

Proposed resolution to be submitted June 6, 2012

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE UNIVERSITY OF
WISCONSIN HOSPITALS AND CLINICS AUTHORITY
REGARDING REIMBURSEMENT EXPENDITURES**

DEFINITION OF TERMS

In this resolution:

“UWHCA” means the University of Wisconsin Hospitals and Clinics Authority, a public body corporate and politic created by Wisconsin statutes.

“Project” means:

- (i) the acquisition of land related to any of the following described projects;
- (ii) the construction of East Campus project, the expansion and build out of the American Family Children’s Hospital, and construction of the Autopsy & Pathology suite at the Highland campus, and certain other planned capital building improvements and equipment expenditures;
- (iii) site preparation and similar costs incident to commencement of the above-described projects;
- (iv) the acquisition and installation of equipment for UWHCA’s facilities, including the new projects described above; and
- (vii) architectural, engineering, surveying, soil testing, reimbursement bond issuance and similar costs that are incurred prior to the commencement of the activities described in this paragraph.

BACKGROUND OF RESOLUTION

UWHCA is pursuing the Project. On an interim basis, until other financing for the Project is obtained, UWHCA intends to pay all or a portion of the costs of the Project from funds available to it. UWHCA does not intend that those funds, however, be committed for that purpose on a permanent basis. UWHCA intends to reimburse itself from the proceeds of reimbursement obligations or bonds to be issued on its behalf for the amounts which it has paid. It is the purpose of this resolution to formally state that intention.

RESOLVED

1. Intention to Reimburse. UWHCA declares its intention to reimburse itself for expenditures relating to the Project which it pays with its own funds. UWHCA expects the reimbursement to be funded with the proceeds of reimbursement obligations or bonds to be issued on its behalf with respect to the Project. UWHCA does not expect the aggregate principal amount of the obligations or bonds to be issued for the purpose of reimbursing the Corporation for costs of the Project to exceed \$50M. UWHCA acknowledges that any such reimbursement must be made not later than eighteen months after the later of the date on which the expenditure

to be reimbursed is paid or the date on which the property for which the reimbursement is made is placed in service or abandoned, but in no event more than three years after the date on which the expenditure to be reimbursed was paid. Each of the costs to be reimbursed is of a type that is properly chargeable to a capital account, or would be chargeable to a capital account with a proper election to do so, or is a cost of issuance for a bond.

2. Reasonableness. UWHCA's expectation to reimburse itself for costs of the Project which it pays before the reimbursement bonds are issued is reasonable. The funds applied to the temporary payment of the costs of the Project are needed on a long-term basis for other purposes and are not, therefore, available for the permanent payment of Project costs.

ADOPTED: June 6, 2012