

LEASE AGREEMENT

Between

**The City of Milwaukee
Board of Harbor Commissioners**

And

Milwaukee World Festival, Inc.

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LEASE AGREEMENT

THIS INDENTURE, made and entered into at Milwaukee, Wisconsin, effective on the 1st day of January, 2001, by and between the CITY OF MILWAUKEE, a municipal corporation of the State of Wisconsin, acting by and through its BOARD OF HARBOR COMMISSIONERS, as heretofore authorized by law (hereinafter collectively referred to as "CITY"), and MILWAUKEE WORLD FESTIVAL, INC., a Wisconsin not-for-profit corporation (hereinafter referred to as "FESTIVAL");

WITNESSETH:

CITY does hereby lease, demise and let unto the FESTIVAL the real property and improvements, depicted on **EXHIBIT "A"** and legally described on **EXHIBIT "B"**, said Exhibits being attached hereto and by this reference incorporated herein, (hereinafter referred to as the "Property").

This Indenture is made and entered into by the parties hereto under the following terms and conditions:

1. DEFINITIONS.

The following words and terms, when used in this Agreement, shall have the following meanings:

Annual Access Calendar: Means a calendar annually detailing public access to the Property. The Annual Access Calendar for 2001 is attached as **EXHIBIT "C"**.

Annual Report: Means a report summarizing attendance, activities, events, and compliance with DBE Requirements.

Articles and By-Laws: The Articles and By-Laws of FESTIVAL in the form attached as **EXHIBIT "D"**.

Capital Improvements: Means:

- (a) All buildings, structures, and real property improvements, now or at any time hereafter located on and within the Property including all extensions, additions, betterments and replacements thereof;
- (b) All real property fixtures of every kind and description, now or at any time hereafter, installed or located on and within the Property or the buildings and improvements described in (a) above, whether such items of property are now owned or hereafter acquired by FESTIVAL.

Capital Improvements Program I: Means a capital improvements program consistent with the description set forth in **EXHIBIT “E”**.

Capital Improvements Program II: Means a capital improvements program consistent with the description set forth in **EXHIBIT “F”**.

DBE Requirements: Means the attached **EXHIBIT “J”**.

Design Guidelines: Means the Millennium Momentum Master Plan and Design Guidelines attached as **EXHIBIT “G”**, except for the North End Entertainment Facility described therein, as periodically jointly revised and updated by CITY’s Department of City Development and FESTIVAL.

Environmental Laws: Means all federal, state and local laws including statutes, regulations, ordinances, codes, rules and other governmental restrictions and requirements relating to the discharge of air pollutants, water pollutants or process waste water or otherwise relating to the environment or hazardous substances including, but not limited to, the Federal Solid Waste Disposal Act, the Federal Clean Air Act, the Federal Clean Water Act, the Federal Resource Conservation and Recovery Act of 1976, the Federal Comprehensive Environmental

Response, Compensation and Liability Act, regulations of the Nuclear Regulatory Commission, and regulations, orders and directions of any state department of natural resources or state environmental protection agency now or at any time hereafter in effect.

Ethnic and Cultural Festivals: Means festivals conducted during the 2000 Festival Season and listed on **EXHIBIT “H”** as well as similar festivals with a cultural or ethnic theme initiated during the term of this Agreement.

Festival Season: A period of time commencing the Friday before Memorial Day of each year and ending the following September 30th.

Financing Charges: Payments of principal, interest, premium, administrative charges and other fees or expenses required pursuant to the terms of the Financing Documents.

Financing Documents: Means the loan documents setting forth terms and conditions for the financing of Capital Improvements Program I, in accordance with the Term Sheet attached as **EXHIBIT “I”**.

Maintenance Standards: Means the maintenance standards attached as **EXHIBIT “K”** together with the May 10, 2001, Memorandum setting forth a Third Ward Festival Mitigation Proposal attached as **EXHIBIT “K-1”**.

M.O.A.: Means a Memorandum of Agreement by and among the State of Wisconsin, FESTIVAL and CITY in substantial compliance with the terms set forth on **EXHIBIT “L”**.

Non-Festival Season: A period of time commencing October 1st of each year and ending the following Thursday before Memorial Day.

Permitted Encumbrances: Means the encumbrances listed on **EXHIBIT “M”**.

Permitted Uses: All lawful uses in connection with the promotion and operation of Summerfest, Ethnic and Cultural Festivals and other activities to further FESTIVAL's charitable purposes as described in the Articles and By-Laws and all activities incidental or related thereto.

Preexisting Environmental Conditions: The presence or a "discharge" of a "hazardous substance", as regulated or defined by any Environmental Law, in the soil or groundwater on the Property, which presence or discharge of a hazardous substance existed or arose on the Property prior to May 1, 1968.

Property: Means the real property legally described on **EXHIBIT "B"** together with all Capital Improvements located thereon.

Public Access Areas: Means the five public access areas depicted in **EXHIBIT "N"**.

Rent: Means payments to be made by FESTIVAL during the term of this Agreement pursuant to the schedule attached as **EXHIBIT "O"** together with the Financing Charges.

State Park: Means the Lakeshore State Park to be established by the State of Wisconsin adjacent to the Property, pursuant to the terms of the M.O.A.

2. TERM.

The term of this Agreement shall be for twenty (20) years commencing as of January 1, 2001, and terminating on December 31, 2020. If, prior to January, 2017, FESTIVAL and CITY have not agreed on the terms of an extension of this Lease Agreement, or a new Lease Agreement, designated representatives of FESTIVAL and CITY shall meet in January, 2017 to confer and to negotiate in good faith either a new Lease Agreement or an extension of this Lease Agreement. The parties shall make all reasonable efforts to successfully conclude such negotiations by July 1, 2017.

3. RENT.

FESTIVAL shall pay rent in accordance with EXHIBIT “O”, subject to the provisions of paragraph 38. In addition, FESTIVAL shall pay the Financing Charges in accordance with the Financing Documents.

4. APPROVED CAPITAL IMPROVEMENTS AND CAPITAL EXPENDITURES.

The parties acknowledge that City has reviewed and approved the scope of work, preliminary plans, and preliminary cost estimates for Capital Improvements Program I as described in EXHIBIT “P”. FESTIVAL’s final plans and final costs for Capital Improvements Program I remain subject to approval by CITY in conjunction with the financing described in the following paragraph. Subject to the availability of financing under paragraph 5, FESTIVAL shall commence construction of Capital Improvements Program I not later than October 1, 2001 and diligently pursue such construction to completion.

5. FINANCING OF CAPITAL IMPROVEMENTS PROGRAM I.

CITY, acting in cooperation with the Redevelopment Authority of the City of Milwaukee (“RACM”), shall issue or cause to be issued one or more series of bonds which shall be tax-exempt to the greatest extent permitted by applicable state and federal requirements at the time of issuance (“Bonds”) in an aggregate amount sufficient to provide not less than \$16,600,000.00 to finance Capital Improvements Program I. FESTIVAL shall contribute additional funds in an amount not less than \$1,400,000 toward the cost of Capital Improvements Program I. FESTIVAL shall execute and deliver the Financing Documents and such other covenants and agreements as may be reasonably requested by CITY, RACM, bond counsel and the underwriter for the Bonds. FESTIVAL shall also grant CITY or RACM a security interest as described in EXHIBIT “I” to further secure the Bonds.

6. FINANCING OF CAPITAL IMPROVEMENTS PROGRAM II.

Within 30 days following January 1, 2011, or at such other time as the parties may agree, CITY and FESTIVAL shall meet and confer concerning the financing of Capital Improvements Program II. Subject to CITY's approval of: the final scope of work for Capital Improvements Program II, the final budget, level of capital contribution by FESTIVAL and final design, as well as an underwriting analysis acceptable to CITY demonstrating FESTIVAL's ability to pay financing charges, CITY, acting alone or in cooperation with RACM, shall issue or cause to be issued one or more series of bonds in an aggregate amount sufficient to provide not less than \$12,000,000.00 to finance Capital Improvements Program II. It is the intent of the parties that such bonds shall also be tax-exempt to the greatest extent permitted by applicable state and federal requirements at the time of issuance.

7. APPROVAL OF OTHER CAPITAL IMPROVEMENTS.

In addition to the approval and financing of Capital Improvements Program I and Capital Improvements Program II described above, CITY reserves the right to review and approve the plans for the construction, renovation or alteration of all other Capital Improvements prior to their implementation by FESTIVAL. The review and approval of such plans shall include consideration of aesthetics, design and the impact of the proposed Capital Improvements upon the Property and surrounding area. Further, in the event that the proposed Capital Improvements are intended to create a source of revenue that is substantial and different in nature or concept from the then existing sources of revenue on the Property, the review and approval of such plans may include consideration of projected profits to be generated by the proposed Capital Improvements as well as CITY participation in profits. (By way of example, if FESTIVAL proposed new Capital Improvements to build or expand a restaurant or concession area, CITY

would not have the right to consider economic participation in profit generated by such Capital Improvements. If FESTIVAL proposed as new Capital Improvements a revenue generating observation tower, then CITY would be permitted to consider economic participation in profits as part of the review and approval process.) Any such participation by CITY shall allow FESTIVAL to first recoup its investment in such Capital Improvements.

Notwithstanding the foregoing, the following Capital Improvements shall be permitted and subject only to prior design and aesthetic approval of CITY:

1. Capital Improvements necessary to comply with laws, regulations and orders of any governmental body.
2. Capital Improvements necessary to make the Property safe, sanitary and comfortable for employees, patrons and visitors.
3. Capital Improvements to provide green space, trees, shrubs or other plantings.
4. Capital Improvements necessary to repair, replace or upgrade then existing facilities which, in the reasonable judgment of FESTIVAL, are in disrepair, worn out, obsolete or outmoded.

Failure of CITY to respond in writing within ninety (90) days following receipt of a written request from FESTIVAL to approve proposed Capital Improvements shall be deemed to constitute approval of such request by CITY.

FESTIVAL shall pay all costs and expenses arising out of any construction, renovation or alteration of the Property and it shall keep the Property free and clear from all liens of mechanics or materialmen, and all liens of a similar character arising out of the construction, renovation or alteration of the Property.

8. DEVELOPMENT OF THE STATE PARK.

FESTIVAL and CITY shall cooperate with the State of Wisconsin in the final preparation and execution of the M.O.A. and implementation of the construction, operation, and maintenance of the State Park. FESTIVAL shall make a capital contribution for construction of the State Park or North Harbor Tract development in the amount of \$2,000,000.00, which amount shall be disbursed one-half in the year 2001 and one-half in the year 2002 or as otherwise agreed by the parties. In addition to the M.O.A., FESTIVAL and the State of Wisconsin may enter into additional agreements regarding the coordination of their representative operations. Copies of all such agreements shall be provided to CITY by FESTIVAL.

9. USE OF THE PROPERTY.

FESTIVAL shall use the Property solely for Permitted Uses and for such other uses as may be approved in advance by CITY. FESTIVAL shall not schedule events during the Non-Festival Season without the prior written consent of CITY.

Notwithstanding the foregoing, the future scheduling of Amphitheater events, and events conducted during the year 2000 during the Non-Festival Season as well as recreational activities and the leasing of recreational equipment for use by the general public shall be deemed approved by CITY.

10. ACCESS TO THE PROPERTY.

It is the intent of the parties to maximize public access to the Property and to the State Park. This paragraph establishes minimum requirements for such public access. The Annual Access Calendar for 2001 is attached as EXHIBIT "C". Commencing in 2002, FESTIVAL shall present an Annual Access Calendar to CITY not later than April 1st of each year during the term of this Agreement. Prior to final preparation of each Annual Access Calendar, FESTIVAL

shall meet and confer with representatives of CITY to discuss its content. Each Annual Access Calendar shall be subject to the approval of CITY so as to assure consistency with the minimum requirements of this paragraph. During construction of Capital Improvements Program I and the State Park, FESTIVAL shall continue to make public access available at substantially the same level as during 2001, subject to coordination of such access with the reasonable requirements of FESTIVAL's and the State of Wisconsin's contractors and provision for the safety of the general public.

A. Public Access Areas. For purposes of providing public access to the Property and the State Park, five Public Access Areas are identified on EXHIBIT "N". The Public Access Areas are as follows:

- 1) Permanent and Shore-Parallel Lakewalk.
- 2) Land Based Lakewalk.
- 3) Chicago Street Corridor.
- 4) Polk Street Corridor.
- 5) Children's Play Area.

B. Public Access. The Public Access Areas shall be available for use by the public engaged in the sport of fishing and other recreational activities as specified by the Annual Access Calendar, generally as follows:

- 1) Permanent and Shore-Parallel Lakewalk. The Permanent and Shore-Parallel Lakewalk shall be accessible to the public 365, or 366, as applicable, days per year, during all hours when the State Park is open to the public and during such additional hours as may be specified pursuant to the terms of the M.O.A. Those portions of the Permanent and Shore-Parallel Lakewalk located between the south end of Erie Street and the cul-de-sac, as depicted on EXHIBIT "N", shall also be accessible to the public for vehicular traffic, subject to reasonable rules and regulations adopted by the Board of Harbor Commissioners by resolution, after consultation with FESTIVAL, or as specified pursuant to the terms of the M.O.A.

2) Land Based Lakewalk. The Land Based Lakewalk shall be accessible to the public during the Non-Festival Season during all daylight hours when the State Park is open to the public or as otherwise agreed by the parties. The Land Based Lakewalk may also be accessible to the public during the Festival Season, at the discretion of FESTIVAL, as specified in the Annual Access Calendar.

3) Chicago Street Corridor. The Chicago Street Corridor shall be accessible to the public:

a. During the Non-Festival Season during all daylight hours when the State Park is open to the public or as otherwise agreed by the parties; and

b. During the Festival Season, for any period of at least three (3) consecutive days when the area is not licensed by FESTIVAL to an Ethnic or Cultural Festival or other user or required for FESTIVAL sponsored events, during all daylight hours when the State Park is open to the public or as otherwise agreed by the parties.

4) Polk Street Corridor. The Polk Street Corridor shall be accessible to the public:

a. During the Non-Festival Season, during all daylight hours when the State Park is open to the public or as otherwise agreed by the parties; and

b. During the Festival Season, for any period of at least three (3) consecutive days when the area is not licensed by FESTIVAL to an Ethnic or Cultural Festival or other user or required for FESTIVAL sponsored events, during all daylight hours when the State Park is open to the public or as otherwise agreed by the parties.

5) Children's Play Area. The Children's Play Area shall be accessible to the public:

a. During the Non-Festival Season, during all daylight hours when the State Park is open to the public or as otherwise agreed by the parties; and

b. During the Festival Season, for any period of at least three (3) consecutive days when the area is not licensed by FESTIVAL to an Ethnic or Cultural Festival or other user or required for FESTIVAL sponsored events, during all daylight hours when the State Park is open to the public or as otherwise agreed by the parties.

C. Safety. FESTIVAL and CITY each reserve the right to preclude access to any

Public Access Area at times when access is deemed unsafe.

D. Non-Exclusive Public Access Easement. CITY hereby reserves a Non-Exclusive Public Access Easement over the Public Access Areas for the term of this Agreement. The terms and conditions governing such easement are set forth on EXHIBIT “Q”.

E. Non-Exclusive State Park Access. CITY hereby reserve the right to establish a Non-Exclusive State Park Easement, to dedicate areas for public right-of-way or public use, or to convey to the State of Wisconsin a limited fee interest over the Public Access Areas in order to facilitate the construction, operation, and maintenance of the State Park. The terms and conditions governing such easement, dedication or conveyance are set forth in EXHIBIT “R”.

F. CITY Access. CITY, by its duly authorized agents contractors or employees, shall have the right to enter upon the Property:

(a) For general inspection purposes, subject only to prior verbal notice to FESTIVAL.

(b) In order to conduct environmental audits and/or other geotechnical or environmental testing for the purpose of determining environmental conditions, and except in cases of an emergency, and subject to the requirements/requests of any federal, state or local governmental authority, upon seven (7) days written notice to FESTIVAL, and subject to the prior written consent of FESTIVAL. City shall provide FESTIVAL with a copy of the proposed scope of any such work. Subject to the requirements/requests of any federal, state or local governmental authority, City shall endeavor to implement such testing in a manner that limits the necessity for subsurface disturbance to the greatest extent possible. Any surface or facilities disturbed by such tests shall be restored by City to the original grade or condition to the extent practicable.

(c) Subject to the conditions of the foregoing paragraph (b), during the Non-Festival Season, for the purpose of conducting soil or engineering tests upon seven day written notice to FESTIVAL, or at any time upon 24 hour notice in the case of emergencies.

11. ENVIRONMENTAL COMPLIANCE AND OBLIGATIONS.

A. Compliance with Environmental Laws. FESTIVAL shall fully comply with all Environmental Laws with respect to any actions, activities or operations that Festival may conduct upon the Property. Except for Preexisting Environmental Conditions Festival shall not cause or permit any violation of any Environmental Laws upon, about or beneath the Property or any portion thereof. FESTIVAL shall not be deemed to have caused or permitted any violation of any Environmental Laws because an action of FESTIVAL in the course of an activity or operation permitted under this Lease, *e.g.* soil borings or construction excavations in the course of making permitted Capital Improvements, exposes or discloses a Preexisting Environmental Condition, so long as FESTIVAL ceases such action, restores the Property to the condition existing prior to such activity or operation, and promptly notifies CITY upon discovery of such Preexisting Environmental Condition. For purposes of this Agreement, the Preexisting Environmental Conditions known to Festival and the City are those conditions identified, described or discussed in the following reports: Phase I Environmental Assessment Henry W. Maier Festival Grounds, Milwaukee, Wisconsin dated March 6, 1996 and Prepared by Hydro-Search, Inc.; Limited Phase II Site Assessment Summerfest Administration Building Property dated August 18, 1995 and prepared by Giles Engineering Associates, Inc.; Drinking Water Sampling Report Property Owned by Confidential Client Milwaukee, Wisconsin dated August 3,

1995 and prepared by GZA GeoEnvironmental, Inc. In addition, there may be unknown Preexisting Environmental Conditions.

B. Hazardous Material; Environmental Liens. Except to the extent commonly used in the day-to-day operation of the Property, and in strict compliance with all Environmental Laws (including those relating to storage, use and disposal), and except for Preexisting Environmental Conditions FESTIVAL shall not cause or permit any “hazardous material” or “hazardous substance” (as defined by applicable Federal or State statutes or regulations) to be brought upon, treated, kept, stored, disposed of, discharged, released, produced, manufactured, generated, refined, or used upon, about, or beneath the Property or any portion thereof by FESTIVAL without the prior written consent of CITY. Any request by FESTIVAL for such consent by CITY shall be in writing and shall demonstrate to the reasonable satisfaction of CITY that such “hazardous material” or “hazardous substance” is necessary to the conduct of the operations of FESTIVAL and will be stored, used, and disposed of in a manner that complies with all applicable Environmental Laws. Neither FESTIVAL nor CITY shall permit any lien, security interest, or other charge or encumbrance of any kind relating to the environmental condition of the Property, including (without limitation) any lien imposed pursuant to sec. 107(f) of the Superfund Amendments and Reauthorization Act 1986 (42 U.S.C. § 9607(L)) or any similar State Statute without the prior written consent of the other.

C. Cooperation on Investigation. Prior to conducting any geotechnical or environmental testing associate with the design, construction, repair or maintenance of any Capital Improvements located on the Property, or in connection with any activity or operation thereon, FESTIVAL shall consult with CITY regarding the proposed scope of such testing and shall obtain CITY’s consent to conduct such testing to enable the proposed design, construction,

repair, maintenance, activity or operation. In furtherance of the foregoing, however, FESTIVAL shall endeavor to implement such design, construction, repair, maintenance, activity or operation in a manner that limits the necessity for such testing, including, without limitation, the use of spread footings or similar design or construction features that minimize the extent of subsurface disturbance or testing to the greatest extent possible.

D. FESTIVAL Obligation to Respond. Except as modified by paragraph 11.E., below, FESTIVAL shall, at its sole cost and expense, promptly undertake any investigation, testing, remediation, monitoring and/or other response (collectively “Response”) which may be required by any federal, state or local governmental agency or political subdivision necessitated by, or attributable to, the presence upon, about, or beneath the Property of any “hazardous material” or “hazardous substance” or any violation of Environmental Law, but only those which are caused by an activity or operation conducted by FESTIVAL upon the Property, including, without limitation, the construction, maintenance or repair of any Capital Improvements located on the Property. In the event that FESTIVAL performs any such Response, it shall promptly provide to CITY full and complete copies of any results and/or reports that are generated in connection with the above activities.

E. CITY Obligations to Respond. As between FESTIVAL and CITY, CITY shall be responsible for Preexisting Environmental Conditions on the Property. Except as required by applicable Environmental Law, nothing in this Lease shall, however, create any obligation on the part of CITY to undertake Response to any Preexisting Environmental Conditions.

F. Cooperation on Response. It is the intent and obligation of the parties to cooperate to the greatest extent possible to minimize the disruption or interference caused by or associated with any Response to FESTIVAL’s Permitted Use of the Property and, equally, to

minimize the cost to CITY or FESTIVAL of Response actions which are undertaken. Prior to implementing any Response, and in particular, any Response which would necessitate an institutional control (as defined by reference to Wis. Admin. Code NR 726.05(8)) or limitation on a Permitted Use, CITY and FESTIVAL shall consult and cooperate with each other regarding the proposed Response and means to accomplish the requirements of the proposed Response in a cost effective manner which enables the continued Permitted Use.

In the event that a particular Permitted Use of the Festival results in an increase in the cost of a Response undertaken by the City, the City and Festival shall share on an equal, 50-50 basis, all of the incremental cost difference associated with the higher level and more expensive Response. Thus, for example, if a Response is undertaken at the Children's Play Area, and the cost of the Response is higher than would be required due to the fact that the Children's Play Area is the site of the Response, the City and Festival shall be equally liable and responsible for the increased cost associated with such Response. Alternatively, in order to avoid such liability/responsibility, Festival reserves the right to transfer, move or change operations so as to avoid the need for a higher level or more expensive Response. Thus, for example, Festival may, at its option, choose to move the Children's Play Area in order to avoid responsibility for any higher level/more expensive Response, conditioned on the fact that some federal, state or local governmental agency agrees that such a move did/does eliminate the need for a higher level/more expensive Response. In the event the Festival chooses to physically move such an operation, Festival and the City shall share equally, on a 50-50 basis, the cost of such a move. It is further the intent of the parties to cooperate with each other to share information regarding conditions necessitating Response as well as the results of any Response and to cooperate to identify additional sources of funding for any necessary Response, including third parties who

may have legal or financial responsibility for the Response pursuant to applicable Environmental Law.

G. Survival of Obligations. FESTIVAL's and CITY's obligations with respect to undertaking Response at the Property (as more fully set forth in subparagraphs (a) through (f) above) shall survive the expiration or termination of this Lease.

H. Limited Definition of FESTIVAL. For the purposes of this paragraph 11 only, the term "FESTIVAL" shall mean FESTIVAL, its licensees, agents, employees, contractors or invitees.

12. DISCLOSURE OF RECORDS.

A. Required Reporting. FESTIVAL shall provide to CITY copies of all records enumerated below:

1. **Financial Report.** Annually, within thirty (30) days following FESTIVAL's approval of the Financial Report, a fully audited financial report containing an opinion by an independent certified public accountant. Said report shall contain all statements and disclosures required by the American Institute of Certified Public Accountants including:

- (a) Balance sheet.
- (b) Income statement.
- (c) Statement of changes in financial position.
- (d) Notes to the financial statements.

2. **Corporate Records.**

- (a) Current Articles of Incorporation and amendments or alterations thereto when adopted.

(b) Current By-laws and amendments or alterations thereto when adopted.

(c) Complete minutes of all Board meetings, within four weeks of such meeting.

B. FESTIVAL shall make available to CITY for inspection, upon written request, copies of all licenses providing for use of the Property. Financial information regarding such licenses will be kept confidential by CITY to the fullest extent permitted by law.

C. FESTIVAL shall provide to CITY, upon written request, any and all attendance figures which FESTIVAL may have for any and all activities held on the Property under this Agreement or any license providing for use of the Property.

13. ANNUAL REPORT.

FESTIVAL shall file the Annual Report with the Common Council of CITY within ninety (90) days following the close of each fiscal year.

14. MAINTENANCE AND HOUSEKEEPING.

FESTIVAL shall be responsible for and shall bear the entire cost of all maintenance for the Property in accordance with the Maintenance Standards. This maintenance responsibility includes, without limitation due to enumeration, all dockwalls located on the Property together with their support and anchoring systems which are located on or provide support for the Property.

Notwithstanding the foregoing, in the event that CITY authorizes the berthing of any vessel adjacent to any dockwall located on the Property and damage to such dockwall, or any support or anchoring systems, occurs as a consequence of such CITY authorized berthing, then FESTIVAL shall have no responsibility for the repair of such damage.

The parties shall cooperate in efforts to acquire any available state, federal, or other grants or aids for the maintenance, repair, replacement, or construction of said dockwalls and their support system.

15. UTILITIES.

A. Water and Sewer. All construction, maintenance, replacement and repair of water and sewer lines on the Property shall be made by FESTIVAL at its own expense.

B. Other Utility Services. All other utility services shall be provided for and paid for in full by FESTIVAL. CITY agrees to grant all reasonable and necessary utility easements.

16. EASEMENTS AND RESTRICTIONS.

This Agreement is subject to the Permitted Encumbrances. CITY reserves the right to grant or create, or to require FESTIVAL to grant or create, any additional reasonable and necessary non-exclusive easements, to convey to the State of Wisconsin a limited fee interest over the Public Access Areas, or to dedicate such areas for public right-of-way or public use, as necessary for the construction of and access to the State Park, off-shore improvements adjacent to the Property and Capital Improvements located on the Property; provided, however, that FESTIVAL and CITY shall confer prior to the creation of any such easement limited fee interest or right-of-way so that any rights of access shall be at locations and be limited to such times that the exercise thereof does not interfere with FESTIVAL's activities, including the scheduling and conduct of Ethnic and Cultural Festivals, or otherwise unreasonably deprive FESTIVAL of the use of the Property. CITY shall use its best efforts to exclude or minimize interference with FESTIVAL's activities and shall create any such easement, limited fee interest, or right-of-way accordingly.

CITY reserves the right to reasonably modify any existing easement granted to the Milwaukee Metropolitan Sewerage District; provided that no such modification shall materially interfere with FESTIVAL's use and enjoyment of the Property.

17. STATUS OF PROPERTY.

Subject to paragraph 11, FESTIVAL hereby expressly declares that it has satisfied itself that the Property is usable for the purposes herein stated without any further action to be taken by CITY with respect thereto and no liability shall attach to CITY with respect thereto, except as otherwise specifically provided herein. FESTIVAL acknowledges that it is informed of the fact that substantially all of the Property was ceded to CITY by the State of Wisconsin and that as a part of such ceding to CITY, conditions have been imposed by the State upon CITY through legislative acts which are a matter of record. FESTIVAL further acknowledges that in addition to conditions imposed by the State of Wisconsin there are certain conditions imposed by the United States government and that this Agreement is expressly subject to all such conditions.

18. OPERATING COVENANT.

FESTIVAL covenants to continue to operate Summerfest, and to use the Property for the Ethnic and Cultural Festivals and other events on the Property, in a manner consistent with year 2000 practices, during each Festival Season throughout the term of this Agreement. The nature and quality of Summerfest, the Ethnic and Cultural Festivals and other events shall be consistent with the nature and quality of such events during the 2000 Festival Season.

19. NEIGHBORHOOD COOPERATION.

FESTIVAL covenants to work cooperatively with CITY as well as neighborhood representatives in order to minimize problems which may be caused by FESTIVAL patrons as they enter and exit the Property.

20. VESSEL BERTHING.

Subject to the approval of CITY's Port Director, FESTIVAL shall have preferential, non-exclusive berthing rights at all dock walls on the Property. Vessel berthing adjacent to rubble pile dock walls is prohibited. In authorizing vessel berthing adjacent to the Property, CITY shall use its best efforts to provide that vessels berthed at dockwalls will not interfere with FESTIVAL's rights or activities under this Agreement; provided, however, that FESTIVAL shall be required to provide access to the side of vessels berthed adjacent to the Property, which access shall, as determined by CITY's Port Director be sufficient to accommodate ingress and egress for passengers and their accoutrements and to permit the provision of ship's services. Nothing in this paragraph shall abridge the right of CITY's Port Director to authorize vessel berthing adjacent to the Property, subject to the limitations on FESTIVAL's maintenance responsibilities set forth in paragraph 14.

21. PARKING/TRAFFIC.

FESTIVAL shall present a traffic/parking plan to CITY not less than thirty (30) days prior to the start of each Festival Season for review by CITY's Department of Public Works and Police Department. Prior to presentation of the traffic/parking plan, FESTIVAL shall meet and confer with representatives of CITY's Department of Public Works and Police Department and discuss its content.

22. INDEMNIFICATION.

FESTIVAL agrees to indemnify and hold and save CITY whole and harmless of, from and against all claims, demands, actions, damages, losses, costs, liabilities, expenses and judgments recovered from or asserted against CITY on account of injury or damage to person or property to the extent that any such damage or injury may be incident to, arise out of, or be caused, either proximately or remotely, wholly or in part, by an act, omission, negligence or misconduct on the part of FESTIVAL or any of its agents, servants, employees, contractors, patrons, guests, licensees or invitees entering upon the Property with the express or implied invitation or permission of FESTIVAL, or when any such injury or damage is the result, proximate or remote, of the violation by FESTIVAL or any of its agents, servants, employees, contractors, patrons, guests, licensees or invitees of any law, ordinance or governmental order of any kind, or when any such injury or damage may in any other way arise from or out of the occupancy or use by FESTIVAL, its agents, servants, employees, contractors, patrons, guests, licensees or invitees of the Property. Such indemnification of CITY by FESTIVAL shall be effective only and to such extent as such damage or injury shall not result from the negligence, active negligence or willful misconduct of CITY, its agents, servants, representatives or employees. FESTIVAL covenants and agrees that in case CITY shall be made a party to any litigation commenced by or against FESTIVAL or relating to this Agreement or to the Property, then FESTIVAL shall and will pay all costs and expenses, including reasonable attorney's fees and court costs, incurred by or imposed upon CITY by virtue of any such litigation, excepting to the extent such litigation is commenced by FESTIVAL and it is ultimately adjudicated that CITY failed to honor its obligations hereunder, and excepting instances where indemnification of CITY does not pertain as specified above.

Within a reasonable time after the commencement of any action against CITY in respect of which indemnity is to be sought against FESTIVAL, CITY will notify FESTIVAL in writing of such action and FESTIVAL shall assume the defense thereof, including the employment of counsel, subject to the approval of CITY's City Attorney, and the payment of all expenses, but the failure so to notify FESTIVAL will not relieve the FESTIVAL from any liability which it may have to CITY otherwise than hereunder. If FESTIVAL shall assume the defense of any such action, it shall not be liable to CITY for any legal expenses incurred by CITY in such action subsequent to the assumption of the defense thereof by FESTIVAL; except, however, CITY, with the consent of FESTIVAL, may retain its own counsel and still be indemnified for the costs and expenses of such counsel despite an assumption of the defense by FESTIVAL, if CITY believes in good faith that there are defenses available to CITY which are not available to FESTIVAL and which cannot be effectively asserted by common counsel. FESTIVAL shall not be liable for any settlement of any such action effected without its consent, but if settled with the consent of FESTIVAL or if there is a final judgment for the plaintiff in any such action, FESTIVAL will indemnify and hold harmless CITY from and against any loss or liability by reason of such settlement or judgment.

23. INSURANCE.

FESTIVAL agrees, both generally and specifically with respect to the Property, that it will insure against such risks in such amounts as are required below. Such insurance may be obtained by the purchase of insurance issued by insurance companies acceptable to CITY. FESTIVAL agrees that it will maintain in effect insurance as necessary to meet the specific requirements as set forth below.

A. General Liability. FESTIVAL shall provide, or cause to be provided, general liability insurance in the types and amounts set forth on EXHIBIT “S”, or equivalent coverage.

B. Property. FESTIVAL shall maintain insurance against fire, theft and extended coverage risks (all hazards included within the term “all risks coverage, other than as specifically limited or excluded”), with extended coverage, vandalism, and malicious mischief endorsements, covering Capital Improvements, in an amount equal to at least the full replacement cost thereof, including a replacement clause endorsement (actual replacement value without deduction for physical depreciation, but exclusive of the cost of excavations, footings, foundations and underground utilities), and sufficient to avoid all coinsurance provisions of such insurance policy.

C. Certificates and Policies. FESTIVAL shall furnish CITY a certificate or certificates of insurance naming CITY as an additional insured with respect to the insurance provided pursuant to this section. The certificates shall provide that the insurance company will furnish CITY with a thirty (30) day written notice of cancellation, non-renewal or material change.

Upon request by CITY, copies of actual policies of insurance in effect shall be provided to CITY.

D. Adjustments. FESTIVAL shall, from time-to-time during the term of this Agreement, meet and confer with representatives of CITY, at CITY’s request, in order to modify the insurance coverage required under this section to assure that, at all times, such insurance issues against such risks and is in such amounts as are customary for entities of like size similarly situated.

24. COMPLIANCE WITH LAWS AND ORDERS.

FESTIVAL agrees to observe fully and to comply with any law, rule, regulation or directive which shall emanate from state, federal or local agencies having jurisdiction, including without limitation due to enumeration, the Milwaukee Police Department, the Milwaukee Fire Department, the Milwaukee Commissioner of Neighborhood Services, the United States Coast Guard, and the Wisconsin Department of Industry, Labor and Human Relations, except to the extent that any such rule, regulation or directive is a CITY agency directive in contravention of CITY's obligations hereunder, except as otherwise specifically provided herein.

25. ASSIGNMENT/SUBLEASE.

A. Assignment. Except as provided in B and C below, FESTIVAL shall not pledge, mortgage, encumber or assign any interest in this Agreement without the prior written consent of CITY as to the parties, terms and conditions of said assignment or pledge. Such consent shall be granted at the sole discretion of CITY.

B. Sublease. FESTIVAL shall not sublease the Property or license the Property for any period longer than fourteen (14) days without the prior written consent of CITY. All approved subleases and all licenses shall be in conformity with the purposes, provisions, and uses permitted by this Agreement. Copies of all subleases and licenses shall be provided to CITY upon written request.

C. Ethnic and Cultural Festival Licenses. Festival shall not increase the annual fixed amount charged to any Ethnic and Cultural Festival under a license for the use of its portion of the Property by more than three percent (3%) per annum during the term of this Agreement.

26. TAXES.

FESTIVAL shall pay and discharge when due all taxes, if any, assessments, levies and other charges, general and special, that during the term hereof are or may be levied, assessed, imposed or charged on the Property or fixtures or equipment thereon or hereafter placed thereon. Notwithstanding the foregoing, unless a special assessment imposed upon the Property by CITY is imposed as a result of a request initiated by FESTIVAL, FESTIVAL shall be responsible only for installment payments of special assessments which are due during the term of this Agreement, or any successor lease agreement. When a special assessment is imposed upon the Property as a result of a request initiated by FESTIVAL, FESTIVAL shall be financially responsible for the entire amount of the special assessment.

27. DEFAULT.

A. The occurrence of one or more of the following shall be considered events of default under the terms of this Agreement:

1. Should FESTIVAL, at any time during the term of this Agreement become insolvent, have proceedings in bankruptcy instituted by or against it, and fail to have such proceedings vacated or discharged within ninety (90) days following the filing thereof, have any execution or attachment issue against it which takes or attempts to take the Property or any interest therein, or have a receiver or trustee appointed over its property;

or

2. Should FESTIVAL abandon the Property for a period of thirty (30) days;

or

3. Should FESTIVAL be delinquent in any payments due under this Agreement or the Financing Documents required to be made by FESTIVAL hereunder or

thereunder and should such delinquency continue for ten (10) days after notice thereof in writing to FESTIVAL; or

4. Should FESTIVAL default in any of the other covenants or agreements contained in this Agreement or the Financing Documents to be kept, observed and performed by FESTIVAL, provided that if default shall be made in any such covenants, agreements, conditions or undertakings to be observed and performed by FESTIVAL, other than the payment of installments due under this Agreement or the Financing Documents, which cannot with due diligence be cured within a period of thirty (30) days, and if notice thereof in writing shall have been given to FESTIVAL, and if FESTIVAL prior to the expiration of said thirty (30) days from and after the giving of such notice, commences to eliminate the cause of such default and proceeds diligently and with reasonable dispatch to take all steps and do all work required to cure such default and thereafter does so cure such default, then CITY shall not have the right to declare the term of this Agreement as ended. The curing of any default in such manner shall not be construed to limit or restrict the right of CITY to declare this Agreement ended and terminated, and to enforce all of CITY's rights and remedies hereunder for any other default not so cured, and should such default continue for thirty (30) days after notice thereof in writing to FESTIVAL; or

5. Should FESTIVAL change its corporate status from a not-for-profit entity to a for-profit entity.

B. Upon occurrence of any one or more of such events of default, it shall be lawful for CITY, at its election in the manner and terms herein provided, to declare this Agreement ended, and to recover possession of the Property, with process of law to reenter and to expel, and

remove FESTIVAL and all agents, employees and representatives of FESTIVAL engaged in operating the Property or occupying the Property.

28. TIME OF THE ESSENCE.

It is expressly understood and agreed to by the parties hereto that time is of the essence for each term and provision of this Agreement.

29. APPROVALS AND CONSENTS.

Whenever in this Agreement the consent or approval of any party is required or the discretion of any party may be exercised, such consent shall not be unreasonably withheld, conditioned or delayed and any such discretion shall be exercised in good faith and in a commercially reasonable manner. Whenever in this Agreement the consent or approval of the CITY is required or the discretion of the CITY may be exercised, the Board of Harbor Commissioners shall have the authority to provide such consent or approval or to exercise such discretion.

30. WAIVER.

One or more waivers by any party of any covenant or condition of this Agreement shall not be construed as a waiver of a subsequent breach of the same or of any other covenant or condition. The consent or approval given by any party with respect to any act by the other party requiring such consent or approval shall not be deemed to waive or render unnecessary further consent or approval of any subsequent similar act by such party.

31. SOLE AGREEMENT AND AMENDMENT.

This Agreement and the attached Exhibits to which reference is made herein contain all of the agreements and covenants made between the parties hereto, shall be binding upon the parties hereto and their respective successors and assigns, and may not be modified orally or in

any other manner other than by agreement, in writing, signed by each of the parties to this Agreement.

32. GOVERNING LAW.

This Agreement shall be governed by the internal laws of the State of Wisconsin. If any term or provision of this Agreement or any Exhibits hereto, or the application thereof to any person or circumstance, shall to any extent be declared invalid or unenforceable, then the remainder of this Agreement and Exhibits, or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by applicable law.

33. NOTICE.

In the event any notice is required to be delivered hereunder, it shall be given in writing, and shall be delivered personally or shall be deposited in the United States mail, postage prepaid, certified or registered, return receipt requested, in which latter event it shall be deemed given five days after the date mailed. If it is to be sent to CITY, then it shall be addressed as follows:

Port of Milwaukee
2323 South Lincoln Memorial Drive
Milwaukee, WI 53207
Attention: Municipal Port Director

With a copy to:

Office of the City Attorney
City of Milwaukee
800 City Hall
200 East Wells Street
Milwaukee, WI 53202

If it is to be sent to FESTIVAL it shall be addressed as follows:

Milwaukee World Festival, Inc.
200 North Harbor Drive
Milwaukee, WI 53202

With a copy to:

Michael J. Kelly
Foley & Lardner
777 East Wisconsin Avenue
Milwaukee, WI 53202

34. EXERCISE OF DISCRETION.

Any discretion herein granted to CITY may be exercised through the Board of Harbor Commissioners in consultation with the City Attorney.

35. SURRENDER.

FESTIVAL expressly agrees to quit and deliver up the Property to CITY peaceably and quietly at the end of the term of this Agreement, as herein provided, or bear the damages and costs to CITY of its eviction pursuant to law. Upon termination of this Agreement, FESTIVAL shall, upon notice from CITY at any time within sixty (60) days prior to termination of this Agreement, be required and obligated to remove from the Property all buildings, or other Capital Improvements and any and all appurtenances thereto brought or placed upon the Property by FESTIVAL. In the absence of such notice, FESTIVAL shall not be required to remove any such things from the Property. In the event such removals are not completed within sixty (60) days of the termination of this Agreement or such reasonable additional period as may be required, CITY shall have the right to undertake said removal and bill the actual cost of said removal to FESTIVAL. No such option with respect to election of either to remove or not to remove shall rest with FESTIVAL and FESTIVAL shall have the obligation and responsibility to perform that which CITY shall direct.

FESTIVAL shall convey title to all Capital Improvements, for which a notice of removal has not been given, to CITY, free and clear of all liens and encumbrances, at the end of the term of this Agreement.

36. DISCRIMINATION.

FESTIVAL hereby agrees that in its use of the Property and in its activities undertaken pursuant hereto it shall not discriminate, or permit discrimination on any basis prohibited by any law or ordinance.

37. DBE REQUIREMENTS.

FESTIVAL shall comply with the DBE Requirements attached as **EXHIBIT "J"**.

38. QUIET ENJOYMENT.

CITY covenants and warrants to FESTIVAL that upon paying the Rent and the Finance Charges and performing the covenants herein imposed upon it, FESTIVAL may quietly have, hold and enjoy the Property and all rights granted FESTIVAL in this Agreement, subject to the matters referred to in paragraphs 15 and 16 of this Agreement and the Permitted Encumbrances, during its term or any extension thereof, and CITY shall take whatever steps are necessary in order to effectuate such quiet enjoyment upon reasonable notice by FESTIVAL of the need therefor.

39. INTERESTS.

No officer, director or employe of FESTIVAL or official or employee of CITY (or members of any such person's immediate family) shall have a direct or indirect financial interest in any contract, sublease, assignment, license, permit or other arrangement or agreement to provide goods or services to FESTIVAL or any of its sublessees or assignees.

This paragraph shall not prohibit the employment by FESTIVAL of relatives of persons described above during the Festival Season in hourly rate jobs. Further, this paragraph shall not preclude service on the FESTIVAL board by representatives of entities or corporations which sponsor FESTIVAL activities, where such individuals make full disclosure of the position/interests in such entities or corporations and where their employment compensation is in no way related to such entity's or corporation's relationship to FESTIVAL.

40. ARTICLES AND BY-LAWS.

FESTIVAL shall, not later than its 2002 annual meeting, amend its Articles and By-Laws in a manner consistent with EXHIBIT "D" and shall maintain such amended By-Laws in full force and effect during the term of this Agreement, unless otherwise approved by CITY.

41. COUNTERPARTS.

This Agreement may be executed in any number of counterparts, each of which shall constitute an original and all of which shall constitute one and the same Agreement. The term "CITY" whenever used herein shall include the Board of Harbor Commissioners of the City of Milwaukee and/or its successors and assigns in authority as the context may require.

42. COMMON COUNCIL AND RACM APPROVAL.

It is further agreed and understood that this Agreement and the financing of Capital Improvements Program I must be submitted for approval to CITY's Common Council and that the same must be approved and execution of this Agreement and the Financing Documents authorized by the Common Council and execution of the Financing Documents must also be authorized by RACM.

IN WITNESS WHEREOF, the parties hereto, have caused these presents to be executed by their proper respective officers and their corporate seals to be affixed hereto on the day and year first above written.

**CITY OF MILWAUKEE,
a Wisconsin municipal corporation**

Mayor

City Clerk

COUNTERSIGNED:

City Comptroller

**BOARD OF HARBOR COMMISSIONERS
OF THE CITY OF MILWAUKEE**

President

Secretary

**MILWAUKEE WORLD FESTIVAL, INC.
a Wisconsin corporation**

President

Secretary

SCHEDULE OF EXHIBITS

EXHIBIT A	Site Plan
EXHIBIT B	Legal Description
EXHIBIT C	Annual Access Calendar
EXHIBIT D	Articles and By-Laws
EXHIBIT E	Capital Improvements Program I
EXHIBIT F	Capital Improvements Program II
EXHIBIT G	Millennium Momentum Master Plan and Design Guidelines
EXHIBIT H	Ethnic and Cultural Festivals
EXHIBIT I	Capital Improvements Program I – Financing Term Sheet
EXHIBIT J	DBE Requirements
EXHIBIT K	Maintenance Standards
EXHIBIT L	M.O.A. Term Sheet
EXHIBIT M	Permitted Encumbrances
EXHIBIT N	Public Access Areas
EXHIBIT O	Rent
EXHIBIT P	Capital Improvements Program I – Scope of Work
EXHIBIT Q	Non-Exclusive Public Access Easement
EXHIBIT R	Non-Exclusive State Park Access Term Sheet
EXHIBIT S	Insurance

EXHIBIT "A"

SITE PLAN

EXHIBIT "B"

LEGAL DESCRIPTION

EXHIBIT "C"

ANNUAL ACCESS CALENDAR

LAKEWALK CALENDAR 2001

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

JUNE

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				1	2	
3	4	5 AC Pride Fest set-up	6 AC	7 B	8 B Pride Fest	9 B
10 B Pride Fest Ends	11 B Pride Fest tear-down	12 AC Asian Moon Festival set-up	13 AC	14 B	15 B Asian Moon Festival	16 B Ball against Family Violence
17 B Asian Moon Ends	18 B Asian Moon tear-down	19 AC Polish Fest set-up	20 AC	21 B	22 B Polish Fest	23 B
24 B Polish Fest Ends	25 B Polish Fest tear-down	26 B Summerfest set-up	27	28	29	30

JULY

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2	3	4	5	6	7
8	9 Summerfest tear-down	10 BC	11 AC	12 AC Festa set-up	13 ACD	14 ACD
15 ACD Festa set-up	16 AC	17 AC	18 B	19 B Rosa Parks Festa Italiana	20 B	21 B
22 B Festa Ends	23 B Festa tear-down	24 AC German set-up	25 AC	26 B	27 B AIDS run 2nd German Fest	28 B
29 B German Fest Ends	30 B German tear-down	31 AC African World set-up				

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

AUGUST

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			1 AC African World set-up	2 B	3 B African World Festival	4 B
5 B African World Festival Ends	6 B African World Festival tear-down	7 AC	8 ACD	9 ACD	10 ACD Irish set-up	11 ACD
12 ACD Irish set-up	13 AC	14 AC	15 B	16 B Irish Fest	17 B	18 B Tap 'n' Jam run/walk
19 B Irish Fest Ends	20 B Irish Fest tear-down	21 AC Mexican Fiesta set-up	22 AC	23 B	24 B Mexican Fiesta	25 B Make A Wish Run
26 B Mexican Fiesta Ends	27 B Mexican Fiesta tear-down	28 AC	29 AC Fireman's Picnic	30 BD HOG Rally (members Only)	31 BD HOG Rally (members Only)	


SEPTEMBER

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
						1 BD HOG Rally Open to Public
2 ACD	3 ACD Labor Fest	4 AC Indian set-up	5 B	6 B	7 B Indian Summer	8 B
9 B Indian Summer Ends	10 B Indian Summer tear-down	11 AC Arabian set-up	12 AC	13 B	14 B Arabian Fest	15 B
16 B Arabian Fest Ends	17 B Arabian Fest tear-down	18 AC	19 ACD	20 ACD	21 ACD	22 ACD Briggs Run/Walk
23 ACD ACD 30	24 ACD	25 ACD	26 ACD	27 ACD	28 ACD	29 B AIDS Walk

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

KEY: A - Complete Lakewalk Open C - Children's Area Open  Lakewalk, Chicago St. Plaza, and Children's Area (weather dependent) open
 B - Only Portions of Lakewalk Open D - Chicago St. Plaza Open

Milwaukee Public Schools will use the Children's Area on school days during the noon hour in April, May, September & October. The area will not be open when in use.

Approved by HWF Board:
Last Update: 8 May 2001

EXHIBIT "D"

ARTICLES AND BY-LAWS

**AMENDED AND RESTATED
ARTICLES OF INCORPORATION OF
MILWAUKEE WORLD FESTIVAL, INC.**

EXHIBIT "E"

CAPITAL IMPROVEMENTS PROGRAM I

**MILWAUKEE WORLD FESTIVAL, INC.
MILLENNIUM MASTER PLAN**

CAPITAL IMPROVEMENT PROGRAM I

North End Improvements

1. North End Demolition - Demolition of North restroom and food vendor building, booths 1 and 2 to provide for new construction at the North End.
2. Utilities/Site Work - Improvements at North End Provides new plaza with landscaping to enhance North Gate, North Stage, World Village and Ethnic Gardens area.
3. Ethnic Gardens Food Vendors - Replaces oldest temporary food building, booths 1 and 2 to match existing adjacent food vendors.
4. North Restroom with Ticket/Information Building - Replaces temporary restroom facility with a new, larger ADA accessible toilet facility with net additional toilets. New structure to expand ticketing operation and provide information services to customers.
5. North Stage - Replaces temporary stage structure and trailers for the north stage with covered stage, dressing rooms, toilets, stage lighting, resurfacing seating area, lighting, and landscaping.
6. Leinie Restroom - Replaces portable toilets by adding additional toilets to the north end of the grounds in the Leinie area. Includes future possible upper deck sponsor areas.
7. Leinie Roof - Upgrades the Leinie roof from a canvas material to a new permanent standing seam metal roof.
8. Leinie Stagehouse - Upgrades the Leinie back stage area from a temporary stage, trailers, port-a-lets, and asphalt to an indoor stage house with a new stage deck surface, permanent toilets, and dressing rooms, and stage loading dock.

Mid-Gate Improvements

1. Mid-gate Demolition - Demolition of existing gate structure, fencing, planters, landscaping and temp ticket booths to allow construction of the new gate improvements. Demolition of food vendor building, booths 12 and 13.
2. Mid-Gate Utilities - Improves electrical, lighting, and storm water management utilities. Adds back-up emergency lighting at gate.
3. Mid-Gate Plaza - Upgrade landscaping and pavement treatment (brick paving, trees, site furniture, fountain) for primary festival entrance and main access route to Lakeshore State Park and walkway.
4. Mid-Gate Entry Structure/Ticket Booths - Replaces mid gate entrance with new sign frame arch (resembles north gate metal frame) with brick ticket buildings on each side. Gate design allows improved physical and visual public access. Ticket buildings provide

additional security for cash control operations at gate. Adds visitor service functions, festival novelty sales and replaces Miller Area Gazebo bar.

5. Mid-Gate Pavilion - Upgraded facility replaces a tent and includes a space frame roof structure, new stage house with toilets and dressing rooms, and new beverage operation.
6. Children's Play Area - Replaces outdated wooden play structure with new ADA accessible play structure, landscaping, and possible tensile fabric roof.
7. Miller Food vendors - Replaces old temporary food building, booths 12 and 13 with new food vendors to match existing masonry walls/ flat roof adjacent buildings.

Perimeter Improvements

1. State Lakewalk Connections - Adds lake edge modifications in conjunction with the state constructing the in-water boardwalk as well as land based landscaping improvements for Public Access at Chicago, Polk Street and to the north at Urban Park.
2. Harbor Drive Fencing/Landscaping - Upgrades cyclone fencing and scrim to be wrought iron style fencing with brick pilasters and adds vines and landscaping to improve the look of Harbor Drive. Includes a new walkway through the south end parking lot, from Polk Street south to the river.
3. Transit Lot – Expands current Mass Transit Lot to allow for additional transit routes, Wisconsin Coach Lines, and ADA transportation-Transit Plus. Provides safer waiting and loading facilities and adds landscaping and lighting and screens temporary portable toilets.

Garden's/ Harley Area

1. Demolition/Utilities/Site Work - Demolition of existing buildings, booths 29, 30, 31, and 35. Creates new landscaping to allow for construction and operation of new food vendors to serve toward existing stage area and existing grass seating area.
2. Harley Area Food Vendors - Zorba's, Venice Club, Wong's Wok and Monreals - Replaces three old air terminal structures previously converted to Food Vendor Buildings. Expands food vendor square footage and additional serving windows to face the Harley area and the Garden's area. New facilities add second levels for corporate and sponsor events.
3. Ethnic Office/Administration Office Rehab – Face lifts for the Ethnic Office and Administration buildings to replace temporary trailer uses and outdated facilities. Improves toilet facilities and ADA access to the current Ethnic Office. Adds new large multi-purpose dividable room to the existing Administration Office for conferences, training, Board and committee meetings.

EXHIBIT "F"

CAPITAL IMPROVEMENTS PROGRAM II

**MILWAUKEE WORLD FESTIVAL, INC.
MILLENNIUM MASTER PLAN**

CAPITAL IMPROVEMENT PROGRAM II

1. Marcus Amphitheater Upgrades: General upgrades needed for amphitheater including replacing video and internal communications systems, upgrade electrical capacity, increase restroom parity, and regrade and resurface pedestrian access ramps.
2. Parking Lot Repaving: Repave festival parking areas and implement storm water management practices where applicable.
3. Replace Briggs Area Restrooms: Replaces older restroom facility with a new, larger ADA accessible toilet facility with net additional toilets. Includes future possible upper deck sponsor area.
4. Rehab Briggs Area Food Vendors Building: Upgrades for original Mille's and Pitch's food vendor buildings to include new facades, service windows, roof, and utilities.
5. Replace Gardens Restrooms: Replaces older restroom facility with a new, larger ADA accessible toilet facility with net additional toilets. Includes future possible upper deck sponsor area.
6. Replace Gardens Area Food Vendor Buildings: Replaces three old air terminal structures previously converted to Food Vendor Buildings. Expands food vendor square footage and additional serving windows to face the Garden's area and Briggs area. New facilities may include second levels for corporate and sponsor events.
7. Rehab Cold Storage and Maintenance Facility Buildings: Provide upgrades to maintenance and operations buildings.

FESTIVAL reserves and right to amend this project list pursuant to updates of the Design Guidelines in cooperation with CITY.

EXHIBIT "G"

**MILLENNIUM MOMENTUM MASTER PLAN
AND DESIGN GUIDELINES**

(Exhibit "G" consists of the Millennium Momentum Master Plan
and Design Guidelines, dated February 22, 2000.)

(Specimen)

EXHIBIT "H"

ETHNIC and CULTURAL FESTIVALS

(Exhibit "H" consists of a list of Ethnic and Cultural Festivals.)

Milwaukee World Festival, Inc.

2001 Festival Season Event Calendar
(Exclusive of Marcus Amphitheater Concerts)

Pride Fest	June 8, 9, 10
Asian Moon Festival	June 15, 16, 17
Polish Fest	June 22, 23, 24
Festa Italiana	July 19, 20, 21, 22
German Fest	July 27, 28, 29
African World Festival	August 3, 4, 5
Irish Fest	August 16, 17, 18, 19
Mexican Fiesta	August 24, 25, 26
Indian Summer Festival	September 7, 8, 9
Arabian Fest	September 14, 15, 16

EXHIBIT "I"

**CAPITAL IMPROVEMENTS PROGRAM I
FINANCING TERM SHEET**

**REDEVELOPMENT AUTHORITY OF THE CITY OF MILWAUKEE
REDEVELOPMENT REVENUE BONDS**

**MILWAUKEE WORLD FESTIVAL, INC.
MILLENNIUM MOMENTUM PLAN PROJECT**

PURPOSE:

To provide up to \$16.6 million in Redevelopment Authority of the City of Milwaukee (RACM) Development Revenue Bond (Bonds) proceeds to finance Millennium Momentum Plan Capital Improvements (Project) at the Property to be constructed during the period 2001 through 2003.

ISSUER:

The Redevelopment Authority of the City of Milwaukee (RACM)

BORROWER:

Milwaukee World Festival, Inc. (FESTIVAL)

CREDIT ENHANCEMENT:

The City of Milwaukee (CITY) will provide a "Moral Obligation Pledge", pursuant to the terms of a Cooperation Agreement with RACM, to pay debt service on the Bonds. This pledge will be structured consistent with CITY's budget process, including a timetable for appropriation by CITY's Common Council, the reporting of events of default, and legislative action by CITY's Common Council.

AMOUNT:

The Bonds are to be issued in a principal amount sufficient to yield up to \$16,600,000.00 for construction of the Project. This amount may include issuance costs associated with the Bonds and administrative costs incurred by RACM and CITY. Neither RACM nor CITY shall be liable for Project costs exceeding \$16,600,000.

TERM & AMORTIZATION:

Not to Exceed 19 Years without CITY approval, level debt service, semi-annual payments.

RATE:

Equal to the true interest cost rate on the Bonds (plus a one-time RACM Bond administration fee calculated as 50 basis points on the principal balance of the Bonds).

FESTIVAL COMMITMENTS:**Timetable:**

FESTIVAL shall commit to complete the Project. Capital Improvements comprising the Project, and the budget, are subject to approval by CITY.

Required Reserves:

FESTIVAL shall be required to maintain an operating reserve of cash and investment securities at all times equal to at least \$2,500,000. FESTIVAL shall be entitled to maintain control and investment direction over such reserve in such a manner that such reserves are not “pledged funds” under section 1.148-1(c)(3) of the Income Tax Regulations.

Such portion of FESTIVAL’s funds (which may be proceeds of the Bonds) as may be required to market the Bonds shall be deposited in a Reserve Fund held by the Trustee to draw upon in the event of a failure of FESTIVAL to pay debt service on the Bonds.

Disbursement of Bond Proceeds:

Disbursement of Bond proceeds will occur pursuant to a Disbursement Agreement between RACM, CITY, FESTIVAL, and the trustee for the Bonds. CITY shall approve, in writing, all disbursements based on its review of invoices, site inspections and the overall completion status of the Project. The cost of administering this loan disbursement and the CITY review process will be borne by FESTIVAL.

Should the conduct of the Project or subsequent operations of FESTIVAL require any rebate of arbitrage or interest on Bond proceeds, or penalties as the result of violations of any IRS rules related to the tax exempt status of the Bonds, FESTIVAL shall be responsible for all required rebates and penalties.

Bond proceeds not disbursed on a timely basis, as defined in a Reimbursement Agreement or the Bond documents, shall be applied to call Bonds.

Financial Records & Reports:

FESTIVAL shall agree to maintain records of its construction and financial operations in a professional, timely and accurate manner. FESTIVAL further shall agree to provide CITY with specified financial reports and reasonable access to its construction, financial and operating records including an Audited Annual Financial Report on the results of operations, and fiscal year-end financial position. The costs of preparing the Annual Financial Report shall be paid by FESTIVAL. The Annual Financial Report shall include an audit opinion by an independent Certified Public Accounting firm and be submitted within 120 days following the end of the FESTIVAL fiscal year. The Annual Financial Reports shall include Management letters and other reports prepared by the independent auditors. CITY shall have the right, upon reasonable notice, to conduct its own financial audit of FESTIVAL, at CITY's sole expense.

Maintenance of Insurance:

During the term of the Bonds, FESTIVAL shall agree to maintain adequate builder's risk, property and casualty, general liability and workers' compensation and other insurance consistent with the requirements of paragraph 23 of the Lease.

CITY Security Interest:

In consideration of the issuance of the Bonds and CITY's credit enhancement of the Bonds, FESTIVAL shall grant a general security interest in its all of its assets (subject to the following sentence) to secure the Bonds, and shall file or authorize the Trustee to file such financing statements as may be necessary to perfect such security interest. The security agreement shall not require FESTIVAL to transfer possession of or control over any of its assets to the Trustee or CITY, or to pledge investment assets that would thereby become subject to yield restriction to maintain the tax exempt status of the Bonds under the Internal Revenue Code, nor shall it limit FESTIVAL's use of its assets in its business operations so long as there is no default on the Bonds.

Negative Covenants:

The Financing Documents shall include mutually acceptable covenants, generally consistent with the covenants set forth in the Reimbursement Agreement executed in conjunction with the 1985 RACM bond issue which financed the Marcus Amphitheater, addressing:

- 1) Limitations on Indebtedness
- 2) Limitations on Liens and Encumbrances
- 3) Limitations on the Discount, Sale or Lease of FESTIVAL Assets

PROFESSIONAL SERVICES:

Bond counsel shall be selected by CITY, bond counsel fees shall be subject to FESTIVAL approval.

Underwriters and underwriter's counsel shall be selected by FESTIVAL, underwriter's fees and underwriters counsel fees as well as bond interest rates shall be subject to CITY approval.

In selecting underwriters FESTIVAL will assure substantial participation from various local underwriters.

(Specimen)

EXHIBIT “J”

DBE REQUIREMENTS

(Exhibit “J” consists of DBE Requirements.)

**DISADVANTAGED BUSINESS
ENTERPRISE AGREEMENT**

Between

**The City of Milwaukee
Board of Harbor Commissioners**

And

Milwaukee World Festival, Inc.

**DISADVANTAGED BUSINESS
ENTERPRISE AGREEMENT**

THIS AGREEMENT, made and entered into at Milwaukee, Wisconsin, effective on the 1st day of January, 2001, by and between the CITY OF MILWAUKEE, a municipal corporation of the State of Wisconsin, acting by and through its BOARD OF HARBOR COMMISSIONERS, as authorized by law (hereinafter collectively referred to as “CITY”), and MILWAUKEE WORLD FESTIVAL, INC., a Wisconsin not-for-profit corporation (hereinafter referred to as “FESTIVAL”);

W I T N E S S E T H:

WHEREAS, the parties to this Agreement acknowledge and understand that this Agreement shall become part of the Lease Agreement dated as of January 1, 2001 (the “Lease”) between the parties;

WHEREAS, FESTIVAL acknowledges that CITY has established policies regarding the utilization of disadvantaged business enterprises (“DBEs”) which are consistent with Chapter 360 of the Milwaukee Code of Ordinances; and

WHEREAS, FESTIVAL agrees to abide by these policies as said policies apply to the construction and maintenance of Capital Improvements, as defined in the Lease; contracting for the provision of goods, services, labor, materials, and equipment; contracting with vendors operating on the Property; and contracting for the provision of professional services, exclusive of entertainment; and

WHEREAS, FESTIVAL acknowledges that execution of the Lease was conditioned upon FESTIVAL and its agents attaining a minimum requirement of 25% DBE participation.

In consideration of the execution of the Lease, and for other good and valuable consideration, the parties agree as follows:

I. DEFINITIONS.

DISADVANTAGED BUSINESS ENTERPRISE (“DBE”) is a small business concern that is owned, operated, and controlled by one or more disadvantaged individuals, as defined in Chapter 360 of the Milwaukee Code of Ordinances. The disadvantaged individuals must have day-to-day operational and managerial control, interest in capital, financial risks and ownership. Disadvantaged Business Enterprises are certified by City of Milwaukee, Equal Opportunity Enterprise Program.

II. DISADVANTAGED BUSINESS PARTICIPATION PLAN AND COMMITMENT.

A. Commitment.

FESTIVAL is unequivocally committed to CITY’s efforts to maximize the participation of DBEs in Capital Improvements to and operation of the Henry W. Maier Festival Grounds pursuant to the Lease. Because of the magnitude of FESTIVAL’s operations and their impact on the Milwaukee area and its economy, FESTIVAL and CITY are presented with an exceptional opportunity for taking Milwaukee area disadvantaged firms to a higher level of development.

III. REQUIREMENTS.

In order to maximize opportunities and achieve legitimate participation of DBE firms in all aspects of FESTIVAL’s activities, the percentage participation of DBE firms will be 25% of FESTIVAL’s total aggregate expenditures.

FESTIVAL will require that unemployed residents of the CDBG area shall constitute 21% of all employees hired.

IV. PLAN ORGANIZATION.

FESTIVAL has established, and will maintain, a Diversity Committee. This committee has substantial experience working to involve DBEs in Milwaukee. The committee will work closely with the FESTIVAL board, staff, vendors, and professional service providers to maximize DBE participation by conducting public awareness meetings to answer questions and disseminate information about employment and business opportunities with FESTIVAL.

When undertaking major Capital Improvements, FESTIVAL will hold an open house for local contractors, vendors, professional service providers, and suppliers and disseminate public information relative to opportunities for involvement with FESTIVAL. This information may be disseminated through both traditional and community press or community based organization newsletters.

V. FESTIVAL'S DBE MANAGEMENT PLAN AND ITS IMPLEMENTATION.

A. Procurement.

FESTIVAL will use its best efforts to create bid packages that fit the capacity and interest of DBE firms in order to maximize opportunities for DBE involvement with FESTIVAL for capital, maintenance, and operations expenditures.

B. Special Conditions to the Trade Contracts.

FESTIVAL will prepare a set of Special Conditions for the Trade Contracts that will require:

- *Subcontracting Participation Levels.*

If a Trade Contractor subcontracts a portion of work to a subcontractor or material supplier, it may be necessary for that Trade Contractor to take

affirmative action to utilize DBE firms to meet the mutually agreed upon participation goals.

- *Timely Payments.*

FESTIVAL will require the Contractors to pay their DBE subcontractors within 14 days of being paid.

C. Qualification and Bidding Process.

In order to maximize opportunities for DBEs in major Capital Improvements, FESTIVAL will advertise in general circulation and trade-association media, as well as in community newspapers, regarding contracting, supply and professional service solicitations. Additionally, FESTIVAL will contact subcontractors, suppliers or professional-service providers by telephone or fax. FESTIVAL may attend small-business procurement fairs and workshops and will work with community organizations to maximize bidding awareness of solicitations.

FESTIVAL will diligently search for qualified DBEs in capital programs and determine their interest by making bidding information and bidding documents available to those interested in bidding.

FESTIVAL may hold pre-bid conferences or walk throughs prior to accepting bids or proposals.

FESTIVAL will negotiate in good faith with interested DBEs, not rejecting DBE bids as unqualified or too high without sound reasons, based on a thorough review of the bid submitted.

FESTIVAL will maintain documentation to illustrate efforts to solicit, negotiate, accept or reject any DBE bid. See attached reporting forms A, B, D, and E.

FESTIVAL will include in solicitations and subsequent contracts for all prospective contractors, vendors, suppliers, and professional service providers, exclusive of entertainment contracts, an explanation of the 25% DBE participation requirements.

Additionally, FESTIVAL will encourage business relationships intended to increase DBEs' areas of expertise, bonding capacity, credit limits, etc., as well as mentor/protégé relationships. The mentor/protégé efforts will be overviewed by the Diversity Committee before a mentor/protégé agreement is signed.

D. Accountability.

FESTIVAL agrees to report quarterly to the CITY's EOEP staff to review FESTIVAL's activities; discuss pending awards and procurement activity; respond to external requests for information; address any problematic issues or trends; and, identify additional opportunities for DBE participation. If there are any potential problems in meeting established DBE requirements, FESTIVAL will discuss what, if any, remedial action should take place, with the Diversity Committee and the EOEP staff.

VI. DISCLOSURE OF RECORDS.

A. Availability of Records.

In order to verify compliance with the DBE Requirements, CITY shall have the right to inspect, at any time, during the normal business hours, all books, records, minutes, reports and financial statements which relate to the operations of FESTIVAL and any subsidiaries or related entities under its control. CITY shall take all reasonable measures to protect the proprietary rights of FESTIVAL in the inspection of such records.

VII. PHASED IMPLEMENTATION.

Notwithstanding the January 1, 2001 effective date of this Agreement, the parties acknowledge that it is not possible for the procedures and requirements of this Agreement to be fulfilled with respect to contracts in existence as of the date of actual execution of this Agreement. Accordingly, the procedures and requirements set forth in this Agreement shall apply prospectively to contracting and hiring activities of FESTIVAL occurring after the date of the actual execution of this Agreement, including, without limitation, the Capital Improvements Program I, as defined in the Lease.

VII. MODIFICATIONS.

FESTIVAL shall, from time-to-time during the term of this Agreement, meet and confer with representatives of CITY, at CITY's request, in order to consider modification of these DBE Requirements to be consistent with Chapter 360 of the Milwaukee Code of Ordinances and CITY's prevailing practices in the area of DBE Requirements.

IN WITNESS WHEREOF, the parties hereto, have caused this Agreement to be executed by their proper respective officers and their corporate seals to be affixed hereto on the day and year first above written.

**CITY OF MILWAUKEE,
a Wisconsin municipal corporation**

Mayor

City Clerk

COUNTERSIGNED:

City Comptroller

BOARD OF HARBOR COMMISSIONERS

OF THE CITY OF MILWAUKEE

President

Secretary

**MILWAUKEE WORLD FESTIVAL, INC.
a Wisconsin corporation**

President

Secretary

TOG/kg
06-20-01

(Specimen)

EXHIBIT “K”

MAINTENANCE STANDARDS

FESTIVAL shall maintain the Property in a first-class, commercially reasonable manner consistent with FESTIVAL’s practices during 2000; in addition, FESTIVAL shall implement the actions set forth in **EXHIBIT “K-1”**.

EXHIBIT "K-1"

Milwaukee World Festival, Inc.

Memorandum

May 10, 2001

To: Board of Directors, Milwaukee World Festival, Inc.

From: Chuck Ward, Director of Operations

Re: Third Ward Festival Mitigation Proposal

Over the past months, representatives of Milwaukee World Festival, Inc. and the Historic Third Ward Association (HTWA) have met to discuss concerns the Third Ward has expressed regarding Summerfest.

In an effort to mitigate these neighborhood concerns, our recommended actions are as follows:

1) Trash

Trash containers will be placed by Milwaukee World Festival, Inc. throughout the Third Ward, primarily at street intersections for the run of Summerfest. Festival personnel will empty these containers each morning before the opening of the festival.

2) Litter

Milwaukee World Festival, Inc. third shift cleaning personnel will pick up litter along the Chicago Street corridor from the mid-gate to Water Street each morning. They will also patrol Milwaukee Street between Erie and Buffalo Streets and return to Harbor Drive along Erie and Buffalo.

3) Portable Toilets

Milwaukee World Festival, Inc. will place portable toilets and one hand washing station in the locations listed below. These units will be serviced daily.

- Corner of Chicago and Milwaukee outside the HTWA parking structure
- Corner of Milwaukee and Buffalo
- Area of Water and Chicago at HTWA parking structure

In addition, Milwaukee World Festival, Inc. encourages private parking lot operators to rent their own portable toilet unit. Milwaukee World Festival, Inc. will facilitate this rental and be sure that the rental rate shall be the same quantity discount the festival receives.

4) Security

Summerfest security personnel (two three-person teams) will patrol the Chicago Street corridor between the mid-gate and Water Street from 11:00 PM until 1:00 AM. These personnel will be equipped with radios that can contact the festival security base, which in turn can relay information to the police command post at the festival. The purpose of this is to serve as a visual deterrent, the security personnel may not go onto private property. The Milwaukee Police will attempt to provide additional resources if available to patrol the Third Ward.

The Historic Third Ward Association has agreed to provide necessary insurance and indemnification for this security activity.

This proposal was unanimously endorsed by the Historic Third Ward Association Board of Directors at their May 9th meeting.

EXHIBIT "L"

M.O.A. Term Sheet

(Specimen)

EXHIBIT "M"

PERMITTED ENCUMBRANCES

(Exhibit "M" consists of a list of encumbrances consistent with an updated title commitment, requirements for the State Park and the Capital Improvements Program I Financing Term Sheet.)

(Specimen)

EXHIBIT "N"

PUBLIC ACCESS AREAS

EXHIBIT "O"

**RENT
Schedule of Rent Payments**

	02/15 Payment	07/15 Payment	10/15 Payment	12/31 Payment	Total Payment
2001	250,000	375,000	375,000		1,000,000
2002	257,500	375,000	375,000		1,007,500
2003	265,200	375,000	375,000		1,015,200
2004	273,200	375,000	375,000		1,023,200
2005	281,400	375,000	375,000	232,000	1,263,400
2006	289,800	425,000	425,000		1,139,800
2007	298,500	425,000	425,000		1,148,500
2008	307,500	425,000	425,000		1,157,500
2009	316,700	425,000	425,000		1,166,700
2010	326,200	425,000	425,000	366,000	1,542,200
2011	336,000	475,000	475,000		1,286,000
2012	346,100	475,000	475,000		1,296,100
2013	356,500	475,000	475,000		1,306,500
2014	367,200	475,000	475,000		1,317,200
2015	378,200	475,000	475,000	601,000	1,929,200
2016	389,500	525,000	525,000		1,439,500
2017	401,200	525,000	525,000		1,451,200
2018	413,200	525,000	525,000		1,463,200
2019	425,600	525,000	525,000		1,475,600
2020	438,400	525,000	525,000	954,000	2,442,400
	6,717,900	9,000,000	9,000,000		26,870,900

- 1) The Rent is subject to reduction for certain sales tax credits in accordance with **EXHIBIT "O-1"** attached. Such reductions, if any, are to be reflected as adjustments to Rent payments in accordance with **EXHIBIT "O-1"** attached.

- 2) The Rent is subject to adjustment based upon deviation in the true interest cost consistent with **EXHIBIT "I"** for the Bonds to be issued by RACM above or below 4.9%. Such adjustments, if any, are to be reflected as adjustments to Rent payments in accordance with **EXHIBIT "O-2"** attached.

EXHIBIT "O-1"

(Sales tax credit)

The Rent will be reduced to credit FESTIVAL with certain sales taxes paid by FESTIVAL on revenues generated through price increases to make the Rent payments required under this Lease. The sales tax will be imputed and credited as follows:

1. No sales tax will be imputed on the payments due on 2/15. These payments are not subject to any reduction or credit.
2. The payments due on 7/15, 10/15 and (when applicable) 12/31 of each year will be aggregated and adjusted as follows:
 - (a) one third of such payments will be deemed to be subject to the then applicable general sales tax for Milwaukee County (currently 5.6%); and
 - (b) two thirds of such payments will be deemed to be subject to the then applicable sales tax on food and beverages for Milwaukee County (currently 5.85%).
3. The above-described adjustments will be made in the last installment of Rent due each year.

EXAMPLE ONE:

In calendar year 2002, FESTIVAL will make the following Rent payments:

- (i) \$257,500 on 2/15/02;
- (ii) \$375,000 on 7/15/02; and
- (iii) \$331,750 on 10/15/02.

The amount of \$43,250 is the imputed sales tax for 2002 and deducted from the 10/15/02 payment [$(.0585 \times 500,000 = 29,250)$ PLUS $(.056 \times 250,000 = 14,000) = 43,250$].

EXAMPLE TWO:

In calendar year 2010, FESTIVAL will make the following Rent Payments (assuming that the sales tax rates remain the same as in 2001):

- (i) \$326,200 on 2/15/02;
- (ii) \$425,000 on 7/15/02;
- (iii) \$425,000 on 10/15/10; and
- (iv) \$295,877 on 12/31/10.

The amount of \$70,123 is the imputed sales tax for 2010 and deducted from the 12/31/10 payment [$(.0585 \times 810,667 = 47,424)$ PLUS $(.056 \times 405,333 = 22,699) = 70,123$].

EXHIBIT "O-2"

In order to maintain an appropriate correlation between the Bond payments, the true interest cost of the Bonds, and the Rent, the parties have agreed to the following:

(1) If the true interest cost of the Bonds exceeds 5.05% but does not exceed 5.20%, the Rent for each year that the Bonds remain outstanding will be reduced by an amount equal to the product of (a) the outstanding principal amount of the Bonds as of the midpoint of such year, times (b) the difference of (i) the true interest cost of the Bonds minus (ii) 5.05%;

(2) If the true interest cost of the Bonds exceeds 5.20% but does not exceed 5.40%, the Rent for each year that the Bonds remain outstanding will be reduced by an amount equal to the product of (a) the outstanding principal amount of the Bonds as of the midpoint of such year, times (b) the sum of (i) 0.15% plus (ii) one half of the difference of (A) the true interest cost of the Bonds minus (B) 5.20%;

(3) If the true interest cost of the Bonds is less than 4.9% but not less than 4.75%, the Rent for each year that the Bonds remain outstanding will be increased by an amount equal to the product of (a) the outstanding principal amount of the Bonds as of the midpoint of such year, times (b) the difference of (i) 4.9% minus (ii) the true interest cost of the Bonds;

(4) If the true interest cost of the Bonds is less than 4.6%, the Rent for each year that the Bonds remain outstanding will be increased by an amount equal to the product of (a) the outstanding principal amount of the Bonds as of the midpoint of such year, times the sum of (i) 0.15% plus (ii) one half of the difference of (A) 4.6% minus (B) the true interest cost of the Bonds; and

(5) Any such adjustment shall be made by increasing or decreasing the October 15 Rent payment or as otherwise agreed.

(6) If the true interest cost of the Bonds is greater than 5.4%, the Rent shall be subject to renegotiation between CITY and FESTIVAL within a reasonable period of time. In the event the parties are unable to successfully complete such renegotiations within thirty (30) days of commencement thereof, this Lease shall be of no further force and effect.

EXHIBIT “P”

**CAPITAL IMPROVEMENTS PROGRAM I
SCOPE OF WORK**

(Exhibit “P” consists of the Scope of Work, Preliminary Plans
and Preliminary Cost Estimates for Capital Improvements Program I)

(Specimen)

EXHIBIT "Q"

NON-EXCLUSIVE PUBLIC ACCESS EASEMENT

(Exhibit "Q" consists of a reserved Non-Exclusive Public Access Easement which would transfer jurisdiction to CITY for Public Access Areas during times when public access is made available. This concept is contemplated to address FESTIVAL concerns over liability for accidents on the Children's Play Area. Inasmuch as sec. 895.52, Stats. limits liability for both CITY and FESTIVAL for recreational activities; this concept may not be necessary.)

EXHIBIT "R"

**NON-EXCLUSIVE STATE PARK ACCESS
TERM SHEET**

(Exhibit "R" consists of a Term Sheet
for Non-Exclusive State Park Access.)

EXHIBIT "S"

INSURANCE

Commercial General Liability Coverages

Limits of Liability:	\$1,000,000	Each Occurrence
	\$1,000,000	Personal and Advertising Injury
	\$2,000,000	Products-Completed Operations Aggregate
	\$2,000,000	General Aggregate (other than Products/Completed Ops.)
	\$50,000	Fire Damage – Any One Fire
	\$5,000	Medical Expense – Any One Person
	\$ - Nil -	Deductible

Legal Liability to Participants:

\$1,000,000	Each Occurrence
\$10,000	Medical Payments for Participants – VOLUNTEERS

Liquor Liability:	\$1,000,000	Each Common Cause Limit
	\$1,000,000	Aggregate

Participant Liability – Sports (Including VIP’s and Media):

\$1,000,000	Each Occurrence
\$5,000	Deductible Each Occurrence

Employee Benefits:	\$1,000,000	Aggregate
“Claims-Made”	\$1,000	Deductible

EXCESS LIABILITY COVERAGE

Limits of Insurance:	\$25,000,000	Per Occurrence
	\$25,000,000	Aggregate

The above coverages are provided from May 1, 2001 until April 30, 2002 by Traveller’s Indemnity Company, TIG Insurance Company, TIG Premier Insurance Company, and Fireman’s Fund Insurance Company.