on any date, less than the requirement under s.229.50(5), Wis. Stats., the tax imposed under section 1, above, shall be 3% of total room charges beginning on the next January 1, April 1, July 1 or October 1 after such date.

3. In addition to the tax imposed under sections 1 and 2 above, the District hereby imposes a tax on the privilege of furnishing, at retail but only within the boundaries of the City of Milwaukee, under s.229.43, Wis. Stats., except sales for resale, rooms or lodging to transients by hotel keepers, motel operators and other persons furnishing accommodations that are available to the public, irrespective of whether membership is required for use of the accommodations. The tax imposed under this Resolution is not subject to the selective sales tax imposed by s.77.52(2)(a), Wis. Stats., and does not apply to sales to the federal government and persons listed under s.77.54(9a), Wis. Stats.

4. The Department of Revenue of the State of Wisconsin shall administer the taxes imposed by this Resolution pursuant to s.66.75(lm)(c)(1), Wis. Stats., and may take any action, conduct any proceeding and impose interest and penalties. Hotels, motels or other lodging providers who are subject to the taxes imposed by this Resolution shall register with the Department of Revenue pursuant to s.66.77(lm)(c)(5), Wis. Stats., and shall file on or before the last day of each calendar month after the calendar quarter in which the tax is imposed a report with the Department of Revenue as to the taxes received from the furnishing at retail of rooms or lodging to transients.

5. The District and the Department of Revenue shall have all of the powers to enforce the taxes imposed under this Resolution enumerated in s.66.75(2), Wis. Stats., and shall impose the interest, penalties and forfeitures at the maximum amounts permitted under s.66.75(2), Wis. Stats.

6. The District shall keep all information obtained under sections 4 and 5, above, confidential, except that such information may be used by those persons for whom it is necessary in the discharge of their duties imposed by law or of the duties of their office or imposed by court. Any person violating this subsection shall forfeit not less than \$100 nor more than \$500.

7. The tax imposed under sections 1 and 2 of this Resolution shall terminate in accordance with the requirements of s.66.75(lm)(c)(4), Wis. Stats.

8. The definitions set forth in s.66.75, Wis. Stats., shall apply to this Resolution.

II. Food and Beverage Tax. The title to this Resolution is the "Food and Beverage Tax."

1. The District hereby imposes a tax on the retail sale, except sales for resale, within the boundaries of the District's jurisdiction under s. 229.43, Wis. Stats., of products that are subject to a tax under s.77.54(20)(c) 1 to 3 and not exempt from the sales tax under s.77.54(1),(4), (7)(a),(7m),(9),(9a) or (20)(c)5.

2. The tax imposed under section 1, above, is imposed on the sales of taxable products at the rate of 0.25% of the gross receipts; provided, however, that if the balance in a special debt service reserve fund of the District is, on any date, less than the requirement under s.229.50(5), Wis. Stats., then the tax rate imposed under section 1, above, shall be 0.5% of the gross receipts beginning on the next January 1, April 1, July 1 or October 1 after such date.

3. The Department of Revenue of the State of Wisconsin shall administer the tax imposed by this Resolution in accordance with s.77.982, Wis. Stats., and may take any action, conduct any proceeding and impose interest and penalties. Persons who are subject to the taxes imposed by this Resolution shall register with the Department of Revenue and shall file on or before the last day of each calendar month after the calendar quarter in which the tax is imposed a report with the Department of Revenue as to the taxes received from the furnishing at retail of taxable food and beverage items under sections 1 and 2 above.

4. The tax imposed under this Resolution shall terminate in accordance with the requirements of s.77.983, Wis. Stats.

III. Rental Car Tax. The title to this Resolution is the "Rental Car Tax."

1. The District hereby imposes a tax on the gross receipts of the rental, but not for rerental and not for rental as a service or repair replacement vehicle, within the boundaries of the District's jurisdiction under s.229.43, Wis. Stats., of Type 1 automobiles, as defined in s.340.01(4)(a), Wis. Stats., by establishments primarily engaged in short-term rental of passenger cars without drivers, for a period of 30 days or less, unless the sale is exempt from the sales tax under s.77.54(1), (4), (7),(a), (7m), (9) or (9a).

2. The rate of the tax imposed under this Resolution is 3% of the gross receipts; provided, however, that if the State of Wisconsin makes a payment under s.229.50(7) to the District's special debt service reserve fund, the rate of the tax shall be 4% beginning on the next January 1, April 1, July 1 or October 1 after such payment.

3. The Department of Revenue of the State of Wisconsin shall administer the tax imposed under this Resolution in accordance with s.77.991, Wis. Stat., and may take any action, conduct any proceedings and impose any interest and penalties. Persons who are subject to the taxes imposed by this Resolution shall register with the Department of Revenue and shall file on or before the last day of each calendar month after the calendar quarter in which the tax is imposed a report with the Department of Revenue as to the taxes received from the furnishing at retail of taxable food and beverage items under sections 1 and 2 above.

4. Persons who are subject to the tax imposed by this Resolution shall register with the Department of Revenue pursuant to s.77.991(4), Wis. Stats.

5. The tax imposed under this Resolution shall terminate in accordance with the requirements of s.77.992, Wis. Stats.

IV. Effective Dates. The effective dates for collection of each of the taxes imposed by the foregoing Resolutions shall be the first day of the month following at least 120 days after a certified copy of these resolutions have been delivered by the District to the Secretary of Revenue of the State of Wisconsin. The Interim Secretary of the District Board is hereby authorized and directed to deliver or to have delivered a certified copy of these resolutions to the Secretary of Revenue of the State of Wisconsin at least 120 days before their effective dates.

**E. Amended and Restated Tax Levy Resolution.**



RECYCLED PAPER MADE FROM 20% POST CONSUMER CONTENT

File No. WCD010029

WISCONSIN CENTER DISTRICT

**AMENDED AND RESTATED TAX LEVY RESOLUTION**

June 27, 2001

WHEREAS, pursuant to Subchapter II of Chapter 229 of the Wisconsin Statutes (the "District Act"), the District is authorized to impose certain taxes specified in Sections 66.0615(1m), 77.98 and 77.99 of the Wisconsin Statutes; and

WHEREAS, by resolution adopted on August 24, 1994 as File No. WCD940004, the District imposed such taxes for the lawful purpose of raising revenues to finance the operations and activities of the District in accordance with and subject to the requirements of the District Act; and

WHEREAS, the District is now issuing bonds to finance its auditorium renovation project pursuant to an Indenture of Trust dated as of June 1, 2001 (the "Indenture") between the District and Firststar Bank, National Association, Milwaukee, Wisconsin, as Trustee, which Indenture creates a Debt Service Reserve Fund separate and distinct from the District's Special Debt Service Reserve Fund created pursuant to Section 229.50 of the Wisconsin Statutes; and

WHEREAS, the District desires to provide for the increase of certain taxes in the event of a deficiency in the Debt Service Reserve Fund created pursuant to the Indenture;

NOW, THEREFORE, the Board of Directors of the District hereby adopts the following Resolutions:

I. Hotel-Motel Room Tax. The title to this Resolution is the "Hotel-Motel Room Tax."

1. The District hereby imposes a tax on the privilege of furnishing, at retail within the boundaries of the District's jurisdiction under Section 229.43 of the Wisconsin Statutes, except sales for resale, rooms or lodging to transients by hotel keepers, motel operators and other persons furnishing accommodations that are available to the public, irrespective of whether membership is required for use of the accommodations. The tax imposed under this Resolution is not subject to the selective sales tax imposed by Section 77.52(2)(a) of the Wisconsin Statutes, and does not apply to sales to the federal government and persons listed under Section 77.54(9a) of the Wisconsin Statutes.

2. The amount of the tax imposed under Section 1, above, shall be 2% of total room charges; provided, however, that if

(i) the balance in a special debt service reserve fund of the District is, on any date, less than the requirement under Section 229.50(5) of the Wisconsin Statutes, the tax imposed under Section 1, above, shall be 3% of total room charges beginning on the next January 1, April 1, July 1 or October 1 after such date; or

(ii) the balance in the Debt Service Reserve Fund for the Series 2001A Bonds is less than the Debt Service Reserve Fund Requirement for the Series 2001A Bonds under the Indenture of Trust dated as of June 1, 2001, the District shall raise the Basic Room Tax rate to 3% as of the next succeeding January 1, April 1, July 1 or October 1, and such tax rate will be irrevocable as long as any of the Series 2001A Bonds are outstanding.

3. In addition to the tax imposed under Sections 1 and 2, above, the District hereby imposes a tax on the privilege of furnishing, at retail but only within the boundaries of the City of Milwaukee, Wisconsin, under Section 229.43 of the Wisconsin Statutes, except sales for resale, rooms or lodging to transients by hotel keepers, motel operators and other persons furnishing accommodations that are available to the public, irrespective of whether membership is required for use of the accommodations. The tax imposed under this Resolution is not subject to the selective sales tax imposed by Section 77.52(2)(a) of the Wisconsin Statutes, and does not apply to sales to the federal government and persons listed under Section 77.54(9a) of the Wisconsin Statutes.

4. The Department of Revenue of the State of Wisconsin shall administer the taxes imposed by this Resolution pursuant to Section 66.0615(2) of the Wisconsin Statutes, and may take any action, conduct any proceeding, and impose interest and penalties. Hotels, motels or other lodging providers who are subject to the taxes imposed by this Resolution shall register with the Department of Revenue pursuant to Section 59.605 of the Wisconsin Statutes, and shall file on or before the last day of each calendar month after the calendar quarter in which the tax is imposed a report with the Department of Revenue as to the taxes received from the furnishing at retail of rooms or lodging to transients.

5. The District and the Department of Revenue shall have all of the powers to enforce the taxes imposed under this Resolution enumerated in Section 66.0615(2) of the Wisconsin Statutes, and shall impose the interest, penalties and forfeitures at the maximum amounts permitted under Section 66.0615(2) of the Wisconsin Statutes.

6. The District shall keep confidential all information obtained under Sections 4 and 5, above, except that such information may be used by those persons for whom it is necessary in the discharge of their duties imposed by law or of the duties of their office or imposed by court. Any person violating this subsection shall forfeit not less than \$100 nor more than \$500.

7. The tax imposed under Sections 1 and 2, above, shall terminate in accordance with the requirements of Section 66.0615 of the Wisconsin Statutes.

8. The definitions set forth in Section 66.0615 of the Wisconsin Statutes shall apply to this Resolution.

II. Food and Beverage Tax. The title to this Resolution is the "Food and Beverage Tax."

1. The District hereby imposes a tax on the retail sale, except sales for resale, within the boundaries of the District's jurisdiction under Section 229.43 of the Wisconsin Statutes, of products that are subject to a tax under Section 77.54(20)(c)1-3 and not exempt from the sales tax under Section 77.54(1), (4), (7)(a), (7m), (9), (9a) or (20)(c)5.

2. The tax imposed under Section 1, above, is imposed on the sales of taxable products at the rate of 0.25% of the gross receipts; provided, however, that if

(i) the balance in a special debt service reserve fund of the District is, on any date, less than the requirement under Section 229.50(5) of the Wisconsin Statutes, then the tax rate imposed under Section 1, above, shall be 0.5% of the gross receipts beginning on the next January 1, April 1, July 1 or October 1 after such date; or

(ii) the balance in the Debt Service Reserve Fund for the Series 2001A Bonds is less than the Debt Service Reserve Fund Requirement for the Series 2001A Bonds under the Indenture of Trust dated as of June 1, 2001, the District shall raise the Local Food and Beverage Tax rate to 0.5% as of the next succeeding January 1, April 1, July 1 or October 1, and such tax rate will be irrevocable as long as any of the Series 2001A Bonds are outstanding.

3. The Department of Revenue of the State of Wisconsin shall administer the tax imposed by this Resolution in accordance with Section 77.982 of the Wisconsin Statutes, and may take any action, conduct any proceeding, and impose interest and penalties. Persons who are subject to the taxes imposed by this Resolution shall register with the Department of Revenue pursuant to Section 77.982(4) of the Wisconsin Statutes, and shall file on or before the last day of each calendar month after the calendar quarter in which the tax is imposed a report with the Department of Revenue as to the taxes received from the furnishing at retail of taxable food and beverage items under Sections 1 and 2, above.

4. The tax imposed under this Resolution shall terminate in accordance with the requirements of Section 77.983 of the Wisconsin Statutes.

III. Rental Car Tax. The title to this Resolution is the "Rental Car Tax."

1. The District hereby imposes a tax on the gross receipts of the rental, but not for re-rental and not for rental as a service or repair replacement vehicle, within the boundaries of the District's jurisdiction under Section 229.43 of the Wisconsin Statutes, of Type I automobiles, as defined in Section 340.01(4)(a) of the Wisconsin Statutes, by establishments primarily engaged in short-term rental of passenger cars without drivers for a period of 30 days or less, unless the sale is exempt from the sales tax under Section 77.54(1), (4), (7)(a), (7m), (9) or (9a) of the Wisconsin Statutes.

2. The rate of the tax imposed under this Resolution is 3% of the gross receipts; provided, however, that if

(i) the State of Wisconsin makes a payment under Section 229.50(7) of the Wisconsin Statutes to the District's special debt service reserve fund, the rate of the tax shall be 4% beginning on the next January 1, April 1, July 1 or October 1 after such payment; or

(ii) the balance in the Debt Service Reserve Fund for the Series 2001A Bonds is less than the Debt Service Reserve Fund Requirement for the Series 2001A Bonds under the Indenture of Trust dated as of June 1, 2001, the District shall raise the Rental

Car Tax rate to 4% as of the next succeeding January 1, April 1, July 1 or October 1, and such tax rate will be irrepalable as long as any of the Series 2001A Bonds are outstanding.

3. The Department of Revenue of the State of Wisconsin shall administer the tax imposed under this Resolution in accordance with Section 77.991 of the Wisconsin Statutes, and may take any action, conduct any proceedings, and impose any interest and penalties. Persons who are subject to the taxes imposed by this Resolution shall register with the Department of Revenue pursuant to Section 77.991(4) of the Wisconsin Statutes, and shall file on or before the last day of each calendar month after the calendar quarter in which the tax is imposed a report with the Department of Revenue as to the taxes received from the furnishing at retail of taxable car rentals under Sections 1 and 2, above.

4. The tax imposed under this Resolution shall terminate in accordance with the requirements of Section 77.992 of the Wisconsin Statutes.

IV. Effective Dates. The taxes imposed by the foregoing Resolutions are in effect and shall remain unchanged. The Secretary of the Board of Directors of the District is hereby authorized and directed to deliver or to have delivered to the Secretary of Revenue of the State of Wisconsin a certified copy of these Resolutions.

ADOPTED on June 27, 2001.

**F. Resolution raising the hotel-motel tax.**

**Authorization to the Raise the Milwaukee County Hotel Tax**

---

WHEREAS, SINCE THE LEGISLATION THAT CREATED THE WISCONSIN CENTER DISTRICT ALSO GRANTED THE WCD BOARD THE AUTHORITY TO RAISE THE COUNTY HOTEL TAX BY MAJORITY VOTE;

WHEREAS, VISIT MILWAUKEE WOULD BE ABLE TO TAKE ADVANTAGE OF AN ADDITIONAL SOURCE OF REVENUE TO INCREASE ITS MARKETING AND PROMOTION EFFORTS TO GENERATE AN INCREASE OF TOURISM TO THE GREAT MILWAUKEE AREA;

WHEREAS, SUCH INCREASED REVENUE TO VISIT MILWAUKEE WILL BENEFIT THE COMBINED INTERESTS OF THE GREATER MILWAUKEE AREA, THE WISCONSIN CENTER DISTRICT AND THE GREATER MILWAUKEE LODGING AND TOURISM INDUSTRIES;

PURSUANT TO A REQUEST BY THE GREATER MILWAUKEE HOTEL & LODGING ASSOCIATION TO THE WISCONSIN BOARD OF

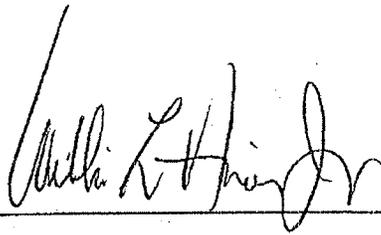
DIRECTORS TO USE THEIR AUTHORITY TO INCREASE THE COUNTY ROOM TAX BY 0.5%, WCD WILL AUTHORIZE THE REQUEST IN ACCORDANCE WITH THE FOLLOWING FOUR CONDITIONS:

- (1) Increase the Milwaukee County Room Tax by one half of one percent (0.5%)
- (2) The same amount of revenues that are generated by the 0.5% new room tax will be paid, net of 2.55% State of Wisconsin fee, to VISIT Milwaukee for its use in marketing and promotion of tourism for the greater Milwaukee area.
- (3) The revenues paid to VISIT Milwaukee under paragraph 2 above, shall be in addition to previously established base funding amounts, and would also be in addition to funding levels calculated through a revenue sharing program previously established to calculate funding for VISIT Milwaukee, and not in lieu of the previously established base and the funding level generated from the revenue sharing program.
- (4) The commitment as stated in the above 3 paragraphs shall continue as long as this one half of one percent (0.5%) increase in the Milwaukee County room tax remains in effect. However, because the first priority for all WCD tax collections is to repay Wisconsin Center District bonds, the overall funding level for VISIT Milwaukee will be decreased by the WCD board if tax collections are not sufficient to fulfill all applicable bond-related funding requirements, in an amount not to exceed the funding requirement shortage.

**NOW THEREFORE BE IT RESOLVED**, the District Board approves that effective with the earliest possible date available in 2011 (coordinated with the Wisconsin Department of Revenue) the Hotel Tax be raised from 2.00% to 2.50% in Milwaukee County.

**CERTIFICATION**

The undersigned duly qualified Recording Officer, acting on behalf of the Wisconsin Center District Board of Directors, certifies that the foregoing is a true and correct copy of a resolution adopted at a legally convened meeting of the Wisconsin Center District Board of Directors held on Wednesday, June 23, 2010.

x 

(Signature of Recording Officer)

Alderman Willie Hines

\_\_\_\_\_

(Title of Recording Officer)

Secretary, Wisconsin Center District Board

6/23/2010

(Date)

**G. Resolution raising the food and beverage tax.**

**Authorization to the Raise the Milwaukee County Food and Beverage Tax**

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**WHEREAS**, the Wisconsin Center District ("District") currently operates three buildings in downtown Milwaukee – The Midwest Airlines Center, the U. S. Cellular Arena, and the Milwaukee Theatre; and

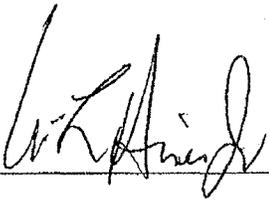
**WHEREAS**, it is necessary to generate enough tax revenues to fully fund the District's annual debt service, as well as the required annual Capital Maintenance amount, and provide funding for Visit Milwaukee; and

**WHEREAS**, since the legislation that created the District also granted the board the authority to raise the Food and Beverage tax by majority vote;

**NOW THEREFORE BE IT RESOLVED**, the District Board approves that effective with the earliest possible date available in 2010 (coordinated with the Wisconsin Department of Revenue) the Food and Beverage Tax be raised from 0.25% to 0.50% in Milwaukee County.

CERTIFICATION

The undersigned duly qualified Recording Officer, acting on behalf of the Wisconsin Center District Board of Directors, certifies that the foregoing is a true and correct copy of a resolution adopted at a legally convened meeting of the Wisconsin Center District Board of Directors held on Wednesday, December 16, 2009.



\_\_\_\_\_  
(Signature of Recording Officer)

Alderman Willie Hines

\_\_\_\_\_  
(Title of Recording Officer)

Secretary, Wisconsin Center District Board

12/16/09

\_\_\_\_\_  
(Date)

WISCONSIN CENTER DISTRICT

# 3

JUNIOR DEDICATED TAX REVENUE REFUNDING BONDS, SERIES 2013A

AMENDING AND AUTHORIZING RESOLUTION

WHEREAS, the Wisconsin Center District (the "District") is a local exposition district, created pursuant to subchapter II of chapter 229 of the Wisconsin Statutes, as amended (the "Act") and by a resolution dated April 26, 1994 of the Common Council of the City of Milwaukee, Wisconsin; and

WHEREAS, the District is authorized pursuant to Sections 229.44(8), 229.48(1) and 229.56 of the Wisconsin Statutes to issue bonds for costs and purposes that are related to an exposition center as defined in Section 229.41(6) of the Wisconsin Statutes and to issue bonds to refund such bonds; and

WHEREAS, the District has previously issued its currently outstanding Senior Dedicated Tax Revenue Bonds, Series 1996A, Junior Dedicated Tax Revenue Bonds, Series 1996B (the "Series 1996B Bonds"), Junior Dedicated Tax Revenue Refunding Bonds, Series 1999 (the "Series 1999 Bonds"), and Senior Dedicated Tax Revenue Refunding Bonds, Series 2003A (the "Series 2003A Bonds"), pursuant to a General Resolution dated December 20, 1995, as amended by a Resolution Ratifying and Confirming Amendment to General Resolution adopted on June 27, 2001 (the "General Resolution"), and its Variable Rate Demand Revenue Bonds, Series 2001A (the "Series 2001A Bonds"), pursuant to the General Resolution and an Indenture of Trust dated as of June 1, 2001 (the "Series 2001A Indenture") between the District and Firstar Bank, National Association (now U. S. Bank National Association), as trustee (the "Series 2001A Trustee"); and

WHEREAS, the General Resolution permits the issuance of additional Junior Bonds under the terms and conditions specified in the General Resolution; and

WHEREAS, the General Resolution creates a Junior Debt Service Reserve Fund which is designated by the General Resolution as a "special debt service reserve fund" for purposes of Section 229.50 of the Wisconsin Statutes benefiting from the moral obligation pledge of the State of Wisconsin provided for in Section 229.50(7) of the Wisconsin Statutes, and Section 229.50(1)(e) provides that bonds entitled to the benefit of a "special debt service reserve fund" will be issued not later than April 1, 1999, with certain limited exceptions; and

WHEREAS, Section 4.8(b) of the General Resolution provides for the transfer of funds from the Junior Debt Service Reserve Fund to remedy deficiencies in amounts available for the payment of debt service on "any Junior Bonds entitled to the benefit and security of the Junior Debt Service Reserve Fund," showing an intention that there may be issued Junior Bonds that are not entitled to the benefit of the Junior Debt Service Reserve Fund as initially created; and

**WHEREAS**, it is contemplated in the Granting Clauses of the General Resolution that additional funds and accounts may be created which secure only a particular series of bonds issued under the General Resolution; and

**WHEREAS**, the District desires to amend the General Resolution to permit the issuance of Junior Bonds which are not entitled to the benefit of the Junior Debt Service Reserve Fund as initially constituted as a "special debt service reserve fund" under Section 229.50 of the Wisconsin Statutes; and

**WHEREAS**, such amendment to the General Resolution may be made without the consent of the owners of Bonds currently outstanding under the General Resolution pursuant to Section 11.1(b) of the General Resolution as curing an ambiguity or formal defect or omission in the General Resolution and pursuant to Section 11.1(j) as a change which in the judgment of the District and the Trustee is necessary and desirable and will not materially prejudice any non-consenting Owner of a Bond; and

**WHEREAS**, the District has determined that it would be in the best interest of the District if the District were to refund the outstanding Series 2001A Bonds with bonds bearing interest at fixed interest rates to lock in an historically low cost of capital; and

**WHEREAS**, the District has determined to issue its Junior Dedicated Tax Revenue Refunding Bonds, Series 2013A (the "Bonds"), for such purpose; and

**WHEREAS**, it is the intent of the District to do all things necessary to make such bonds the valid, binding and legal special limited obligations of the District according to the import thereof, and to constitute this Resolution a valid contract for the security of such Bonds; and

**WHEREAS**, the Board of Directors of the District has determined that it is in the best interests of the District to provide terms and conditions relating to the Bonds by authorizing the Finance and Personnel Committee to adopt an award resolution specifying the exact procedures, terms and conditions of the Bonds authorized to be issued under the General Resolution, as so amended, and pursuant to this Resolution:

**NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:**

#### ARTICLE ONE

#### AMENDMENTS OF THE GENERAL RESOLUTION

Section 1.1. Amendment of Section 1.1 of the General Resolution. The definitions of "Debt Service Reserve Fund," "Debt Service Reserve Fund Requirement" and "Junior Bonds" set forth in Section 1.1 of the General Resolution are hereby amended in their entirety to read in full as follows:

"Debt Service Reserve Fund" shall mean the Senior Debt Service Reserve Fund and/or the Junior Debt Service Reserve Fund, including any Series Reserve Accounts therein, as the context may require."

"Debt Service Reserve Fund Requirement," for each of the Senior Debt Service Reserve Fund and the Section 229.50 Accounts and any Series Reserve Account within the Junior Debt Service Reserve Fund shall be an amount equal to the maximum amount of principal and interest to become due during the current or any succeeding Bond Year on all Senior Bonds, all Junior Bonds secured by the Series 229.50 Accounts, or all Junior Bonds secured by a Series Reserve Account, such amount determined with respect to the Junior Bonds secured by such Accounts or Account, as applicable, then Outstanding; provided that the calculation of the maximum amount of interest to become due on Variable Rate Bonds and Adjustable Rate Bonds shall be based on the methodology specified in the definition of Adjusted Debt Service Requirements; and provided further that the calculation of the maximum amount of principal and interest to become due on the applicable Bonds shall exclude the principal amount of such Bonds to be paid from amounts on deposit in the Series 229.50 Accounts or Series Reserve Account, as the case may be. The applicable Debt Service Reserve Fund Requirement may, except as may be limited by a Series Resolution, be satisfied by cash, Permitted Investments or a Debt Service Reserve Fund Credit Facility, or any combination thereof."

"Junior Bonds" or "Junior Dedicated Tax Revenue Bonds" shall mean those Bonds designated as such in a Series Resolution, which shall be entitled only to the benefits and protections of the Junior Bond Fund and the Accounts therein, and the Junior Debt Service Reserve Fund and the Accounts therein to the extent provided in such Series Resolution, including any Series Reserve Account, and shall not be entitled to the benefits and protections of the Senior Bond Fund and the Accounts therein or the Senior Debt Service Reserve Fund and the Accounts therein."

Section 1.1 is hereby further amended by adding the definitions of "Section 229.50 Accounts" and "Series Reserve Account" reading in full as follows:

"Section 229.50 Accounts" shall mean the Junior Bond Proceeds Account, the Junior Debt Service Reserve Credit Facility Account, the Junior District Contribution Account and the State Contribution Account within the Junior Debt Service Reserve Fund."

"Series Reserve Account" shall mean a separate, segregated account within the Junior Debt Service Reserve Fund created pursuant to Section 4.8(h) by a Series Resolution for the exclusive benefit of Junior Bonds authorized by such Series Resolution."

Section 1.2. Amendment of Section 2.4(b) of the General Resolution. Section 2.4(b) is hereby amended in its entirety to read in full as follows:

“(b) Upon the execution and delivery of the applicable Series Resolution the District shall execute and deliver to the Trustee, and the Trustee shall authenticate, the Bonds in the aggregate amount specified therein, and the Trustee shall deliver such series of Bonds to the Original Purchaser at such time or times as may be directed by the District after filing with the Trustee the following:

Original executed counterparts or certified copies of:

- (1) this Resolution and the applicable Series Resolution;
- (2) any Credit Facility, Credit Agreement and other Related Agreements relating to the specific series of Bonds or a specific portion thereof;
- (3) the Tax Resolutions and any amendments or supplements thereto;
- (4) for the issuance of any Junior Bonds secured by the Section 229.50 Accounts, a certificate of the Secretary of the State Department of Administration, as required pursuant to Section 229.50(1) of the Wisconsin Statutes, relating to the Junior Debt Service Reserve Fund;
- (5) any certificates, opinions or other showings required by Article Five herein with respect to Additional Bonds;
- (6) any other documents, agreements, resolutions, instruments or other items required by the terms of the Series Resolution providing for the specific series of Bonds; and
- (7) an opinion of Bond Counsel as to the validity and enforceability of the applicable series of Bonds.

With respect to each series of Bonds, any of the foregoing already delivered to the Trustee in connection with the issuance and delivery of a prior series of Bonds need not be redelivered.”

Section 1.3. Amendment of Section 3.7 of the General Resolution. Section 3.7 of the General Resolution is hereby amended in its entirety to read in full as follows:

“Section 3.7 Moral Obligation. The Series 229.50 Accounts within the Junior Debt Service Reserve Fund are hereby designated a “special debt service reserve fund” for the purposes of Section 229.50 of the Wisconsin Statutes. In the

event a resort to the State moral obligation pledge is required pursuant to Section 4.8(a)(7), the District covenants that it shall, within five Business Days after notice, (a) certify as required under Section 229.50(7) of the Wisconsin Statutes to the Governor of the State, the State Secretary of Administration, the Joint Committee on Finance of the State Legislature, and the Common Council of the City of Milwaukee, the amount necessary to restore the Series 229.50 Accounts to the applicable Junior Debt Service Reserve Fund Requirement, and (b) do everything necessary to be done by the District pursuant to Section 229.50 of the Wisconsin Statutes to restore the Series 229.50 Accounts within the Junior Debt Service Reserve Fund to the applicable Junior Debt Service Fund Requirement. The District may provide in a Series Resolution authorizing the issuance of Junior Bonds that such Junior Bonds will not be entitled to the security of the Section 229.50 Accounts within the Junior Debt Service Reserve Fund as a "special debt service reserve fund" but shall be entitled to the security of a Series Reserve Account."

Section 1.4. Amendment of Section 3.8 of the General Resolution. Section 3.8 of the General Resolution is hereby amended in its entirety to read in full as follows:

"Section 3.8 Tax Resolutions. The District covenants that it shall neither do nor suffer anything to be done that will have the effect of reducing the Tax Revenues to be collected pursuant to the Tax Resolutions, or of reducing the rate of tax provided for in the Tax Resolutions. If any resort is made to the State moral obligation pursuant to Section 4.8(a)(7) or if, immediately following any Payment Date, the amount on deposit in the Series 229.50 Accounts, shall be less than the applicable Junior Debt Service Reserve Fund Requirement and as set forth in Section 229.50(5) of the Wisconsin Statutes, then the District shall immediately notify the Secretary of the State Department of Administration and the Secretary of the State Department of Revenue of the amount of such deficiency so that the increase in tax rates for the hotel-motel room taxes and food and beverage taxes provided in the Tax Levy Resolution shall be immediately effective as provided therein; and if any payment shall be made to the State Contribution Account of the Junior Debt Service Reserve Fund by the State of Wisconsin pursuant to Section 229.50(7) of the Wisconsin Statutes, then the District shall immediately notify the Secretary of the State Department of Administration and the Secretary of the State Department of Revenue of the amount of such payment so that the tax rate for the rental car tax shall be immediately increased as provided in the Tax Levy Resolution."

Section 1.5. Amendment of Section 4.4(d)(9). Section 4.4(d)(9) of the General Resolution is hereby amended in its entirety to read in full as follows:

"(9) To the Series 229.50 Reserve Accounts and any Series Reserve Account, on a pro rata basis as provided in Section 4.8(a), an amount sufficient to cause the amount on deposit in each such Account to equal the applicable Junior Debt Service Reserve Fund Requirement."

Section 1.6. Amendment of Section 4.6(f) of the General Resolution. Section 4.6(f) of the General Resolution is hereby amended in its entirety to read in full as follows:

“(f) Deficiencies in the Junior Interest Account or Junior Principal Account.

1. In the event, on a Payment Date, the amount then on deposit in the Junior Interest Account or the Junior Principal Account is not sufficient to pay to the Owners of the Junior Bonds the full amount of interest on and principal of all Outstanding Junior Bonds then due, the Trustee shall promptly notify the District of such fact and thereafter withdraw from other Funds and Accounts, funds on deposit in such Funds and Accounts in the following order, and transfer such funds to the Junior Interest Account or Junior Principal Account, as appropriate, until the amounts so withdrawn and transferred equal the amount of such deficiency:

- (A) the Restricted Tax Revenues Account;
- (B) the General Account;
- (C) the Unrestricted Tax Revenues Account;
- (D) the Special Redemption Fund (other than amounts held therein to pay or redeem Bonds for which notice of redemption has theretofore been given and amounts held therein to defease Outstanding Bonds pursuant to Article Eight hereof);
- (E) the Junior Bond Expense Account;
- (F) the Junior Principal Account (for deficiencies in the Junior Interest Account);
- (G) the Junior Interest Account (for deficiencies in the Junior Principal Account);
- (H) the Series 229.50 Reserve Accounts in the case of Junior Bonds secured by such Accounts and the applicable Series Reserve Account in the case of Junior Bonds secured by such Series Reserve Account; and
- (I) the Project Fund (to the extent such application is permitted by the Series Resolution governing the same).

Deficiencies in the Junior Interest Account shall be fully cured prior to curing any deficiency in the Junior Principal Account. Deficiencies in the Senior Interest Account and/or Senior Principal Account shall be fully cured prior to curing any deficiencies in the Junior Interest Account and/or Junior Principal Account (except that deficiencies in the Junior Interest Account and/or Junior Principal Account may be cured by transfers from moneys available for that purpose in the Series 229.50 Reserve Accounts or a Series Reserve Account therein as the case may be).

2. In addition to the withdrawals and transfers described above, the District shall have the option but not the obligation to direct the Trustee to transfer moneys from the Operating Fund to the Junior Interest Account and the Junior Principal Account.”

Section 1.7. Amendment of Section 4.8 of the General Resolution. Section 4.8 of the General Resolution is hereby amended in its entirety to read in full as follows:

“Section 4.8 Junior Debt Service Reserve Fund.

(a) An initial deposit to the credit of the Series 229.50 Reserve Accounts or any Series Reserve Account is to be made by the Trustee from the proceeds of each series of Junior Bonds or other legally available funds of the District in an amount sufficient to satisfy the applicable Junior Debt Service Reserve Fund Requirement or, in lieu thereof, the District may, except as may be otherwise provided in a Series Resolution, cause a Debt Series Reserve Fund Credit Facility to be delivered to the Trustee for such purpose. Thereafter, the Section 229.50 Reserve Accounts and any Series Reserve Accounts shall be maintained at the applicable Junior Debt Service Reserve Fund Requirement. If on any Payment Date the amount then on deposit in the Section 229.50 Reserve Accounts or any Series Reserve Account is less than the applicable Junior Debt Service Reserve Fund Requirement for such Account or Accounts, the Trustee shall promptly notify the District of such fact and thereafter withdraw from other Funds and Accounts, in the following order, and transfer to the Section 229.50 Reserve Accounts or the applicable Series Reserve Account an amount equal to the deficiency:

- (1) the Restricted Tax Revenues Account;
- (2) the General Account;
- (3) the Unrestricted Tax Revenues Account;
- (4) the Special Redemption Fund (other than the amounts held therein to pay or redeem Bonds for which notice of redemption has theretofore been given and amounts held therein to defease Outstanding Bonds pursuant to Article Eight hereof);

(5) the Project Fund (to the extent such application is permitted by the Series Resolution governing the same); and

(6) except in the case of a Series Reserve Account, resort to the State moral obligation pledge pursuant to Section 3.7 hereof.

In the event that amounts available are insufficient, the amounts shall be applied pro rata based on the deficiency in the Section 229.50 Reserve Accounts and each applicable Series Reserve Account.

In addition to the withdrawals and transfers described above, the District shall have the option but not the obligation to direct the Trustee to transfer moneys from the Operating Fund to the Junior Debt Service Reserve Fund. Notwithstanding any of the foregoing in this Section 4.8(a), on any date the Senior Debt Service Reserve Fund shall be replenished to the Senior Debt Service Reserve Fund Requirement prior to any transfers pursuant to this Section 4.8(a).

(b) If on any Interest Payment Date there are not sufficient amounts on deposit in the Junior Interest Account to pay the total amount of interest coming due on any Junior Bonds entitled to the benefit and security of the Series 229.50 Accounts or a Series Reserve Account, as the case may be, on such Interest Payment Date or if on any Principal Payment Date there are not sufficient amounts on deposit in the Junior Principal Account to pay the total amount of principal coming due on any Junior Bonds entitled to the benefit and security of the Series 229.50 Reserve Accounts or a Series Reserve Account on such Principal Payment Date, and after making the transfers required to be made from other Funds or Accounts as provided in Section 4.6(f)(1) hereof prior to a transfer from the Series 229.50 Reserve Accounts or any Series Reserve Account, as the case may be, the Trustee shall transfer sums on deposit in the Section 229.50 Reserve Accounts or the applicable Series Reserve Account therein, as the case may be, as provided in Section 4.6(f)(1) to the Junior Interest Account or Junior Principal Account, as the case may be, in an amount sufficient to make up any such deficiency. Moneys transferred from the Junior Debt Service Reserve Fund to the Junior Interest Account or the Junior Principal Account may not in any event be transferred to the Senior Interest Account or the Senior Principal Account under Section 4.5(f). At the time of such transfer the Trustee shall notify the District of such transfer. In all such events, the Trustee shall not draw on any Debt Service Reserve Credit Facility until all cash and any investment securities in the Section 229.50 Reserve Accounts or the Series Reserve Account, as applicable, have been liquidated and applied as aforesaid unless all Credit Facility Providers which have provided Debt Service Reserve Fund Credit Facilities have consented in writing to a different order of liquidation of investments. In the event that the amounts on deposit in the Junior Debt Service Reserve Fund are invested in one or more investment securities, the Trustee shall comply with written direction (if any) of the District as to any required liquidation, sale or

other disposition of any investment in connection with the provisions of this Section 4.8. In the event that a portion of an applicable Junior Debt Service Reserve Fund Requirement is evidenced or satisfied by a Credit Facility, the Trustee shall comply with any limitations or other requirements in or relating to such Credit Facility or in the related Credit Agreement or Related Agreements.

(c) Except as provided in Section 4.8(d) and 4.8(h) below, following any transfer required by section 4.8(b) hereof the Trustee shall withdraw from the Section 229.50 Accounts or applicable Series Reserve Account and remit to each Credit Facility Provider (other than a Credit Facility Provider which has provided a Debt Service Reserve Fund Credit Facility) any amounts required by an applicable Credit Agreement to be paid to the Credit Facility Provider under such Credit Agreement; provided that such remittance shall not exceed the amount then due to the applicable Credit Facility Provider and permitted to be so paid to such Credit Facility Provider pursuant to Section 4.4(d)(8) and (10) and Section 4.6(d) hereof; and provided, further, that if the amount then on deposit in the Section 229.50 Reserve Accounts or applicable Series Reserve Account, as applicable, is not sufficient to pay when due all amounts then due to all Credit Facility Providers, the Trustee shall pay to each Credit Facility Provider entitled to such payments from the amount available (pro rata according to the amount due to each Credit Facility Provider) of the debt then due until all funds in the Section 229.50 Reserve Accounts or applicable Series Reserve Account are exhausted.

(d) Junior Debt Service Fund Credit Facility.

(1) To the extent so provided in the applicable Series Resolution, the Trustee shall create a separate Junior Debt Service Reserve Account for each Debt Service Reserve Fund Credit Facility.

(2) The Trustee shall deposit in the related Junior Debt Service Reserve Account all amounts drawn under or in connection with a Debt Service Reserve Fund Credit Facility required to pay the principal or redemption price of and interest on, any series of Junior Bonds or a specific portion thereof and shall apply such amounts to the purpose for which they were drawn as provided in Section 4.6(f)(1) hereof and as may be further provided in the related Series Resolution.

(3) If and to the extent that the amount on deposit in the Series 229.50 Accounts or Series Reserve Account, as the case may be, is less than the applicable Junior Debt Service Reserve Fund Requirement and moneys are transferred to the Series 229.50 Reserve Accounts or Series Reserve Account pursuant to Section 4.4(d)(4) hereof, such moneys shall, subject to Section 4.8(h), be applied first to satisfy any obligation of the District with respect to a Credit Agreement or Related Agreements which relates to a Debt Service Reserve Fund Credit Facility, including interests

or expenses relating to any repayment obligation of the District which may arise by reason of a drawing on such Debt Service Fund Credit Facility.

(4) The provisions of this Section 4.8 are subject in all respects to the terms and conditions of each Debt Service Reserve Fund Credit Facility, Related Document and the related Series Resolution.

(e) All income derived from the investment of amounts on deposit in the Junior Debt Service Reserve Fund and any Account therein shall be retained in such Account at all times when the amount on deposit in the Section 229.50 Reserve Accounts or a Series Reserve Account, as the case may be, is less than the applicable Junior Debt Service Reserve Fund Requirement, and at all other times shall be transferred to the Junior Interest Account and applied as otherwise required by Section 4.6(a) hereof; provided that in all events, all Rebate Amounts allocable to amounts on deposit in the Junior Debt Service Reserve Fund shall be transferred to the Rebate Fund.

(f) No later than thirteen (13) months preceding the final maturity date of each series of Junior Bonds, the District shall elect in writing whether to apply amounts in the Section 229.50 Reserve Accounts or Series Reserve Account, as the case may be, to the payment of the amount due on such final maturity date. The amount so applied shall not exceed the lesser of (1) the applicable Junior Debt Service Reserve Fund Requirement, or (2) the amount actually on deposit in the Section 229.50 Reserve Accounts or Series Reserve Account and attributable to that series of Junior Bonds. If the District elects to so apply amounts in the Section 229.50 Accounts or a Series Reserve Account, the amount to be so applied shall be transferred, in quarterly installments equal to the Quarterly Requirement, to the related Junior Interest Account and Junior Principal Account and each amount transferred shall be credited against the Quarterly Requirement transferrable from the Revenue Fund to the related Junior Interest Account and Junior Principal Account under Section 4.4 hereof on account of the series of Junior Bonds for which the election is made.

(g) On each Payment Date, the Trustee shall deposit into the State Contribution Account, for payment to the State, amounts owed to the State pursuant to and in accordance with the State Reimbursement Agreement.

(h) To the extent provided in the applicable Series Resolution, the Trustee shall create a Series Reserve Account within the Junior Debt Service Reserve Fund relating to the series of Junior Bonds authorized by such Series Resolution. Such series of Junior Bonds shall be entitled to the benefit and security of such Series Reserve Account and shall not be entitled to the benefit and security of the Section 229.50 Accounts within the Junior Debt Service Reserve Fund; other series of Junior Bonds shall not be entitled to the benefit and security of such Series Reserve Account so created."

Section 1.8. Amendment of Section 5.3(a) of the General Resolution. Section 5.3(a) of the General Resolution is hereby amended in its entirety to read in full as follows:

"(a) Additional Bonds payable from and secured by a lien on the Tax Revenues and the remainder of the Trust Estate (except any Credit Facility which secures only a specific series of Bonds or specific Bonds of a series, any Series Reserve Account within the Junior Debt Service Reserve Fund which secures only a specific series of Junior Bonds and the Section 229.50 Reserve Accounts in the Junior Debt Service Reserve Fund which secure Junior Bonds that are not secured by a Series Reserve Account to the extent provided in a Series Resolution) on a parity with the Bonds then outstanding may be hereafter be issued if and only if:

(1) No Event of Default under Section 9.1 hereof shall be continuing.

(2) The Trustee shall have received a Series Resolution providing for the issuance of the Additional Bonds and the terms and conditions thereof, designating the Additional Bonds as either Senior Bonds or Junior Bonds.

(3) If the Bonds are Junior Bonds that are secured by the Section 229.50 Reserve Accounts within the Junior Debt Service Reserve Fund, the Trustee shall have received a certificate of the Secretary of State Department of Administration certifying compliance with Section 229.50 of the Wisconsin Statutes, and consenting to the designation of the Section 229.50 Reserve Accounts within the Junior Debt Service Reserve Fund as a "special debt service reserve fund" pursuant to Section 229.50 of the Wisconsin Statutes.

(4) The Trustee shall have received a certificate of the Chairman of the District that the Tax Revenues received in the Fiscal Year prior to the issuance of Additional Senior Bonds was at least 1.25 times the maximum Adjusted Debt Service Requirements on all outstanding Bonds and any Additional Senior Bonds proposed to be issued for every future Bond Year.

(5) The Trustee shall have received a report prepared by an independent feasibility consultant that, for each future Bond Year, projects that the Tax Revenues for that Bond Year will exceed the sum of (i) the Adjusted Debt Service Requirements on all such Outstanding and proposed Additional Bonds for that Bond Year, (ii) the projected annual operating surpluses or deficiencies for that Bond Year, and (iii) the required deposits into the Capital Maintenance Account pursuant to Section 4.11(b)(2) for that Bond Year. Such report may project annual Tax Revenues to increase annually at a rate not greater than the average annual increases for such Tax Revenues in the previous three Fiscal Years immediately prior to the issuance of such Additional Bonds, not taking into account any increase in the tax rate on any of the Tax Revenues available to the District. Projected Tax Revenues may, however, reflect any actual increase in the tax rate for any of the Tax Revenues available to the District.

(6) Receipt by the Trustee of an opinion of Bond Counsel that the principal amount of the Additional Bonds will not cause the principal amount of all Outstanding Bonds immediately following the issuance of the Additional Bonds to exceed any aggregate principal amount limitation thereon imposed by law.

(7) All other conditions precedent to the issuance of Bonds set forth elsewhere herein shall have been met."

## ARTICLE TWO

### AUTHORIZATION OF JUNIOR DEDICATED TAX REVENUE REFUNDING BONDS, SERIES 2013A

Section 2.1. Authorization of Bonds. Under and by virtue of the provisions of the Act, there is hereby authorized a series of negotiable Bonds, in an aggregate sum not to exceed \$36,000,000, to refund the outstanding Series 2001A Bonds, fund other funds and accounts as appropriate, and to fund costs of issuance to the extent permitted by law. Such Bonds shall be sold and issued in whole or in part from time to time in such amount or amounts as shall be within the limits provided by law.

Section 2.2. Sale of Bonds. The President is hereby authorized and directed to prepare a financing as described herein for consideration by the Finance and Personnel Committee at a subsequent meeting or meetings so long as the following parameters are met:

- (a) The Bonds shall be issued to refund the Series 2001A Bonds;
- (b) The Bonds shall not mature later than December 15, 2032;
- (c) The true interest cost shall not exceed 5.25% per annum;
- (d) The compensation to the underwriter of the Bonds shall not exceed \$200,000; and
- (e) the Bonds shall be secured by a Series Reserve Account, provided that such Series Reserve Account may not be funded with a Debt Service Reserve Fund Credit Facility.

The President shall keep the Chairperson and the Chair of the Finance and Personnel Committee informed of the progress in structuring and negotiating the transaction. The Finance and Personnel Committee shall retain the final authority as to whether to adopt an award resolution.

The Chairperson, Secretary, President and Chief Financial Officer are each hereby authorized to take any action, execute any document or give any consent which may be required to effectuate and enhance the marketing, sale and issuance of the Bonds, including, without limitation, the authorization of the preparation and distribution of a Preliminary Official

Statement and a final Official Statement relating to the Bonds, and which may be required from time to time under this Resolution.

Section 2.3. Procurement of Services. In connection with the financing, the President, after consultation with the Chairperson and the Chair of the Finance and Personnel Committee, is authorized to enter into contracts with one or more firms engaged in financial services, including but not limited to a financial advisor or advisors, rating agencies, investment bankers, investment information service providers, financial market reporting providers, investment providers, trustee, escrow agent, escrow verification agent, arbitrage consultant, bond counsel, credit enhancer, and other professionals and services required to sell and issue the Bonds. The Bonds may be sold at Public or Private Sale at the discretion of the President, after consultation with the Chairperson and the Chair of the Finance and Personnel Committee.

Section 2.4. Bond Resolution. This Resolution is a "bond resolution" for purposes of the Act and, together with the award resolution adopted by the Finance and Personnel Committee of the District described above, a "Series Resolution" for purposes of the General Resolution.

### ARTICLE THREE

#### MISCELLANEOUS

Section 3.1. Defined Terms and Effective Date. Terms not defined herein shall have the same meanings as in the General Resolution. This Resolution shall take effect immediately upon its adoption and the consent of the Trustee.

Section 3.2. Continuation of General Resolution. The General Resolution as amended hereby shall continue in full force and effect.

[Remainder of page intentionally left blank.]

**CERTIFICATION**

The undersigned duly qualified Recording Officer, acting on behalf of the Wisconsin Center District Board of Directors, certifies that the foregoing is a true and correct copy of a resolution adopted at a legally convened meeting of the Wisconsin Center District Board of Directors held on Friday, January 4, 2013.



\_\_\_\_\_  
(Signature of Recording Officer)

\_\_\_\_\_  
(Title of Recording Officer)

Date: \_\_\_\_\_

1/4/13

## WISCONSIN CENTER DISTRICT

### AMENDMENT OF GENERAL RESOLUTION AND AWARD RESOLUTION

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**WHEREAS**, the Wisconsin Center District (the "District") is a local exposition district, created pursuant to subchapter II of chapter 229 of the Wisconsin Statutes, as amended (the "Act") and by a resolution dated April 26, 1994 of the Common Council of the City of Milwaukee, Wisconsin; and

**WHEREAS**, the District is authorized pursuant to Sections 229.44(8), 229.48(1) and 229.56 of the Wisconsin Statutes to issue bonds for costs and purposes that are related to an exposition center as defined in Section 229.41(6) of the Wisconsin Statutes and to issue bonds to refund such bonds; and

**WHEREAS**, the District has previously issued its currently outstanding Senior Dedicated Tax Revenue Bonds, Series 1996A (the "Series 1996A Bonds"), Junior Dedicated Tax Revenue Refunding Bonds, Series 1999 (the "Series 1999 Bonds"), and Senior Dedicated Tax Revenue Refunding Bonds, Series 2003A (the "Series 2003A Bonds"), pursuant to a General Resolution dated December 20, 1995, as amended by a Resolution Ratifying and Confirming Amendment to General Resolution adopted on June 27, 2001 (the "General Resolution"), and its Variable Rate Demand Revenue Bonds, Series 2001A (the "Series 2001A Bonds"), pursuant to Indenture of Trust dated as of June 1, 2001 (the "Series 2001A Indenture") between the District and Firststar Bank, National Association (now U. S. Bank National Association), as trustee (the "Series 2001A Trustee"); and

**WHEREAS**, the District issued the Series 1996A Bonds in accordance with a Series Resolution dated December 20, 1995 and an Award Resolution dated January 12, 1996 (the "Award Resolution"); and

**WHEREAS**, on January 4, 2013, the District adopted a resolution (the "Amendatory Resolution") amending certain terms of the General Resolution relating to the issuance of Junior Bonds; and

**WHEREAS**, there is an ambiguity or formal defect or omission in the definition of "Credit Facility" in the General Resolution, in that the definition requires that a the debt obligations of a Credit Facility be within certain rating categories but does not specify when compliance is to be tested, and the remainder of the General Resolution does not contain any direction as to how a decline in the rating of a provider following the deposit of a Credit Facility with the Trustee is to be treated; and

**WHEREAS**, the District desires to amend the definition of "Credit Facility" and make a conforming amendment to the definition of "Liquidity Facility" in the General Resolution to provide that the determination of the rating of the Credit Provider is to be made at the time the Credit Facility is deposited with the Trustee; and

**WHEREAS**, the District also desires to amend the definition of "Debt Service Reserve Fund Requirement" in the General Resolution, as amended by the Amendatory Resolution, to more accurately reflect the reserve requirements for the Junior Bonds; and

**WHEREAS**, the District also desires to amend Section 9.3 of the General Resolution concerning the direction of proceedings under the General Resolution to more accurately reflect the relative rights of the Owners of the Junior Bonds; and

**WHEREAS**, in connection with the issuance of the Series 1996A Bonds MBIA Insurance Company (the "Insurer") provided both a Financial Guaranty Insurance Policy insuring the payment of the principal of and interest on the Series 1996A Bonds (the "Policy") when due and a Debt Service Reserve Surety Bond (the "Surety Bond") in an amount not in excess of \$7,400,000 for the purpose of funding the Senior Debt Service Reserve Fund created by the General Resolution for the benefit of the Series 1996A Bonds, and the Issuer and the Insurer entered into a Financial Guaranty Agreement made as of February 1, 1996 (the "Financial Guaranty Agreement") relating to the Surety Bond; and

**WHEREAS**, the District desires to amend certain provisions of the Award Resolution that were made for the benefit of the Insurer, and National Public Finance Guarantee Corporation, as agent for the Insurer, has consented to such amendments; and

**WHEREAS**, this body finds and determines that the amendments are necessary and desirable and will not materially prejudice any Owner of Bonds; and

**WHEREAS**, such amendments to the General Resolution and the Award Resolution may be made without the consent of the owners of Bonds currently outstanding under the General Resolution pursuant to Section 11.1(b) of the General Resolution as curing an ambiguity or formal defect or omission in the General Resolution or pursuant to Section 11.1(j) as a change which in the judgment of the District and the Trustee is necessary and desirable and will not materially prejudice any non-consenting Owner of a Bond; and

**NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:**

## ARTICLE ONE

### AMENDMENTS OF THE GENERAL RESOLUTION AND AWARD RESOLUTION

Section 1.1. Amendment of Section 1.1 of the General Resolution. The definitions of "Credit Facility," "Debt Service Reserve Fund Requirement" and "Liquidity Facility" set forth in Section 1.1 of the General Resolution are hereby amended in their entirety to read in full as follows:

""Credit Facility" shall mean a letter of credit, surety bond, liquidity facility, insurance policy or comparable instrument furnished by the Credit Facility Provider with respect to all or a specific portion of one or more Bonds to

satisfy in whole or in part the District's obligation to maintain a Reserve Requirement with respect thereto or to secure (a) the payment of debt service (which may include the premium due on payment of a Bond) on Bonds of a specified series, or a specific portion thereof, (b) the payment of the purchase price (which may include accrued interest to the date of purchase) of Bonds of a specific series, or a specific portion thereof, on the applicable purchase dates or tender dates, or (c) both the payment of debt service on a specified series, or a specific portion thereof, and the payment of purchase price of Bonds of a specified series, or a specific portion thereof, but only if, at the time of delivery of such Credit Facility to the Trustee, the long-term debt obligations of such Credit Facility Provider are rated in one of the two highest long-term Rating Categories, or the short-term debt obligations of such Credit Facility Provider are rated in the highest short-term Rating Category, by a Rating Agency with respect to the Bonds secured by such Credit Facility."

"Debt Service Reserve Fund Requirement," (a) for the Senior Debt Service Reserve Fund shall be an amount equal to the maximum amount of principal and interest to become due during the current or any succeeding Bond Year on all Senior Bonds then Outstanding, (b) for the Section 229.50 Accounts shall be an amount equal to the maximum amount of principal and interest to become due during the current or any succeeding Bond Year on all Junior Bonds secured by the Section 229.50 Accounts then Outstanding, and (c) for any Series Reserve Account within the Junior Debt Service Reserve Fund shall be an amount equal to the lesser of (i) the maximum amount of principal and interest to become due during the current or any succeeding Bond Year on all Junior Bonds then Outstanding secured by such Series Reserve Account, (ii) 125% of the average amount of principal and interest to become due during the current and succeeding Bond Years on all Junior Bonds then Outstanding secured by such Series Reserve Account, and (iii) 10% of the principal amount (or if such Junior Bonds are issued with more than a de minimus amount of original issue discount or original issue premium, 10% of the issue price of such bonds), all as provided in Section 1.148-2(f)(2) of the Regulations, of all Junior Bonds Outstanding secured by such Series Reserve Account; provided that the calculation of the maximum amount of interest to become due on Variable Rate Bonds and Adjustable Rate Bonds shall be based on the methodology specified in the definition of Adjusted Debt Service Requirements; and provided further that the calculation of the maximum amount of principal and interest to become due on the applicable Bonds shall exclude the principal amount of such Bonds to be paid from amounts on deposit in the Senior Debt Service Reserve Fund, Section 229.50 Accounts or Series Reserve Account, as the case may be.

The applicable Debt Service Reserve Fund Requirement may, except as may be limited by a Series Resolution, be satisfied by cash, Permitted Investments or a Debt Service Reserve Fund Credit Facility, or any combination thereof."

""Liquidity Facility" shall mean any Credit Facility under or pursuant to which the Credit Facility Provider agrees to purchase Optional Tender Bonds."

Section 1.2. Amendment of Section 9.3 of the General Resolution. Section 9.3 of the General Resolution is hereby amended in its entirety to read in full as follows:

"Section 9.3 Direction of Proceedings by Bondowners. The Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Resolution, the Series Resolutions and the Related Documents or for the appointment of a receiver or any other proceedings hereunder; provided that such direction shall not be otherwise than in accordance with the provisions of law and of this Resolution. Notwithstanding the foregoing, the Owners of a majority in aggregate principal amount of the Senior Bonds the Outstanding shall have the right to direct the Trustee as provided in this Section 9.3 as to matters pertaining only to Senior Bonds, and the Owners of a majority in aggregate principal amount of the Junior Bonds then Outstanding shall have the right to direct the Trustee as provided in this Section 9.3 as to matters pertaining only to the Junior Bonds; provided that the Owners of Junior Bonds secured by the Section 229.50 Accounts within the Junior Debt Service Reserve Fund may not direct the Trustee to exercise rights relating to any Series Reserve Account, and the Owners of Junior Bonds secured by a Series Reserve Account within the Junior Debt Service Reserve Fund may not direct the Trustee to exercise rights relating to the Series 229.50 Accounts. If any direction of the Bondowners shall relate to or affect the Senior Bonds, then a majority in aggregate principal amount of the Senior Bonds then outstanding shall be required under this Section 9.3 in addition to the requirement of a majority in aggregate principal amount of all Bonds then Outstanding."

Section 1.3. Amendment of Section 6.10 of the Award Resolution. Section 6.10 of the Award Resolution is hereby amended by adding a new clause after the Section heading and before paragraph (a) of Section 6.10 reading in full as follows:

"Section 6.10 Special Provisions for the Benefit of the Series 1996A Debt Service Reserve Account Credit Facility Provider. This Section 6.10 is provided solely for the benefit of the Series 1996A Debt Service Reserve Account Facility Provider and, for purposes of this Section 6.10, the following provisions shall apply only to Debt Service Reserve Fund Credit Facilities (other than the Series 1996A Debt Service Reserve Account Credit Facility) securing the Series 1996A Debt Service Reserve Account that may be drawn upon and applied to the payment of the principal of and interest on the Series 1996A Bonds (a "Debt Service Reserve Account Credit Facility")."

ARTICLE TWO

MISCELLANEOUS

Section 2.1. Defined Terms and Effective Date. Terms not defined herein shall have the same meanings as in the General Resolution or the Award Resolution, as applicable. This Resolution shall take effect immediately upon its adoption and the consent of the Trustee.

Section 2.2. Continuation of General Resolution and Award Resolution. The General Resolution and the Award Resolution, each as amended hereby, shall both continue in full force and effect.

[Remainder of page intentionally left blank.]

**CERTIFICATION**

The undersigned duly qualified Recording Officer, acting on behalf of the Wisconsin Center District Board of Directors, certifies that the foregoing is a true and correct copy of a resolution adopted at a legally convened meeting of the Wisconsin Center District Board of Directors held on Wednesday, February 27, 2013.

  
\_\_\_\_\_  
(Signature of Recording Officer)

  
\_\_\_\_\_  
(Title of Recording Officer)

Date: 2-27-13