

EXHIBIT A

AS APPROVED BY THE BOARD OF ALDERMEN OCTOBER 15, 1990

ORDER OF THE NEW HAVEN BOARD OF ALDERMEN APPROVING AN AGREEMENT BETWEEN THE CITY OF NEW HAVEN AND YALE UNIVERSITY

WHEREAS: in April 1990 New Haven Mayor John Daniels and Yale University President Benno Schmidt entered into a Memorandum of Understanding Between the City of New Haven and Yale University, and on September 12, 1990 signed a letter of refinements to and clarifications of said Memorandum of Understanding; and

WHEREAS: the Board of Aldermen held public hearings on said Memorandum of Understanding on May 14, 1990 and June 6, 1990, and on said refinement letter of September 12, 1990 on September 12, 1990 and September 27, 1990; and

WHEREAS: in consideration of public testimony and other information received, the Board of Aldermen recommends the adoption and execution of a revised agreement, as contained hereinafter.

NOW, THEREFORE, BE IT ORDERED by the New Haven Board of Aldermen that the following Agreement Between the City of New Haven and Yale University as set forth herein in its entirety be and it hereby is approved by the Board of Aldermen for execution by Mayor John Daniels on behalf of the City of New Haven and by President Benno Schmidt on behalf of Yale University.

AGREEMENT BETWEEN THE CITY OF NEW HAVEN AND YALE UNIVERSITY

OCTOBER 1990

The relationship of Yale University and the City of New Haven has extended over almost three centuries. Each depends and draws upon the strength of the other. New Haven by virtue of its size, location, and richly diverse population provides a setting in which Yale has been able to grow as a university dedicated to educational excellence. The welfare of the City has been and remains essential to that of the University. This Agreement represents a determination on the part of the City and the University to enter upon a new era of partnership, friendship, and cooperation. It is an agreement based upon the

mutually perceived benefits that grow from cultivating the spirit of partnership for the long term future.

Yale University believes that it can make its most extensive contribution to the welfare of New Haven through pursuing its mission of excellence in teaching and research. For Yale to be the best possible university will both at present and in the future directly benefit New Haven. The presence of Yale enhances the quality of life in the City. Yale students provide thousands of hours of voluntary services to various groups in the City. The University is the largest employer in New Haven. Its students, faculty, and staff contribute to the economic vitality of the City. Through its direct purchases the University provides business to scores of firms in the City. Beyond this recurring activity, the University will in the next decade spend tens of millions of dollars in the local economy as it pursues its plans for facilities renewal and renovation.

Yale firmly believes that it has the responsibility for being a good citizen of New Haven. The welfare of the City and the University are closely related. There should be a genuine partnership between the City and the University. This Agreement represents a fundamental building block in fostering that relationship, indicating the willingness of the University to step forward as a good citizen to support the City not only at a time of difficulty but also into the future. It is the hope and expectation of the President of Yale University and the Mayor of New Haven that this Agreement will stand as an example to other profit and not-for-profit institutions in New Haven to undertake similar actions of support and concern.

In consideration of the foregoing, the City of New Haven and Yale University agree to undertake each of the following steps, together as a package, under the terms and conditions set forth below.

1. Fire Services.

Yale University ("University") shall make yearly voluntary payments ("payments") as a fire services use charge indexed to 5.68% of the City of New Haven's ("City's") general operating budget for Fire Services. These payments will commence during the City's fiscal year 1991 at an amount equal to \$1,167,000, which will be paid in two installments on July 1, 1990 and January 1, 1991. Each year the annual payment will be equal to the preceding year's payment adjusted by a rate equal to the rate of increase (or decrease) in the City's general operating budget allocation to the City of New Haven Department of Fire Services as approved by the Board of Aldermen in June of that year as compared to such allocation for the preceding year. In the event this Agreement is not enacted prior to the dates of the installment payments of the first fire services payment, the

University will tender the installments as follows: (a) the first installment within thirty (30) days following the effective date of the Agreement; (b) the second installment on January 1, 1991 or on a date mutually agreed upon by the City and the University.

2. Golf Course.

Yale University will initiate changes in the operation of the Yale Golf Course to allow broader use in combination with maintaining educational activities on the property and the City, in concept, agrees to support these changes. As a result of the support of these operation changes, which will embrace commercial use, the University will agree to placement of the Golf Course on the Grand List of October 1, 1990. In the event this Agreement is enacted after October 1, 1990, the University agrees to voluntarily tender a payment equal to the real property tax on the subject property, as if said property were included on the 1990 Grand List. The Golf Course will be assessed in accordance with procedures and standards regularly applicable to taxable property. Its placement on the Grand List will result in an estimated increase in annual property tax revenues to the City of \$334,405 at the current mill rate of 83.25. The University understands that its intention to expand the operational uses, including commercial uses, of the Golf Course, shall be subject to the approval of the appropriate regulatory and legislative bodies of the City, if required in the normal course, and so long as such actions are consistent with the laws and judicial precedents of the State of Connecticut. The payment of funds equivalent to the amount due under the 1990 Grand List will be tendered, when due, and is not contingent upon any particular regulatory or legislative approvals required to change the current uses.

3. Public Walkways.

Yale University and the City of New Haven will use their best efforts to undertake, at Yale's expense, an improvement project to create public walkways on certain streets within the University's campus. Yale shall pay the City \$1,100,000 for the right to close the following two streets to vehicular traffic (excepting safety, certain delivery, and other special traffic) and to convert them to public walkways: Wall Street from College Street to York Street; and High Street from Elm Street to Grove Street, as more specifically provided in the Order provisions adopted concurrently with this agreement.

In the year following the twentieth anniversary of the effective date of the Order, the City shall review the continued closure of these streets to vehicular traffic. In the event the City determines that the streets shall be reopened to vehicular traffic, the City and Yale shall arrange for such reopening in a mutually acceptable manner which is fair to both parties.

Subject to the continuing right of the public to pass and repass and to the City's access to underground utilities, the University may use and occupy the airspace over the aforementioned streets and the ground under those streets, as more specifically provided in the Order provisions. Any use and occupancy by the University of the space above or below said portions of said streets shall be subject to the prior approval of the Board of Aldermen of the City of New Haven in the manner customary for approval of construction above or below City streets, which shall be consistent with the laws and judicial precedents of the State of Connecticut.

In recognition of the City's willingness to voluntarily close the above-referenced streets to vehicular traffic, the University agrees to explore with the City the long-term vehicular parking needs of the general public, the University and the Broadway merchants. Furthermore, the University agrees to cooperate with the City in efforts to revitalize the neighborhoods and central business district in close proximity to its campus and real property in the City, including but not limited to development of a downtown retail mall, mixed use development of the Ninth Square, the continued development of the Science Park Development Corporation including its impact on neighborhood development.

In further recognition of the City's willingness to voluntarily close the above-referenced streets to vehicular traffic, and in order to facilitate investment activity, the University agrees to cooperate with the City in the development of a working group ("Urban Investment and Economic Development Working Group") to establish ways and means of ensuring that investment and economic development opportunities are maximized. Said group shall be comprised of at least the following: Designee of the Mayor, designee of the President of the Board of Aldermen, designees of Yale University, and other members as agreed upon by the appointing parties.

The University further agrees and reaffirms its commitment to the principles of the New Haven Development Initiative whereby the University made a commitment to invest approximately Fifty-Million Dollars over the period of about ten years in economic development projects in the City of New Haven. In furtherance of that commitment and as a part consideration for the closure of the above referenced streets to vehicular traffic, the University agrees to provide the City with annual reports on the status of said investments. Said reports will commence in the month of January 1991 and will continue annually thereafter.

In further recognition of the City's willingness to voluntarily close the above-referenced streets to vehicular traffic, and in order to facilitate cultural enrichment, educational and social outreach, the University agrees to cooperate with the City in the development of a working group ("Cultural Enrichment, Educational and Social Outreach

Working Group") to establish ways and means of ensuring that such opportunities are maximized. Said group shall be comprised of at least the following: Designee of the Mayor, designee of the President of the Board of Aldermen, designees of Yale University, and other members as agreed upon by the appointing parties.

In further recognition of the City's willingness to voluntarily close the above-referenced streets to vehicular traffic, the University agrees to cooperate with the City in the development of a working group ("Neighborhood Relations Working Group") to improve relations between the University as a major institution, landlord and property owner with its neighbors. Said group shall be comprised of the alderpersons (up to three in number) of the wards adjacent to the central campus, designee of the Mayor, designees of Yale University, and other members as agreed upon by the appointing parties.

4. Center for the City.

The University will contribute the amount of \$50,000 annually for a period of five years toward the operating support of a Center for the City, provided such a Center is established with the substantial cooperation and support of other institutions in New Haven. The Center will function independent of the University. It will seek major funding from national foundations to address New Haven's problems. The University will assist the Center in its fund-raising activities. Within three to five years after its establishment, there will be a fundamental review of the value to the community of the Center for the City, and a decision will be made as to whether the Center should continue.

The Center for the City will give special priority to issues of poverty, human services, and education. Implementation efforts will begin immediately upon approval of the Agreement. The Center for the City shall facilitate the efforts of the "Cultural Enrichment, Educational, and Social Outreach Working Group" and the "Neighborhood Relations Working Group" set forth in the two paragraphs above.

5. Taxation of Yale University Properties.

During any period in which Yale University makes payments set forth in Paragraph 1, the City agrees to maintain the tax treatment of currently tax-exempt University properties so long as their use remains as at present or are put to other uses which do not substantially diminish their educational and academic function. However, nothing in this Agreement prohibits the City from seeking to tax current or future tax-exempt Yale properties. In the event the City elects to tax currently tax-exempt Yale properties which continue to be used substantially in the same manner as they are presently used or are put to other uses which do not substantially diminish their

educational or academic function, then if the University chooses to oppose such action and/or cease its payments set forth in Paragraph 1, nothing in this Agreement prohibits it from doing so.

The City and the University shall establish a working group ("Finance and Revenue Working Group") to address on-going financial and revenue issues between the parties. Said group shall be comprised of at least the following: designee of the Mayor, designee of the President of the Board of Aldermen, designees of Yale University, and other members as agreed upon by the appointing parties.

6. \$30,000,000 Consortium Loan.

Yale University is willing to consider participation in a consortium of institutions (which may include, for example, local financial institutions, corporations, not-for-profits, and City of New Haven Pension Plans) to provide short-term private placement loan of \$30,000,000 to the City. Yale University's participation in the loan is subject to approval by the Investment Committee of the Yale Corporation, which will apply appropriate fiduciary standards of risk and return in its evaluation of the consortium loan. Yale University's share of the loan will not exceed 25% of the total, or \$7.5 million.

Notwithstanding anything to the contrary, the undertakings set forth above are mutually dependent and not severable as to the obligations of both parties.

Date: 10/17/90

Signed:

John C. Daniels
Mayor
City of New Haven

Bernard C. Schmidt, Jr.
President
Yale University