

EXHIBIT I

BUSINESS IMPROVEMENT DISTRICT NO. 2

AMENDED AND RESTATED
1998 OPERATING PLAN

March __, 1998

Submitted by:

The Historic Third Ward Association
219 North Milwaukee Street
2nd Floor
Milwaukee, Wisconsin 53202
(414) 273-1173

I. PREFACE

A. Background

In 1984, the State of Wisconsin created 66.608 of the Statutes (Appendix A) enabling Cities to establish Business Improvement Districts (BIDS) upon the petition of at least one property owner within the proposed district. The purpose of the law is "...to allow businesses within those districts to develop, to manage and promote the districts and to establish an assessment method to fund these activities." (1983 Wis. Act. 184, Section 1, legislative declaration.)

The Common Council of the City of Milwaukee created Business Improvement District No. 2 ("BID") and approved its initial operating plan via Common Council Resolution No. 870501, adopted October 6, 1987, for calendar year 1988. This amended Plan shall govern operation of the BID during calendar year 1998.

B. Physical Setting

The Historic Third Ward occupies a strategic location within the Milwaukee central area. It is located adjacent to Interstate 794, just south of the downtown. The Third Ward is within 6 to 8 blocks of Downtown's primary retail shopping district, although separated from it by the elevated expressway. The Third Ward includes the Summerfest grounds and the emerging recreational area along Lake Michigan. The Third Ward also occupies frontage along the Milwaukee River to the west and south.

The Historic Third Ward contains a large concentration of late 19th and early 20th Century industrial and warehouse buildings, which may be the largest concentration of such buildings in the country. While several individual buildings have outstanding architectural quality, it is the overall "ensemble" which gives the Third Ward its special identity. The large number of older multistory buildings located in close proximity, and the interrelationships between buildings and the overall environment give the Third Ward a character and identity unique within the region.

The Third Ward's strategic central location and its physical qualities help support its future role as a high-value commercial and residential area. Wholesaling or other low density light industrial uses might best be either selectively maintained or eventually phased out, given the area's higher density development potential.

A primary objective of the Plan is to reinforce and enhance the historic image and character of the area through the renovation, rehabilitation and adaptive reuse of existing historic buildings.

The City of Milwaukee worked with the Historic Third Ward to create the first Tax Incremental Financing District within the boundaries of the Third Ward ("TID No. 11") to finance construction of substantial physical public improvements within the Third Ward (the "TID Improvements"). The City of Milwaukee recently created an additional Tax Incremental Financing District within the Third Ward ("TID No. 34") to assist with the financing of the Riverwalk Project (as hereinafter described).

15. To develop and implement a plan for the construction of a riverwalk system through the District along the Milwaukee River (the "Riverwalk Project").
16. To acquire easements in or title to real property and to own, operate and/or maintain all or parts of the Riverwalk Project.
17. To enter into agreements with owners of property within the district to operate, maintain and/or acquire interests in other riverwalks or related amenities within the District.

As used herein, "BID" shall refer to the operating and governance mechanism, and "District" shall refer to the property located within the physical boundaries of the Business Improvement District, as provided herein.

II. DEVELOPMENT PLAN

A. Plan Overview

Development of the District through creation of the BID is proposed because :

1. The BID law provides a mechanism whereby private property owners can work together in conjunction with the City to develop the District.
2. The public funding sources used to help promote the District may not be available. Continuing unified development efforts may have to be financed largely with private resources.
3. The District encompasses both major and relatively small buildings. Some form of cost sharing is necessary because it would not be feasible for a small building owner to economically support individual District development efforts
4. The BID mechanism allows a private form of guarantee for public bonds for the BID Improvements and thus insures that such physical improvements will be built.
5. Use of the BID mechanism should help ensure that the entire District will be promoted and developed as expeditiously as possible.

Business Improvement Districts are quite similar to the traditional special assessment and special charge districts wherein property owners are assessed for improvements or services that benefit them. Unlike the traditional special assessment or special charge districts, however, Business Improvement Districts can be used to finance a wide range of activities, services, and improvements.

B. Relationships to the Milwaukee Comprehensive Plan and to the Orderly Development of the City

Historic building development became an important component of the City's overall downtown revitalization efforts beginning with the Grand Avenue Mall project. A "Master Plan" of Urban Design and Development Potentials for the Historic Third Ward

III. DISTRICT DEVELOPMENT PROGRAM

A. Phased Development

It is anticipated that the BID will continue to revise and develop the operating plan annually, in response to changing development needs and opportunities in the District, within the purposes and objectives defined herein.

Section 66.608(3)(a) of the Business Improvement District law permits the Board and the City to annually review and make changes as appropriate in the District operating plan. Therefore, while this document outlines in general terms the complete development program it focuses upon activities for calendar year 1998 and information on specific land areas, building square footage, assessed values budget amounts and assessment amounts are based on 1998 conditions.

This 1998 BID operating plan will continue to apply the assessment formula against existing land area and square footage facts, as adjusted, to raise funds to meet the next annual budget. However, the method of assessing shall not be materially altered, except with the consent of the City of Milwaukee.

B. Operating Board

The Board's primary responsibility will be implementation of the District operating plan. This will require the Board to negotiate with providers of services and materials to carry out the plan; to enter into various contracts; to monitor development activity; to revise periodically the District plan and to ensure District compliance with the provisions, applicable statutes and regulations.

State law requires that the Board be composed of at least 5 members and that a majority of the Board members be owners or occupants of property within the District.

The BID Board has been structured and is operating as follows:

1. Board size - 9 members.
2. Composition - at least five members are owners or occupants of property within the District. Any non-owner or non-occupant appointed to the Board shall be a resident of the City of Milwaukee.
3. Term - Appointments to the Board are for a period of 3 years except that initially 3 members were appointed for a period of 2 years, and 3 members were appointed for a period of 1 year, each term ending on March 22 of the applicable year.
4. Compensation - None.
5. Meetings - All meetings of the Board shall be governed by the Wisconsin Open Meetings law.

- f) Participate with other Downtown organizations in the planning of the Downtown Trolley Loop while continuing to work with them on a retail marketing project. The latter may include a survey and a seminar.
- g) Maintain the in-house bookkeeping, payroll and monthly financial reporting system which began in 1997.
- h) Expand the advertising/promotions efforts of the Merchants Committee.
- i) Work with the Merchants Committee to develop a plan for membership recruitment and retention.
- j) Continue to implement the merchant/business validation system at the Parking Structure.
- k) Develop an emergency notification system for Third Ward business and retail tenants.
- l) In cooperation with Milwaukee World Festival, Inc., address continuing issues including crowd control, traffic and clean up during events, especially Summerfest.
- m) Maintain ongoing involvement with the Collaborative Downtown Association to develop retail, transportation and marketing strategies and host the International Downtown Association.
- n) Hold a block party for the Harley Davidson 95th Anniversary to be held in June of 1998. Estimated attendance is 60,000 people.
- o) Start the planning and implementation of the Public Market project.
- p) Host Historic Milwaukee when they highlight the Third Ward in their May 9, 1998 Spaces and Traces Tour. Possible 3-day Antique show to be held that weekend to coincide with the tour. Attendance to possibly 10,000 people.
- q) Continue operation of an office for the District to promote new development, including the following services:
 - Respond to questions about available space for leasing or purchase.
 - Promote publicity and media coverage of District activities.
 - Arrange for increased police protection, especially during the festival season.
 - Revise, publish and distribute window stickers, directories, posters, and other promotional materials.

ii) Contingent

Payout in calendar year 1998 for excess of TID Improvements
Bond payments over tax increment credit. (Only assessed to
those in TID No. 11).....\$0

IV. FINANCING METHOD

The proposed expenditures will be financed from revenues collected from the BID assessments and separately budgeted City contributions. It is estimated that approximately \$200,000 of the budget will be raised through assessments. Separately from this plan, as part of the City budget process, the City of Milwaukee has been requested to contribute \$18,000.00 of the budget in support of the District, which the City shall pay to the Board with the first assessments collected under this operating plan. If for any reason, the City does not authorize in its budget process the contribution of exactly \$18,000.00, then the proposed assessments here under shall be changed using the formula set forth herein so that the sum of the City contribution and the assessments total \$218,000.00.

V. METHOD OF ASSESSMENT AND DISBURSEMENT

The principle behind the assessment methodology is that each parcel's owners would pay for District development in proportion to the benefits derived. Obviously, not every parcel within the District will benefit equally, but it is assumed that development of the District will produce at least some benefit for all parcels. A cap of 2.5% of the District Total is being used so that no one parcel unfairly bears more than that amount of the budget.

The variable used to determine the regular annual assessments are:

1. Gross Building Floor Area of each parcel. Identified as having a separate tax key number for each parcel, as shown by City records (parcel).
2. Gross Land Area of each parcel, identified as having a separate tax key number, as shown by City records for each parcel.

The assessment methodology will work as follows:

- Step 1. A parcel's Gross Building Floor Area (Square Feet) and Gross Land Area (Square Feet) will be totaled (Parcel Total Area).
- Step 2. The Gross Building Floor Area and Gross Land Area for the District will be totaled (District Total).
- Step 3. The Parcel Total Area will be calculated as a percentage of the District Total (Preliminary Parcel Percentage)
- Step 4. Any parcel with a Preliminary Parcel Percentage in excess of 2.5% of the District Total shall have its Preliminary Parcel Percentage reduced to 2.5%

Exhibit D (see attached) lists the total amount to be raised through assessments in 1998 and the projected assessment for each parcel within the proposed BID. These assessment figures are estimates. They are based upon the following assumptions:

1. The budget contained herein is adopted.
2. The TID Improvements 1998 bond payments shortfall would be zero.
3. Land and floor areas within the District are not changed from the Tax Commissioner's May 30, 1997 figures.
4. The total number of parcels assessed under the Plan would be the parcels identified in Exhibit D (see attached).

Assessments will vary if any or all of these assumptions prove incorrect. However, it is unlikely that actual costs, floor areas, land areas and bonding factors will vary enough from assumed conditions to produce significant changes in projected assessments.

Assessments for individual parcels within the BID will be established each year over the life of the District. Thus, as parcels increase or decrease in land area, or increase or decrease their floor area their assessment obligations will change.

The assessment method is designed to reflect changing conditions within the BID. If potential benefits increase for a particular parcel (e.g., if floor area is added or new construction takes place), the assessment relative to other parcels will increase. If potential benefits decrease (e.g., if a building is demolished), the assessment relative to other parcels will decrease. Any BID Assessments collected by the City before or after the plan year for which the Assessments were made shall be delivered to the BID Board by the 15th of the month following the month during which such sums were collected, and are to be used by the BID Board in the same manner as if received during the applicable Plan Year. This provision is intended to govern BID Assessments prepaid in December prior to the applicable Plan Year, as well as to delinquent and late payments made after the Plan Year.

The Board shall prepare and make available to the public and the City annual reports describing the current status of the BID, including expenditures and revenues, at the same time it submits its amended Plan to the City for the following year. This report shall include an independent certified audit of the implementation of the Plan, which shall be obtained by the City, and which shall be paid for out of the BID budget at a cost of no greater than that shown in the BID budget.

The presentation of this Plan to the City shall be deemed a standing order of the Board under Sec. 66.608(4) Wis. Statutes, to disburse the BID Assessments without necessity of an additional disbursement agreement, disbursement method, or accounting method.

Disbursements made under this Plan shall be shown in the City's Budget as a line item. Disbursement procedures will be according to City policy.

5. Collect assessments, maintain in a segregated account and disburse the revenues of the District along with identification of those BID assessments included in the disbursement.
6. Review annual audits as required per 66.608(3)(c) of the BID law.
7. Provide the Board through the Tax Commissioner's Office on or before September 1 of each plan year, with the official City records on land area and building square footage for each tax key number within the District, as of January 1 of each plan year, for purposes of calculating the BID Assessments.

VIII. DEVELOPMENT OF RIVERWALK PROJECT

A. Plan Objectives for Riverwalk Project

The objective of the BID is to complete the improvements described in Exhibit E of this Operating Plan pursuant to the terms, conditions and procedures set forth in a development agreement to be entered into by the City and the BID (the "Development Agreement"). These improvements will increase public access to the Milwaukee River and promote, attract, stimulate and revitalize commerce and industry within the City.

B. Proposed Activities

A description of the improvements to be completed by the BID (including the timeframe for completion) is set forth in Exhibit E of this Operating Plan. Much of the work will be dependent upon obtaining easements and/or other access rights from owners of property within the District; thus, the proposed timeframe is merely an estimate. Further, the Board may alter the schedule of the work in accordance with the provisions of the Development Agreement.

C. Proposed Expenditures and Financing Method

The actual and estimated costs for each of the BID's proposed development activities are set forth on Exhibit H of this Operating Plan (the "Development Costs"). The BID and the City will share the Development Costs in accordance with the terms of the Development Agreement. The estimated total principal amount of the BID's share of the Development Costs is \$688,800. The City will fund the balance of the Development Costs up to the maximum total amount set forth on Exhibit H. The Board shall have the authority and responsibility to prioritize expenditures and to revise the budget as necessary to match the funds actually available, in accordance with the terms of the Development Agreement.

The City will finance the BID's share of the Development Costs. The City will provide funds to the BID and the BID will repay said funds to the City through annual assessments against the assessable properties within the BID. The annual assessments for Development Costs will commence upon the earlier of: (i) the first calendar year following the year in which the Board completes the construction activities required under the Development Agreement; or (ii) 2002. Interest on funds advanced to the BID prior to commencement of the annual assessments will accrue. The interest rate charged to the BID will be the City's cost of the funds plus an administrative fee, as determined by the City Comptroller. If the City subsequently refinances any debt issued to finance

- (h) The assessment for a property with a riverbed riverwalk would be determined as follows $(100 \div 350) \times \$1,000$, or \$285.71 (the dividend in the preceding formula is the deemed lineal footage of the riverbed riverwalk and the divisor is the sum of the deemed lineal footage of all riverwalks).
2. The remaining 40% of the annual assessment due the City for the BID's share of the Development Costs (including interest accrued thereon) shall be assessed against all assessable properties within the BID (including Class 1 Properties) in accordance with the method of assessment set forth in Article V of this Operating Plan.
 3. Any assessable property that, at the request of the owner of such property, obtains special work or improvements for a riverwalk that are funded by the City but not as part of the BID's share of the Development Costs shall be specially assessed for the entire cost of such special work or improvements. Such cost shall be amortized on terms established by the City Comptroller.
 4. All costs incurred by the BID in maintaining, insuring, replacing and operating riverwalks located on a Class 1 Property (or located on any other property as to which the owner of such property has requested that the BID assume responsibility for such activities) shall be assessed against such property based upon the lineal footage of the riverwalk located on such property; provided, however, that in calculating the lineal footage of the riverwalks for purposes of making the foregoing assessment allocation, two adjustments shall be made: (1) the lineal footage of riverwalk built "on grade" shall be reduced by 25%; and (2) as to any riverwalk containing more than one level for pedestrian access, the lineal footage of all of such levels shall be counted

B Unique Assessment Categories and Methods.

Any improvements made by property owners within the BID to their properties that will increase access to and use of the riverwalk system will further the public purposes and objectives of the District. Accordingly, subject to City budgeting constraints and approvals, future funds from the City may be available to or through the BID for owners of property located within the District and adjacent to riverwalks for improvements that enhance the use and enjoyment of the riverwalk system. In the event such loans become available from the City, the BID may provide such funds to individual property owners who shall repay such funds through special assessments incorporating such terms and conditions as the City requires.

C Prepayment of Assessment.

A property owner shall be entitled to prepay any future assessments payable in connection with the Riverwalk Project on such basis as is determined by the City Comptroller.

XII. SEVERABILITY AND EXPANSION

This Business Improvement District has been created under authority of Section 66.608 of the statutes of the State of Wisconsin.

Should any court find any portion of this statute invalid or unconstitutional said decision will not invalidate or terminate the Business Improvement District and this Business Improvement District Plan should be amended to conform to the law without need of re-establishment.

Should the legislature amend the statute to narrow or broaden the process of a Business Improvement District so as amongst other things to exclude or include as assessable properties a certain class or classes of properties, then this BID plan may be amended by the Common Council of the City of Milwaukee as and when it conducts its annual budget approval and without necessity to undertake any other act.

All of the above is specifically authorized under Section 66.608(3)(b).

XIII. APPENDICES

The following Appendices shall be the same as exhibits A, B, E, and H of Business Improvement District No. 2 1987 Operating Plan, which are incorporated herein by reference:

- A. Business Improvement District Statute
- B. Petition for Creation of BID District
- E. Sample Methodology
- H. Statement of City Attorney

EXHIBIT A

Boundaries of Business Improvement District

EXHIBIT B

By-Laws

EXHIBIT C

Strategic Plan

EXHIBIT D

1998 Projected Assessments
TID Percentages

EXHIBIT E

Description and Timetable for Completion of Riverwalk Project

EXHIBIT F

Proposed Amortization Schedule of BID Repayments

RIVERWALK DEVELOPMENT AGREEMENT
FOR BUSINESS IMPROVEMENT DISTRICT NO. 2

THIS AGREEMENT is made this 3rd day of June, 1998,
by and between the CITY OF MILWAUKEE (the "City") and the BOARD OF
BUSINESS IMPROVEMENT DISTRICT NO. 2 (the "Board").

RECITALS

A. The City's Common Council via Resolution File No. 870501, adopted October 6, 1987, approved the creation of Business Improvement District No. 2 ("BID-2") pursuant to Ch. 66.608, Wis. Stat.

B. The City's Common Council via Resolution File No. 970388 created Tax Incremental District No. 34 ("TID-34") and adopted a Project Plan for TID-34 (the "Project Plan") pursuant to Ch. 66.46, Wis. Stat.

C. The Project Plan contemplates the development of a riverwalk system along the east bank of the Milwaukee River in a section of the City known as the Historic Third Ward (the "Riverwalk System"). The Riverwalk System will be comprised of individual riverwalks located on publicly and privately held parcels of land and/or rights-of-way adjacent to the Milwaukee River. (Each riverwalk is referred to as a "Project Segment." Project Segments located on wholly City-owned land and/or rights-of-way are referred to as "City Segments" and Project Segments located on land not owned or controlled by the City are referred to as "Private Project Segments." The Project Segments may be collectively referred to as the "Riverwalk Project.") The Project Plan further contemplates that the Board will be responsible for overseeing construction of the Riverwalk Project (including City Segments which the City shall, acting pursuant to section 66.299(2), Wis. Stats., purchase from the Board) and that costs of constructing the Riverwalk Project will be funded by the City, partly in the form of a grant and partly in the form of a loan. The loan portion of the funding will be made to BID-2, with repayment of such loan to be made through special assessments by the Board to the assessable properties located within BID-2.

D. The Common Council, via Resolution File No. 97122, has approved this Development Agreement and authorized the proper City officers to execute the Agreement on the City's behalf.

E. The Board has approved this Development Agreement and authorized EINAR TANGEN to execute this Agreement on its behalf.

(c) After construction of the City Segments, the Board shall convey the completed City Segments to the City as provided in sections 2(g) and (h).

(d) Subject to the terms of subsection (f), below, relating to advances for soft costs, the City shall disburse the City Share and City Loan for an individual Project Segment as follows:

(i) Payments for architectural services shall be disbursed in accordance with the payment terms of each architectural contract that shall have been approved in advance by the Commissioner; provided, however, that no more than ten percent of the total due under any one contract shall be disbursed until the Board has obtained all property rights, easements and access rights necessary to construct, operate and maintain the particular Project Segment for which the Board is seeking City Share and City Loan funding and as to which the particular contract applies. The instrument conveying and/or providing the required property rights must be approved by the Commissioner and must be recorded as a covenant running with the affected property. By execution of this Agreement, the City is hereby providing the Board with the permission to enter upon City owned or controlled land in order to undertake construction of the City Segments. Before exercising this right of entry, the Board must receive permission from the Commissioner, who may specify the length of duration of the right of entry and may terminate the right of entry at the conclusion of construction of the City Segments or as provided in section 12(b).

(ii) Payments to all other contractors and consultants shall be made upon the achievement of all of the following conditions:

[a] The Board has received all federal, state and local agency approvals, including but not limited to the United States Army Corps of Engineers, the Wisconsin Department of Natural Resources, and the City's Board of Harbor Commissioners, which are necessary to undertake construction of the Project Segment for which the Board is seeking City Share and City Loan funding.

[b] The Commissioner has approved the final plans and specifications (and all amendments thereto) for the Project Segment for which the Board is seeking City Share and City Loan funding.

[c] The Commissioner has approved the final construction budget for the Project Segment for which the Board is seeking City Share and City Loan funding. The budget shall include a schedule for disbursement of the City Share and City Loan funding. The current total estimated

must be clearly allocable to one or more Project Segments and, in the discretion of the Commissioner, within the expected budget for such Project Segment(s). If the Commissioner objects to any amounts requested or supporting information with respect to any draw request, he may withhold payment as to any amounts to which he objects in writing pending resolution to the satisfaction of the Commissioner of such objections. As work on any Project Segment progresses in accordance with the requirements of subsection (d), above, any funds advanced under this subsection with respect to such Project Segment shall be credited against the draw requests submitted under subsection (e), above. The aggregate amount of all funds disbursed under this subsection for Project Segments which have not met the requirements of subsection (d), above, shall not at any point in time exceed 7% of the aggregate project budgets (including all hard and soft costs) for all Project Segments which have not met the requirements of subsection (d), above. The preceding sentence shall not apply to disbursements for the master design consultant chosen by the Board to provide comprehensive design standards and guidelines for the entire Riverwalk System (the "Master Consultant"). The Board's contract with the Master Consultant shall be approved by the Commissioner and payments shall be made thereunder in accordance with its terms and the procedures set forth in this subsection; none of such payments shall be counted against or included as part of the funds subject to the 7% limitation set forth in this subsection. Any funds disbursed under this subsection and allocable to a Project Segment that is never constructed shall be treated as funded 50% by City Share and 50% by City Loan, rather than in accordance with the percentages otherwise set forth in this Development Agreement.

(g) After conveyance of the City Segments as provided in subsections 2(g) and (h), below, the City shall operate and maintain the City Segments and undertake all necessary capital repairs and replacements. The City Segments shall be operated and maintained in accordance with the minimum operation and maintenance standards set forth on Exhibit D. The City reserves the right to periodically (i.e., not more than once a year and not more than 24 hours at a time) close off the City Segments in order to prevent the acquisition of any adverse or prescriptive rights. The City may also close the City Segments for maintenance and repair. Closing of the City Segments for maintenance and repair may require more than 24 hours. The City may contract with the Board for repair and maintenance of any or all of the City Segments.

may be, may occupy the Project Segment for the use for which those facilities were intended.

(ii) Failure to commence construction of a Project Segment by December 31, 2000(the "Outside Commencement Date") (the Force Majeure provisions of section 11 shall not apply in computing the Outside Commencement Date), shall constitute grounds upon which the City, acting through the Commissioner, may remove funding for construction of that Project Segment from the total amount of City Share and City Loan funding specified in section 1(b). The Commissioner shall provide the Board with written notice of such a removal. After giving such notice, the City shall thereafter have no funding obligation with respect to such Project Segment. This shall be the City's sole remedy for a failure to commence construction of a Project Segment by the Outside Commencement Date.

(g) Upon substantial completion of the City Segments, convey all of its interest in the City Segments, free and clear of all liens and encumbrances, to the City by quit claim deed or quit claim bill of sale in accordance with the provisions of section 2(h), below.

(h) (i) Within 20 business days after substantial completion, as defined in section 2(f)(i), of the City Segments, as evidenced by the issuance of an AIA certificate of substantial completion by the project architect and a statement by the Commissioner [a] describing any defects and/or deficiencies in the City Segments and the amounts necessary to correct said defect and deficiencies, and [b] certifying that, as of the time of the settlement, the City Segments are substantially complete in accordance with the approved plans and specifications therefor, or if not, stating why (in which case this precondition will not be satisfied), make settlement with the City in accordance with the terms hereof. The Board shall execute and deliver the appropriate forms of conveyance as referenced in section 2(g) for the City Segments. Upon delivery of said conveyances, the City shall pay the final payment in accordance with the approved construction budget for the City Segments; provided, however, if the City's representative statements referenced above indicate that there are any material defects or deficiencies in the City Segments, the City may withhold from the final payment the amount reasonably necessary, as determined by the Commissioner, for the completion of the defects. This withheld amount shall be paid to the Board upon certification by the Commissioner that the defects and deficiencies in the improvements have been corrected.

(ii) The City Segments shall be conveyed as provided in section 2(g) to the City.

of receipt of the aforesaid written notice, and such failure to commence the maintenance work is not as a result of force majeure as provided in section 11, infra, then the City may perform such work and shall be reimbursed for all costs incurred in performing such work by assessing the appropriate BID-2 property owners for the cost of such work in accordance with the then applicable special assessment method contained in the BID-2 Operating Plan.

4. Changes. No changes in the type, placement or use of construction materials as indicated on the approved plans and specifications for any Project Segment or in the manner in which the Board is obligated to operate and maintain any Private Project Segment, shall be made by the Board without prior written consent of the Commissioner, which consent shall not unreasonably be withheld. Any changes approved by the Commissioner shall not increase the City Share, City Loan or the cost of the City Segments unless such increase has been approved by the City.

5. Inspections.

(a) The Board and its contractors or subcontractors shall be solely responsible for the completion of each Project Segment. Nothing contained in this paragraph shall create or affect any relationship between the City and any contractor or subcontractor employed by the Board in the construction of a Project Segment.

(b) The City may make reasonable inspections, including but not limited to inspections by the City's Department of Public Works, Department of City Development, and Department of Building Inspection, of each Project Segment during the period of construction thereof, provided that such inspections do not interfere with the progress of the work. In order to allow the City and City agencies to undertake these inspections in a meaningful fashion, the Board shall provide a complete set of plans and specifications as well as any change orders and shop drawings.

(c) In the event the Commissioner determines, as a result of inspections made by City representatives, that the Board's contractors or subcontractors are not constructing any Project Segment in accordance with the approved plans and specifications (and any amendments thereto) and the cause of such noncompliance is not a result of force majeure as provided in section 12, the Commissioner shall promptly inform the Board of the noncompliance with the plans and specifications (and any amendments thereto). The Board shall, as soon as reasonably possible, require its contractor or subcontractor to remedy such noncompliance. The Commissioner may withhold any partial payments, as established in the disbursement schedule for the City Share, City Loan and City

coverages. The Board shall maintain insurance against all risk of direct damage, including loss or damage by fire or other casualty, with extended coverage, vandalism and malicious mischief, covering each Private Project Segment in an amount equal to at least 100% of the full replacement cost of the Private Project Segment, without deduction or depreciation, including replacement clause endorsement, and sufficient to avoid all co-insurance provisions of the subject insurance policy. The Board shall have the right to maintain the insurance coverages required to be maintained hereunder under umbrella or blanket insurance coverages covering other premises so long as such umbrella or blanket insurance policies expressly provide recoverage for each Private Project Segment required hereunder and otherwise comply with the amounts and types of insurance or other requirements provided under this Agreement. The Board shall, at the request of the City, provide certificates evidencing such insurance coverage in forms acceptable to the City.

(b) If any Private Project Segment is damaged or destroyed by fire, explosion or other casualty, then the Board agrees, as soon as reasonably practicable, to repair, restore and/or rebuild such Private Project Segment to a condition reasonably equivalent to that existing prior to such casualty.

8. City Resident Employment in Construction.

(a) The Board shall require that a minimum of 21% of the worker hours performed in constructing each Project Segment be performed by unemployed residents of the Community Development Block Grant area as defined in Milwaukee Code of Ordinances section 309-41. Provisions related to implementing this requirement are attached as Exhibit E.

(b) The Board will permit City staff to attend all prebid meetings to explain the City resident requirement.

(c) The Board will co-sponsor with City an information meeting for both unions and contractor in an attempt to establish a mechanism to see that persons hired for the Riverwalk Project are not laid off upon completion of the Riverwalk Project, but are retained as permanent employees.

(d) The Board is strongly encouraged by the City to strive to implement, consistent with law, the principle of equal employment opportunity through an effective affirmative action program which should have as its objective the increased utilization of women, minorities and disabled persons and other protected groups, at all levels of employment, where these groups have been previously under-utilized and under-represented. The Board is also urged to fairly

Project as a whole is not completed within the time specified in section 2(f)(i) above and the failure to substantially complete was the result of reasons which were the Board's fault and which were within the Board's control, the City shall have the right to terminate either this entire Agreement or the City Share funding for any Project Segment in question, as provided in section 2(f)(ii), if, within 60 days after receipt from the Commissioner of a notice of intent to terminate because of failure to substantially complete, the Board has not substantially completed either the Project Segment in question or the entire Riverwalk Project. If the City terminates either the entire Agreement or that portion relating to a particular Project Segment, the Board shall permit, or cause to be permitted, the City's entry on to the construction site(s) of the defaulting Project Segment; and the City may then complete construction of the defaulting Project Segment. The Board shall require all properties within BID-2 to be specially assessed in accordance with the then applicable special assessment method in the Operating Plan in order to reimburse the City for any cost which the City incurs over and above the final approved construction cost for the defaulting Project Segment, in the completion of the defaulting Project Segment.

(b) If the Board fails to substantially complete the City Segments within the time specified in section 2(f)(i), the City may require the Board to convey the unfinished City Segments to the City as provided in subsections 2(g) and (h); and the City may then complete construction of the City Segments. The Board shall require that all properties within BID-2 be specially assessed in accordance with the then applicable special assessment method in the Operating Plan in order to reimburse the City for 25% of any costs which the City incurs over and above the final approved construction cost for the City Segments, in the completion of the City Segments.

13. Conflict of Interest. No member, officer or employee of the City, during his/her tenure or for one year thereafter, will have or shall have had any interest, direct or indirect, in this Agreement or any proceeds thereof.

14. Notices/Approvals.

(a) Any notices or approvals required under this Agreement shall be in writing and sent to the following individuals:

FOR THE CITY:

Commissioner
Department of City Development
809 North Broadway
Milwaukee, WI 53202

SCHEDULE OF EXHIBITS

- A - Intentionally omitted**
- B. - Description of all Project Segments**
- C - Estimated construction Budget and Schedule**
- D - Minimum operation and maintenance standards**
- E - Unemployed resident worker hours requirements**
- F - DBE requirements**
- G - First Source Recruitment Agreement Form**

EXHIBIT C

Estimated Construction Budget and Schedule¹

Segment	City Share	BID Share	Budget ²
Clybourn to St. Paul (City & County)	\$610,198	\$163,772	\$773,970
333 N. Water (Parking Lot)	\$393,167	\$105,523	\$498,690
301 N. Water Bermer Bldg.	\$201,302	\$ 54,028	\$255,330
End of Buffalo	\$110,000		\$110,000
200 Blk. N. Water (exclud. 223 & 201)	\$360,279	\$ 96,805	\$456,975
125 N. Water	\$ 99,875	\$ 26,805	\$126,680
100 Blk. N. Water (Firehouse, excluding 141)	\$231,017	\$ 62,003	\$293,020
End of Chicago			
223-239 N. Erie	\$453,705	\$121,770	\$575,475
Artistic Design	\$216,857	\$ 58,203	\$275,060
TOTAL	\$2,676,400	\$688,800	\$3,365,200

- 1) All projects are expected to be built in 1999.
- 2) Funds to cover DPW review of contracts, payment applications, etc., included in totals.

EXHIBIT D

**RIVERWALK
Maintenance and Operation Criteria
First Class Facility**

1. Open for use at all times except as it relates to adverse possession, and times of maintenance and repair.
2. Keep a minimum of 8-foot wide clear path for through movement of pedestrians at all times the structure is open.
3. Maintain lighting during hours of darkness for security and safety (same burn time as City street lighting - minimum).
 - Replace burned out luminaires as necessary
4. Remove ice and snow within 24 hours of a storm.
 - Area drains, if any, kept open at all times
5. Keep Riverwalk generally clean of litter on a daily basis.
 - Empty trash receptacles as necessary
 - Wash down River walk of bird droppings/discarded forage (alewives, etc.) as necessary
6. Keep benches and other amenities in good, safe repair at all times.
7. Paint railings, benches and other amenities as necessary to maintain a pleasing aesthetic quality.
 - Remove graffiti as soon as practical (as weather permits)
8. Affect deck repairs to mitigate potential injury to public
 - Patch spalled area to minimize irregular walking surface
 - Level differential pavement joints of 1-inch or more to minimize tripping hazard
9. Inspect structural integrity of facility semi-annually and as necessary if collisions or other problems occur.

II. Definitions

- A. RESIDENT - A person who maintains his or her place of permanent abode in the CDBG area within the City of Milwaukee. Domiciliary intent is required to establish that a person is maintaining his or her place of permanent abode in the CDBG area. Mere ownership of property is not sufficient to establish domiciliary intent. Evidence of domiciliary intent includes, without limitations, the location where a person votes, pays personal income taxes or obtains a driver's license.
- B. COMMUNITY DEVELOPMENT BLOCK GRANT AREA OR CDBG AREA - That portion of the City of Milwaukee designated as such by the Common Council which is identified by census tracts on maps maintained at the offices of the City Clerk and the Commissioner of City Development. (Map attached)
- C. UNEMPLOYED - A resident that has worked less than 1,200 hours in the preceding 12 months or has not worked in the preceding 30 days. An individual will continue to qualify as a CDBG resident and as unemployed for three (3) years from the date he or she first participates in a contract entered into under the Riverwalk Development Agreement for BID-15.

III. Residency Utilization Requirements

- A. The Board or its contractor shall utilize unemployed residents of the CDBG area in a minimum amount equal to the percentage of the worker hours stated in paragraph I.A. above. Worker hours, as specified herein, shall include work performed by persons filling apprenticeship and on-the-job training programs.
- B. The contractor must submit with their bid the Proposed CDBG Resident Utilization Report (Form A). This report itemizes by job classification the proposed total worker hours, proposed number of CDBG resident worker hours and proposed number of non-CDBG worker hours the contractor plans to utilize to complete the contract.
- C. An affidavit of compliance (Form B) must be submitted by the contractor with the bid which certifies that the contractor understands the provisions of the Residents Preference Program described in this Exhibit.

FORM A

PROPOSED RESIDENT UTILIZATION REPORT

This is a preliminary statement of proposed workforce needs, where known, as of the date of bid submission.

Contractor _____

Project _____

JOB CATEGORY	PROPOSED # OF HOURS ATTRIBUTABLE TO THE OPERATING COSTS OF THIS CONTRACT	PROPOSED # OF HOURS FOR CDBG AREA RESIDENCE	PROPOSED # OF HOURS FOR ALL OTHER WORKERS
TRUCK DRIVERS		(%)	(%)
OPERATION ENGINEERS:			
JOURNEY PERSON		(%)	(%)
APPRENTICES		(%)	(%)
SKILLED TRADES: (Specify)			
JOURNEY PERSON		(%)	(%)
APPRENTICES		(%)	(%)
TRAINEES		(%)	(%)
LABORERS: (Specify type)			
		(%)	(%)
		(%)	(%)
		(%)	(%)
		(%)	(%)
		(%)	(%)

Form C

Contractor Name _____

Project _____

Employee Affidavit**Resident Preference Program**

I certify to the Business Improvement District No. _____ that I have seen the map on the reverse side of this form and I am a resident of the CDBG area residing at _____ . I further certify that this is the area where I maintain my permanent residence and is the location where I vote, pay personal income tax, obtain my driver's license, etc.

Finally, I certify that I have been unemployed as follows: (Check those that apply)

_____ I have worked less than 1,200 hours in the preceding 12 months.

_____ I have not worked in the preceding 30 days.

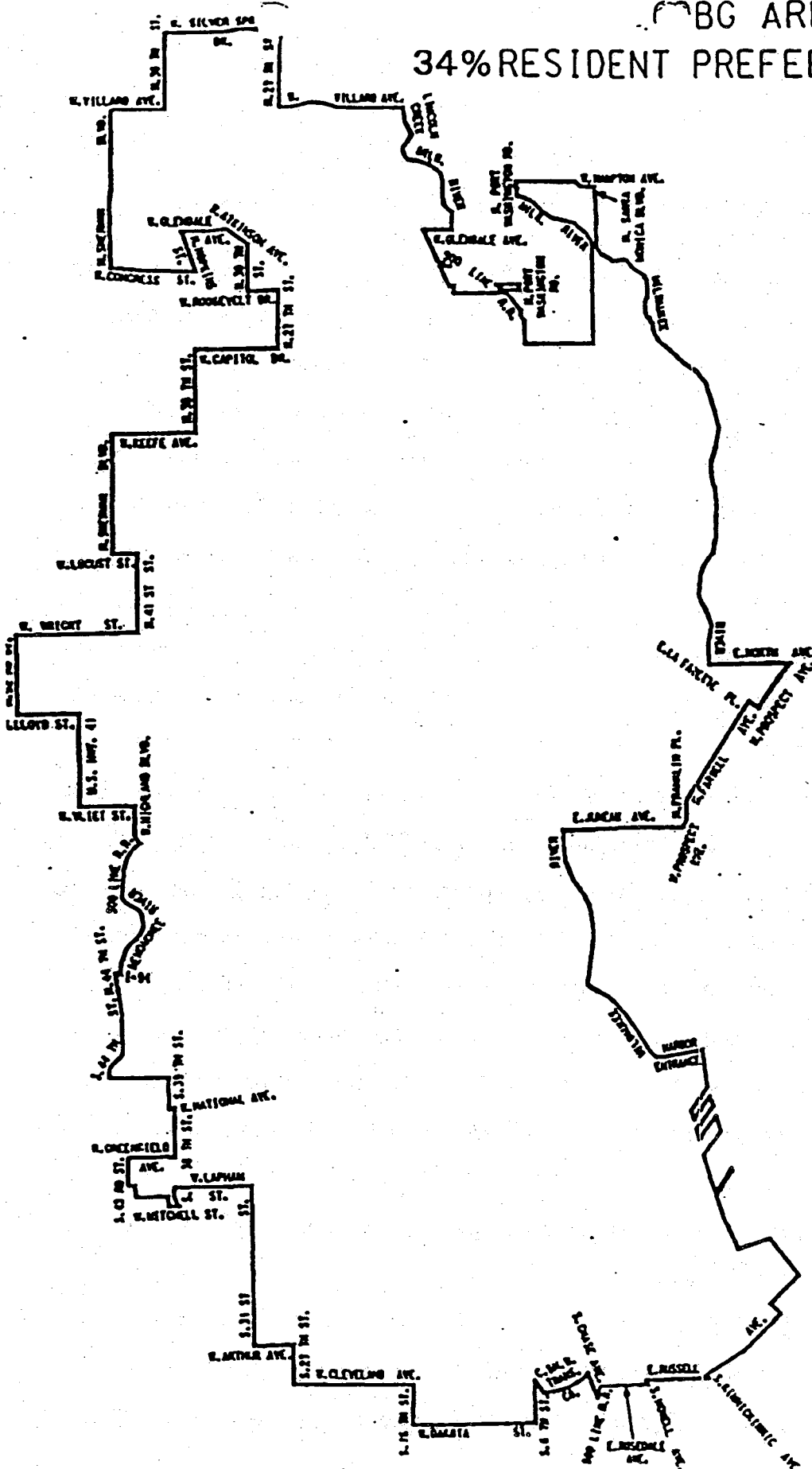
Print Name_____
Sign Name_____
Social Security Number

Subscribed and sworn to me this _____ day of _____, 19__ A.D.

Notary Public, Milwaukee County, WI

My commission expires _____.

FBG AREA 34% RESIDENT PREFERENCE PROGRAM



LAKE MICHIGAN

Sewerage District, and Milwaukee County shall be counted towards the 18% requirement. The JCP offices are located at 2323 N. Dr. Martin Luther King Jr. Drive, Milwaukee, Wisconsin. JCP telephone number is 265-7680.

D. Modifications or waivers of the DBE participation requirement set forth herein shall only be effective if agreed to by the Manager and the Board in writing. Any such modification or waiver shall be made only on the basis of verified information that the existing, available, certified DBEs in any particular trade area or tier level are insufficient to achieve the required participation.

E. This Agreement shall be deemed a City contract for purposes of empowering the City to impose any or all of the sanctions set forth in sec. 360-08, Milwaukee Code of Ordinances. In addition, as liquidated damages, the Board may be liable to the City for that percentage of the total dollars necessary for the construction of the Project which represents the difference between the DBE participation required hereunder and the actual DBE participation attained.

PBMCD:dms
3/16/94
DBE

and expansion of Contractor's work force, within the below-listed job classifications:

[To be filled in for each contract.]

B. At least fourteen (14) days prior to the anticipated hiring dates, the Contractor will notify Provider of its needs for new employes in covered positions.

C. For covered positions, notification to Provider shall include, but need not be limited to, the number of employes needed by job title, hiring dates, rates of pay, hours of work, anticipated duration of employment and work to be performed. In order for Provider to determine whether persons meet the Contractor's personnel needs, a job description including minimum qualifications, stated in quantifiable and objective terms, will be provided by the Contractor prior to the execution of this Agreement. These job descriptions are made a part of this Agreement and are included as Attachment "A."

D. Job openings to be filled by internal promotion from the Contractor's local work force need not be referred to Provider.

III.

REFERRAL

A. Provider will refer qualified job applicants residing in the City of Milwaukee to the Contractor in response to the notification of need for new employes described in Section II. above.

B. Provider will screen applicants according to the qualifications provided by the Contractor.

V.

TRAINING

Provider and the Contractor may agree to develop additional on-the-job training programs; the training specifications and cost for such training will be mutually agreed upon by the Contractor and Provider and covered in a separate Training Agreement.

VI.

CONTROLLING REGULATIONS AND LAWS

A. If this Agreement conflicts with any labor laws or other governmental regulations, the laws or regulations shall prevail.

B. If this Agreement conflicts with a collective bargaining agreement to which the Contractor is a party, the bargaining agreement shall prevail.

C. The Contractor will provide the City of Milwaukee and the Provider documentation that the Contractor has provided the representative of any involved collective bargaining unit with a copy of this Agreement and has requested comments or objections. If the representative has any comments or objections, the Contractor will provide them to the City and Provider.

D. The Contractor will not discriminate against any applicant for employment because of race, religion, age, disability, color, sex, national origin, citizenship, or political affiliation.

VII.

ASSIGNMENT MODIFICATIONS, RENEWAL AND SANCTIONS

A. If, during the term of this Agreement, the Contractor should transfer possession of all or a portion of its business

MAR 16 . 98 10:26

414 289 0372 PAGE 018

CONTRACTOR

By: _____

PBMCD:dms
Recruit
3/15/94

City of Milwaukee
Office Of The City Clerk
Certified Copy of Resolution

FILE NO: 971722

Resolution approving the Riverwalk Development Agreement for Business Improvement District No. 2 in the 4th Aldermanic District. (DCD)

Whereas, Common Council File No. 870501, adopted October 6, 1987, created Business Improvement District No. 2 ("BID No. 2") and approved its initial Operating Plan; and

Whereas, Common Council File No. 970388, adopted September 23, 1997, created Tax Incremental District No. 34 ("TID No. 34"), Historic Third Ward Riverwalk, and adopted a Project Plan for said tax incremental district; and

Whereas, Common Council File No. 961650, adopted March 4, 1997, provided funds in the amount of \$160,000 for streetscape improvements on East Buffalo Street prior to the creation of TID No. 34, but within the boundaries of the district; and

Whereas, The Project Plan contemplates the development of a riverwalk system along the east bank of the Milwaukee River in a portion of the Historic Third Ward comprised of individual riverwalks located on publicly and privately held parcels of land and/or rights of way adjacent to the Milwaukee River described as Private Project Segments or as City Segments; and

Whereas, The Project Plan further contemplates that the Board of BID No. 2 will be responsible for overseeing the design and construction of the Riverwalk Project, including the City Segments; and

Whereas, The costs of design and construction of the Riverwalk Project will be funded by the City of Milwaukee, partly in the form of a grant and partly in the form of a loan, repayment of said loan to be made through special assessments by the Board of BID No. 2 to the assessable properties located within BID No. 2; and

Whereas, The current Operating Plan for BID No. 2, Exhibit A to the Riverwalk Development Agreement, authorizes the Board to enter into said Riverwalk Development Agreement, a copy of which is attached to this Common Council File, for the purpose of carrying out the development of the Riverwalk System in accordance with the Project Plan for TID No. 34; and

Whereas, The Common Council desires to implement the Project Plan for TID No. 34 and enter into the Riverwalk Development Agreement for BID No. 2; now, therefore, be it

Resolved, By the Common Council of the City Milwaukee that the Riverwalk Development Agreement for Business Improvement District No. 2 is approved; and, be it

Further Resolved, That the proper City officials are authorized and directed to execute said Agreement on behalf of the City of Milwaukee; and, be it

Further Resolved, That the City Comptroller is authorized and directed to transfer the sum of \$2,566,400 from Account No. 32-934-0001 established for TID No. 34; \$688,800 from Account No. 31-641-0001 established as the BID portion of this Project; \$680,000 from the Riverfront & Other Downtown Planning & Improvement Fund; and \$110,000 from the Buffalo Street Streetscape Fund

Description and Timetable for Completion
of all Project Segments

SEGMENT	LENGTH	LOCATION
Clybourn to St. Paul (City and County)	Estimated 523 feet of Riverwalk	On land
333 North Water (Parking Lot)	Estimated 337 feet of Riverwalk	On land
301 North Water Berner Building	Estimated 119 feet of Riverwalk	Over water
End of Buffalo		
200 Block North Water (excluding 233 and 201)	Estimated 213 feet of Riverwalk	Over water
125 North Water	Estimated 59 feet of Riverwalk	Over water
100 Block North Water (firehouse, excluding 141)	Estimated 198 feet of Riverwalk	On land
End of Chicago		
233-239 North Erie	Estimated 273 feet of Riverwalk	Over water
*273 North Erie (MIAD)	Estimated 435 feet of Riverwalk	Over water

All Project Segments are anticipated to be completed by the end of calendar year 1999.

*This Segment is not yet included as part of the Development Agreement between the City of Milwaukee and the BID. It is anticipated that the Development Agreement will be amended in the future to add this Segment to the BID's scope of responsibilities.

RivWlkSID#2Taxable

ESTIMATED SCHEDULE OF REPAYMENTS

Amount: \$468,800 STATUS: TAXABLE
 Int Rate Bonds 6.898% ADDRESS: Riverwalk BID
 TERM: 15 DATE PRIN 03/26/98
 No. of Ann Pym 1
 1st Loan Repmt December, 1999
 = Includes .25% City charge

		AMOUNT OF REGULAR REPAYMENT:			
		CITY INVEST EARNINGS RAT		5.30%	
		CITY'S ADDITION TO		CUMULATIVE INTEREST ON	
		INT SERVICE		ADVANCE	
DOE DATE	REPAYMENT	INT SERVICE	ITY ADVANCE	ADVANCE	CUMULATIVE BALANCE DOE
					\$0
Jun-98	\$0	\$0	\$0	\$0	\$0
Dec-98		\$23,729	\$23,729	\$23,729	\$23,729
Jun-99	\$0	\$23,729	\$23,729	\$47,458	\$47,458
Dec-99	\$64,543	\$69,649	\$5,106	\$53,193	\$54,457
Jun-00	\$0	\$22,147	\$22,147	\$76,614	\$78,058
Dec-00	\$64,543	\$68,067	\$3,524	\$81,562	\$83,650
Jun-01	\$0	\$20,565	\$20,565	\$104,226	\$106,432
Dec-01	\$64,543	\$66,485	\$1,942	\$106,274	\$111,195
Jun-02	\$0	\$18,983	\$18,983	\$125,178	\$133,125
Dec-02	\$64,543	\$64,903	\$360	\$133,465	\$137,812
Jun-03	\$0	\$17,401	\$17,401	\$154,414	\$158,045
Dec-03	\$64,543	\$63,321	(\$1,222)	\$156,823	\$161,011
Jun-04	\$0	\$15,819	\$15,819	\$176,830	\$181,637
Dec-04	\$64,543	\$61,739	(\$2,804)	\$178,293	\$183,032
Jun-05	\$0	\$14,237	\$14,237	\$197,230	\$202,182
Dec-05	\$64,543	\$60,157	(\$4,386)	\$197,796	\$203,154
Jun-06	\$0	\$12,656	\$12,656	\$215,609	\$221,193
Dec-06	\$64,543	\$58,576	(\$5,968)	\$215,215	\$221,087
Jun-07	\$0	\$11,074	\$11,074	\$232,150	\$238,819
Dec-07	\$64,543	\$56,994	(\$7,550)	\$230,469	\$236,777
Jun-08	\$0	\$9,492	\$9,492	\$246,258	\$252,543
Dec-08	\$64,543	\$55,412	(\$9,132)	\$243,411	\$250,104
Jun-09	\$0	\$7,910	\$7,910	\$258,013	\$264,641
Dec-09	\$64,543	\$53,830	(\$10,714)	\$253,928	\$260,941
Jun-10	\$0	\$6,328	\$6,328	\$267,268	\$274,183
Dec-10	\$64,543	\$52,248	(\$12,256)	\$261,888	\$269,154
Jun-11	\$0	\$4,746	\$4,746	\$273,899	\$281,032
Dec-11	\$64,543	\$50,666	(\$13,878)	\$267,154	\$274,602
Jun-12	\$0	\$3,164	\$3,164	\$277,766	\$285,043
Dec-12	\$64,543	\$49,084	(\$15,459)	\$269,583	\$277,337
Jun-13	\$0	\$1,582	\$1,582	\$278,719	\$286,063
Dec-13	\$64,543	\$47,502	(\$17,041)	\$269,021	\$276,602
Jun-14	\$0	\$0	\$0	\$276,602	\$283,932
Dec-14	\$64,543	\$0	(\$64,543)	\$219,389	\$226,913
Jun-15	\$0	\$0	\$0	\$226,913	\$232,926
Dec-15	\$64,543	\$0	(\$64,543)	\$168,383	\$174,555
Jun-16	\$0	\$0	\$0	\$174,555	\$179,181
Dec-16	\$64,543	\$0	(\$64,543)	\$114,638	\$119,286
Jun-17	\$0	\$0	\$0	\$119,386	\$122,550
Dec-17	\$64,543	\$0	(\$64,543)	\$58,006	\$61,284
Jun-18	\$0	\$0	\$0	\$61,254	\$62,877
Dec-18	\$64,543	\$0	(\$64,543)	\$1,666	(\$0)
Totals	\$1,226,324	\$1,032,196	(\$198,671)	\$198,671	
MJD	3/26/98 12:01				

EXHIBIT F
 Proposed Amortization Schedule of BID Repayments

Estimated First Year Riverwalk Project
Assessments Per Property

RIVERWALK PROPERTY	ESTIMATED LINEAL FOOTAGE OF RIVERWALK ON GRADE ¹	ESTIMATED LINEAL FOOTAGE OF RIVERWALK IN RIVERBED	ESTIMATED FIRST YEAR ASSESSMENT ²
333 N. Water		195	\$ 8,325
301 N. Water	(120) 90		\$ 3,843
245-49 N. Water		57	\$ 2,434
225-29 N. Water		52	\$ 2,220
223 N. Water		27	\$ 1,153
221 N. Water		20	\$ 854
217 N. Water		20	\$ 854
215 N. Water		40	\$ 1,708
125-29 N. Water	(60) 45		\$ 1,921
105-117-123 N. Water	(198) 149		\$ 6,361
107 N. Water	(176) 132		\$ 5,636
233 E. Erie		40	\$ 1,708
239 E. Erie		40	\$ 1,708
TOTALS	416	491	\$38,725

¹The lineal footage of riverwalks built "on grade" is, for purposes of calculating BID assessments, discounted by 25% in order to equalize the cost of constructing "on grade" riverwalks with those constructed in the riverbed. The numbers in this column that are in parentheses represent the estimated actual lineal footage; the other numbers represent the discounted numbers.

²The first year contribution from the BID totals \$64,543. Of this amount, 60% (\$38,725) is assessable against the BID properties upon which the riverwalks have been constructed based upon the lineal footage of such riverwalks. The remaining 40% of the BID contribution (\$25,818) will be assessed against all BID properties in accordance with the formula set forth in Article V of the Operating Plan.

FILE COPY

Estimated Riverwalk Project Budget

SEGMENT	CITY SHARE	BID SHARE	BUDGET
Clybourn to St. Paul (City and County)	\$610,198	\$163,772	\$773,970
333 North Water (parking lot)	\$393,167.	\$105,523	\$498,690
301 North Water/Bermer Building	\$201,302	\$54,028	\$255,330
End of Buffalo	\$110,000		\$110,000
200 Block North Water (excluding 233 and 201)	\$360,279	\$96,696	\$456,975
125 North Water	\$99,875	\$26,805	\$126,680
100 Block North Water (firehouse, excluding 141)	\$231,017	\$62,003	\$293,020
End of Chicago			
233-239 North Erie	\$453,705	\$121,770	\$575,475
Artistic Design ¹	\$216,857	\$58,203	\$275,060
273 North Erie ² (MIAD)	\$680,000		\$680,000
TOTAL	\$2,356,400	\$688,800	\$4,045,200

¹This amount is paid separately but is allocable to all of the preceding Project Segments.

²This Segment is not yet included as part of the Development Agreement between the City and the BID. It is anticipated that the Development Agreement will be amended in the future to add this Segment to the BID's scope of responsibilities. It is also anticipated that a private share from MIAD will be required for this Segment, and that the overall budget will accordingly increase.

MWR091118T8-SR. 03/30/94

** TOTAL PAGE.005 **

DRAFT OF JULY 20, 1998

EXHIBIT K

**BUSINESS IMPROVEMENT DISTRICT NO. 2
SECOND AMENDMENT
TO
1998 OPERATING PLAN**

July __, 1998

Submitted by:

**Historic Third Ward Association, Inc.
219 North Milwaukee Street - 2nd Floor
Milwaukee, Wisconsin 53202
(414) 273-1173**

**BUSINESS IMPROVEMENT DISTRICT NO. 2
SECOND AMENDMENT
TO
1998 OPERATING PLAN**

I. PREFACE

A. Background

The City of Milwaukee ("City") created Business Improvement District No. 2 ("BID") and approved its initial operating plan by Common Council Resolution No. 870501, adopted October 6, 1987.

The City approved an Operating Plan for the BID by Common Council Resolution No. 971003, adopted November 4, 1997, for calendar year 1998. The City approved an Amended and Restated 1998 Operating Plan for the BID by Common Council Resolution No. 971819 adopted April 7, 1998. Except as otherwise defined herein, capitalized terms used herein shall have the meanings given to them in such Amended and Restated 1998 Operating Plan.

This Second Amendment to 1998 Operating Plan ("Second Amendment") was approved by the BID's Board (the "Board") at a public meeting thereof held on July __, 1998. This Second Amendment was approved by the Common Council by Common Council Resolution No. _____, adopted July 24, 1998.

Except as amended by this Second Amendment, the Amended and Restated 1998 Operating Plan shall remain in full force and effect. The Amended and Restated 1998 Operating Plan as amended by this Second Amendment is referred to herein as the "BID Operating Plan" and shall be the operating plan of the BID for purposes of Section 66.608 of the Wisconsin Statutes.

B. Purpose

The purpose of this Second Amendment is to provide for (i) the acquisition of land in the block bounded by North Water Street, East Chicago Street, East Menomonee Street and North Broadway Street (the "Project Site"); (ii) the construction and equipping on the Project Site of a multilevel parking structure of approximately 400 to 450 spaces, together with customary amenities and perhaps commercial space (collectively, the "Parking Structure" and, together with the Project Site, the "Project"); (iii) the financing of the Project, including provision for special assessments; and (iv) the operation and management of the Parking Structure.

1. Acquire all or any portion of the Project Site by purchase, or by lease, or for cash up front, or on an installment sale basis, or in exchange for a lease or transfer of spaces in the Parking Structure, or for such other or additional consideration as the Board deems necessary or convenient;
2. Contract for the design and construction of the Parking Structure in such manner as the Board shall deem appropriate, without the necessity of taking competitive bids, including the use of design/build contracts, "fast track" construction contracts, guaranteed maximum construction contracts or such other approach to design and construction contracting as the Board deems necessary or convenient;
3. Provide for the operation and management of the Parking Structure through the employment of appropriate personnel or by contracting with the Historic Third Ward Association, Inc. or some other third party for the operation and management services;
4. Enter into long-term arrangements for the provision of parking spaces (including lease, sale or license arrangements) with the owners of Riverwalk Condominiums and Reliable Knitting Company in consideration of the transfer to the Board of portions of the Project Site;
5. Consistent with financing limitations or requirements, enter into long-term or monthly arrangements (including lease, sale or license arrangements) with third parties for the provision of parking to such third parties;
6. Borrow money to finance the costs of the Project, including interest during and for a reasonable start-up period following construction, legal and financing costs, and the provision of the Special Reserve Fund described below and other reserves deemed necessary or desirable; provided, however, that the aggregate principal amount of the borrowings for the Project shall not exceed \$5,720,000 unless authorized by a subsequent amendment to the 1998 Operating Plan or a subsequent annual operating plan of the BID approved in accordance with law;
7. In the case of any borrowing from RACM (each a "RACM Project Loan"), establish and fund a special revenue reserve fund (the "Special Reserve Fund") in an amount calculated in accordance with Section IV;
8. Provide for special assessments, as described in this Second Amendment, to fund any deficiencies in the Special Reserve Fund;
9. Mortgage and grant security interests in the real and personal property of which the Project is composed;

City. The RACM bonds will not create a debt of the City or a charge against its general credit or taxing powers.

It is anticipated that the borrowing by the Board from RACM may, but need not, be secured by a lien on the revenues of the Parking Structure and/or a mortgage lien on and security interest in the tangible property of which the Project is composed.

A Special Reserve Fund shall be used to make principal and interest payments on each RACM Project Loan (or reimbursements to the issuer of the related bank letter of credit) whenever the amounts available from the operation of the Parking Structure or other available funds of the Board are insufficient. The required balance in a Special Reserve Fund (the "Required Reserve Fund Balance") shall be the maximum amount of principal and interest scheduled to fall due on the related RACM Project Loan during the current or any future one-year period ending on September 1. Any deficiency in the Special Reserve Fund shall be replenished by assessments as provided in Section V below.

V. SPECIAL ASSESSMENTS

A. Levy for Special Reserve Funds

The City shall levy and collect special assessments from the eligible BID property each year that the Board has an outstanding balance on a RACM Project Loan. The amount of the special assessment levied in each year in respect of each RACM Project Loan shall be the difference (but only if a positive number) obtained by subtracting the current market value of the Special Reserve Fund for such RACM Project Loan from the Required Reserve Fund Balance for such Project Loan, both determined as of September 15 of such year based on certifications delivered to the City by the Board (such difference being referred to as a "Special Reserve Fund Deficiency"). The levy shall be upon all eligible property in the BID pursuant to the methodology established in Section V of the Amended and Restated 1998 Operating Plan. The maximum aggregate levy of special assessments in any one year pursuant to this Section V.A. shall not exceed \$400,000.

B. Custody of Collected Special Assessments

All special assessments received from the BID pursuant to this Second Amendment shall be placed in a segregated account in the City treasury but shall be physically maintained in the Special Reserve Fund held in the custody of a trustee selected by RACM with the approval of the City Comptroller. No disbursements shall be made from a Special Reserve Fund except for: (i) payments to RACM in respect of principal or interest on the related RACM Project Loan or to a bank as reimbursement for draws on its Letter of Credit used to make such payments, (ii) following final payment of the related RACM Project Loan, disbursements made upon the order of the Board for the purpose of implementing the 1998 Operating Plan, as amended from time to time, and (iii) upon termination of the BID, disbursement of any remaining balance as required by law.

EXHIBIT A
PROJECT BUDGET
CHICAGO & WATER ST. PARKING STRUCTURE

CONSTRUCTION (see attached)	\$4,624,000
ARCHITECTS / ENGINEERS (6%)	260,000
ENVIRONMENTAL	<u>50,000</u>
Sub-Total	\$4,934,000
DEBT SERVICE RESERVE FUND	\$ 400,000
CAPITALIZED INTEREST FUND	350,000
UNDERWRITER (1%)	57,200
LEGAL	40,000
CONTINGENCY / OTHER	173,800
CAPITAL CONTRIBUTION	(235,000)
TOTAL	5,720,000

I. WATER STREET PARKING STRUCTURE

A. INTRODUCTION

The City of Milwaukee by Common Council Resolution No. 972014 adopted July 24, 1998 authorized the BID to amend its plan of operation to borrow up to \$5,720,000 through the Redevelopment Authority of the City of Milwaukee to construct a 430 car parking garage on the northeast corner of Chicago and Water Streets. A copy of the BID No. 2 Second Amendment To the Operating Plan is attached hereto as Exhibit K (the "BID Second Amendment").

B. PURPOSE

The objective of the BID was to erect a Parking Structure on the northeast corner of North Water and East Chicago Streets (the Project Site). The purpose of this Project was to address the need for additional parking that cannot be accommodated by existing capacity in the vicinity. The Project would enhance the likelihood that the development and redevelopment of properties and businesses in the Third Ward will continue.

C. ACTIVITY

To operate and maintain a second parking structure in the Third Ward. The structure was completed in February 2000.

D. BUDGET AND EXPENDITURES

The budget for the Project was \$5,720,000 as set forth in Exhibit A of the BID Second Amendment, all of which will be paid from borrowed funds or, in the case of land acquisition, through an exchange of land and or cash and or services related to the construction of the Project, for interests in the Parking Structure Financing Method. The expenditures for the Project were financed with borrowed money. The form of borrowing was through one RACM Project Loan pursuant to Section 66.431 of the Wisconsin Statutes. RACM funded the RACM Project Loan through the issuance of its tax-exempt and taxable bonds ("RACM Bonds") secured by a bank letter of credit ("Letter of Credit"). The cost of the Letter of Credit, for the initial term of the Letter of Credit, but not exceeding 10 years, shall be borne 50% by the Board and 50% by the City, as per the BID Second Amendment. The RACM bonds will not create a debt of the City or a charge against its general credit or taxing powers.

It is anticipated that the borrowing by the Board from RACM may, but need not, be secured by a lien on the revenues of the Parking Structure and/or a mortgage lien on and security interest in the tangible property of which the Project is composed.

A Special Reserve Fund shall be used to make principal and interest payments on each RACM Project Loan (or reimbursements to the issuer of the related bank letter of credit) whenever the amounts available from the operation of the Parking Structure or other available funds of the Board are insufficient. The required balance in a Special Reserve Fund (the "Required Reserve Fund Balance") shall be the maximum amount of principal and interest on any future one-year period ending on September 15 or as agreed upon with the provider(s) of the Letter(s) of Credit. Any deficient in the Special Reserve Fund shall be replenished by assessments as provided in Section V.

E. LEVY FOR SPECIAL RESERVE FUNDS

The City shall levy and collect special assessments from the eligible BID property each year that the board has an outstanding balance on a RACM Project Loan. The amount of the special assessment levied in each year in respect of each RACM Project Loan shall be the difference (but only if a positive number) obtained by subtracting the current market value of the Special Reserve Fund for such RACM Project Loan from the Required Reserve Fund Balance for such Project Loan, both determined as of September 15 of such year based on certifications delivered to the City by the Board (such difference being referred to as a "Special Reserve Fund Deficiency"). The levy shall be upon all eligible property in the BID pursuant to the methodology stated in Section V of the 1999 Operating Plan. The maximum aggregate levy of special assessments in any one-year pursuant to this section, shall not exceed \$500,000.

F. CUSTODY OF COLLECTED SPECIAL ASSESSMENTS

All special assessments received from the BID pursuant to this Second Amendment shall be placed in a segregated account in the City treasury but shall be physically maintained in the Special Reserve Fund held in the custody of a trustee selected by RACM with the approval of the city Comptroller. No disbursements shall be made from a Special Reserve Fund except for: (I) payments to RACM in respect of principal or interest on the related RACM Project Loan or to a bank as reimbursement for draws on its Letter of Credit used to make such payments, (ii) following final payment on related RACM Project Loan, disbursements made upon the order of the Board for the purpose of implementing the 1999 Operating Plan, as amended from time to time, and (iii) upon termination of the BID, disbursement of any remaining balance as required by law.

G. SUBORDINATION OF TAX INCREMENT DISTRICT RIGHTS

See Section V. "Special Assessments", Paragraph D. of Exhibit K.

H. PROTECTION OF RACM BONDHOLDERS

See Section VI. of Exhibit K.

BUSINESS IMPROVEMENT DISTRICT NO. 2
THIRD AMENDMENT
TO
1998 OPERATING PLAN

January 7, 1999

Submitted by:

Historic Third Ward Association, Inc.
219 North Milwaukee Street - 2nd Floor
Milwaukee, Wisconsin 53202
(414) 273-1173

**BUSINESS IMPROVEMENT DISTRICT NO. 2
THIRD AMENDMENT
TO
1998 OPERATING PLAN**

I. PREFACE

A. Background

The City of Milwaukee ("City") created Business Improvement District No. 2 ("BID") and approved its initial operating plan by Common Council Resolution No. 870501, adopted October 6, 1987.

The City approved an Operating Plan for the BID by Common Council Resolution No. 971003, adopted November 4, 1997, for calendar year 1998. The City approved an Amended and Restated 1998 Operating Plan for the BID by Common Council Resolution No. 971819 adopted April 7, 1998. The City approved a Second Amendment to the 1998 Operating Plan for the BID by Common Council Resolution No. 972014 adopted July 24, 1998. Except as otherwise defined herein, capitalized terms used herein shall have the meanings given to them in such Amended and Restated 1998 Operating Plan.

This Third Amendment to 1998 Operating Plan ("Third Amendment") was approved by the BID's Board (the "Board") at a public meeting thereof held on _____, 1999. This Third Amendment was approved by the Common Council by Common Council Resolution No. 981363, adopted January 19, 1999.

Except as amended by this Third Amendment, the Amended and Restated 1998 Operating Plan shall remain in full force and effect. The Amended and Restated 1998 Operating Plan as amended by this Third Amendment is referred to herein as the "BID Operating Plan" and shall be the operating plan of the BID for purposes of Section 66.608 of the Wisconsin Statutes.

B. Purpose

The purpose of this Third Amendment is to provide for the increase of the maximum levy of \$400,000 for special assessments in any one year (the "Proposal") set by Section V.A. of the Second Amendment to 1998 Operating Plan.

C. Findings and Determinations

The Proposal is found and determined by the Board and the Common Council to be consistent with and in furtherance of existing plans and objectives of the Board and the City for the revitalization and development of the Historic Third Ward.

It is found and determined by the Board and the Common Council that the amounts to be assessed against any property in the BID as a result of the Proposal will not exceed

..NUMB: 981363
..VERS: SUBSTITUTE 1
..REF: 971003
..XXBY: ALD. HENNINGSSEN
..TITL: Substitute resolution approving the Third Amendment to the 1998 Operating Plan for BID No. 2 (Historic Third Ward) in the 4th Aldermanic District.
..ANLS:

- Analysis -

This Operating Plan was previously amended to permit BID No. 2 to borrow, using Redevelopment Authority bonds, up to \$5,720,000 to finance the construction of a 400 to 450 space parking ramp to be located at the southeast corner of North Water Street and East Chicago Street. Payment on the bonds will be secured by a letter-of-credit issued by the Northern Trust Company. The bond issue will capitalize a debt service reserve. In the event the reserve is drawn on, the present Operating Plan authorizes a special assessment of up to \$400,000 annually to restore the reserve. This Third Amendment authorizes an increase in that maximum assessment to \$550,000.

..BODY:

Whereas, The City of Milwaukee, Wisconsin (the "City"), is a municipal corporation organized and existing under and pursuant to the laws of the State of Wisconsin and is authorized by Section 66.608 of the Wisconsin Statutes (collectively, the "Act"):

A. To create a business improvement district.

B. To adopt and amend the operating plan of the business improvement district.

C. To levy special assessments for the purpose of implementing the operating plan of the business improvement district; and

Whereas, By Common Council File No. 870501, adopted October 6, 1987, the City created Business Improvement District No. 2 ("BID No. 2") for an area in the Historic Third Ward and approved its initial Operating Plan; and

Whereas, By Common Council File No. 971003, adopted November 4, 1997, the City approved the Operating Plan of BID No. 2 for the year 1998; and

Whereas, By Common Council File No. 971819, adopted April 7, 1998, the City approved an Amended and Restated Operating Plan for BID No. 2 for the year 1998 (herein referred to as the "First Operating Plan Amendment"); and

Whereas, By Common Council File No. 972014, adopted July 24, 1998, the City approved a Second Amendment to the 1998 Operating Plan for BID No. 2 for the year 1998 (herein referred to as the "Second Operating Plan Amendment"); and

Contract No. 01-009 (CM)

**CITY OF MILWAUKEE AND
BOARD OF BUSINESS IMPROVEMENT DISTRICT NO. 2
DOCKWALL DEVELOPMENT LOAN AGREEMENT**

This Agreement is made this 31 day of October, 2000, by and between the City of Milwaukee ("City") and the Board of Business Improvement District No. 2 ("BID No. 2").

WITNESSETH:

Whereas, BID No. 2 is undertaking a riverwalk construction project along the east side of the Milwaukee River between East Clybourn Street and North Water Street ("BID No. 2 Riverwalk Project Area") which will constitute a portion of the overall riverwalk system intended to eventually cover a good portion of the Milwaukee River flowing from the harbor entrance to the North Avenue Dam area; and

Whereas, BID No. 2 has identified various dockwalls along the east bank of the Milwaukee River, and more particularly described in Exhibit A hereto, in the BID No. 2 Riverwalk Project Area that are deteriorated and in need of reconstruction (each a "Project Segment"), and certain related work (the "Dockwall and Related Work"), in advance of the intended riverwalk project; and

Whereas, BID No. 2 has requested that the City provide \$500,000 in loan funds ("City Loan") and anticipates additional loan funds to enable it to undertake the financing of the Dockwall and Related Work; and

Whereas, the City is desirous of assisting in the orderly development of the riverwalk system in the BID No. 2 Riverwalk Project Area and has approved of this Agreement, and the incorporated City Loan, in Common Council File No. 000001, adopted May 19, 2000; and

Whereas, BID No. 2 has approved of this Agreement in action taken on October 30, 2000, and has agreed to repay such City Loan by providing for assessments for such purposes via an amendment to its 2001 Operating Plan and inclusion in subsequent years' operating plans;

Now, Therefore, the City and BID No. 2 in consideration of the premises and the mutual promises and undertakings hereinafter contained, mutually agree and covenant as follows:

I. CITY ACTIVITIES

A. Subject to the terms and conditions hereinafter set forth, the City shall provide a City Loan of \$500,000 to BID No. 2. The City Loan shall be disbursed to BID No. 2 pursuant to the conditions set forth in paragraphs B and C below and shall be used solely to fund the approved Dockwall and Related Work activities.

B. No City Loan funds shall be disbursed to BID No. 2 until all of the following have occurred:

D. With respect to any Project Segments located on or to be located on wholly City-owned land and/or rights of way, the City hereby grants to BID No. 2 access rights, and rights of entry necessary to construct the Dockwall and Related Work for such Project Segments subject to the conditions in II. 2., 3., 4., 5., 6., 7., and 8 below.

II. BID No. 2 ACTIVITIES

BID No. 2 shall:

1. Obtain all property rights, including but not limited to riparian rights, easements and access rights needed to construct the Dockwall and Related Work for the particular Project Segment(s) for which BID No. 2 seeks City Loan funds subject to the approvals and conditions in I above.
2. Prepare or have prepared final plans and specifications for the Dockwall and Related Work for the particular Project Segment(s) for which BID No. 2 seeks City Loan funds, subject to the approval of the Commissioner as provided in I above.
3. Prepare or have prepared a final construction budget for the Dockwall and Related Work for the particular Project Segment(s) for which BID No. 2 seeks City Loan funds, subject to the approval of the Commissioner as provided above in I above.
4. Obtain and pay for all governmental permits, fees and approvals necessary to construct the Dockwall and Related Work for the particular Project Segment(s) for which BID No. 2 seeks City Loan funds.
5. Construct or cause to be constructed the Dockwall and Related Work for each Project Segment in accordance with the approved plans and specifications.
6. Provide or cause to be provided the following insurance coverages during any construction of the Dockwall and Related Work and afterward, as appropriate: (a) fire and builder's risk property insurance on any improvements in the BID No. 2 Riverwalk Project Area on which Dockwall and Related Work will be performed and on all materials in or adjacent thereto and intended for use thereon to the full maximum insurance value thereof; (b) such insurance as will protect BID No. 2 from claims under Workmen's Compensation Acts; and (c) comprehensive general liability insurance and comprehensive automobile liability insurance each in the amount of at least \$2,000,000 combined single limit for bodily injuries, death and property damage resulting from any one occurrence.
7. Subject to the force majeure provisions of Section VIII, substantially complete the Dockwall and Related Work by November 30, 2001. For purposes of this Agreement, "substantial completion" shall mean the date certified by BID No. 2's architect for the Dockwall and Related Work and accepted by BID No. 2 or its designee when construction is sufficiently complete, in accordance with approved plans and specifications, so that BID No. 2 may use areas improved by the Dockwall and Related Work for the use for which those facilities were intended.
8. When the Dockwall and Related Work for each Project Segment for which BID No. 2 seeks City Loan funds is substantially completed as set forth in subparagraph 7 above,

subcontractors to do the same. All such books and accounts shall be maintained in accordance with generally accepted accounting principles consistently applied, and shall be kept for a period of six years subsequent to substantial completion of the Dockwall and Related Work.

B. The City Comptroller shall have the right, upon reasonable notice to BID No. 2, its contractor or subcontractors as the case may be, to examine the books and accounts of BID No. 2, its contractor or subcontractors during normal business hours.

C. After substantial completion of the Dockwall and Related Work, BID No. 2 shall submit to the Commissioner a complete set of "As Built" plans and specifications as well as a copy of all approved shop drawings.

VI. DBE/RPP REQUIREMENTS

In contracting for the construction of the Dockwall and Related Work, BID No. 2 shall comply with an 18% City Disadvantaged Business Enterprise requirement and a City resident employment requirement of 25% of worker hours, as defined in Milwaukee Code of Ordinance chapters 360 and 309-41, respectively.

VII. TERM

The term of this Agreement shall be for 25 years or until repayment is made in full on the final Project Segment for which City Loan funds have been secured, whichever occurs later, and commencing on the date first above written.

VIII. FORCE MAJEURE

If BID No. 2 is delayed or interrupted in the performance or completion of its obligations hereunder by any cause beyond its control, such as but not limited to, any act, neglect or default of the City or of any employee of the City, embargo, war, fire, flood, concealed conditions, cyclone, earthquake, epidemic or other calamity, act of God or of the public enemy, riots, insurrection or any strike, illegal walkout or secondary boycott, then the delay shall be excused and the performance times specified in this Agreement shall be extended for a period equal to the time lost as a consequence of the delay or interruption. No failure of BID No. 2 to assess owners of property in the BID No. 2 Riverwalk Project Area for monies to repay disbursed City Loan funds shall constitute a force majeure event justifying an extension of time for performance under this Section VIII.

IX. DEFAULT/TERMINATION

If BID No. 2 has not substantially completed the Dockwall and Related Work by the time specified in Section II above and the failure to substantially complete was not for force majeure reasons as provided in Section VIII which were BID No. 2's fault and which were within BID No. 2's control, the City shall have the right to terminate this Agreement if, within 60 days after receipt from the Commissioner of a notice of intent to terminate because of failure to substantially complete, BID No. 2 has not substantially completed the Dockwall and Related Work. If the City terminates this Agreement pursuant to this provision, the City shall have no further obligation to provide BID No. 2 with City Loan funds. In the event the City terminates

By Ronald Leonhardt
Ronald Leonhardt, City Clerk

Countersigned:

By John Egan DEPUTY
for W. Martin Morics, Comptroller
CW

**BOARD OF BUSINESS
IMPROVEMENT DISTRICT No. 2**

By Einar Tangen
Einar Tangen, President

Approved as to content this 24 day of
Feb, 2000.

[Signature]
Assistant City Attorney
Sp. Deputy

Approved as to form and execution this
24 day of Feb, 2000.

[Signature]
Assistant City Attorney
34498
Sp. Deputy

AGREEMENT REGARDING REPAYMENT OF DOCKWALL REPAIR COSTS

THIS AGREEMENT is made this 20th day of September X, 2000, by and between BERMER CORPORATION (the "Owner") and the BOARD OF BUSINESS IMPROVEMENT DISTRICT NO. 2 (the "Board").

RECITALS

- A. Owner is the owner of certain real property located along the Milwaukee River in the City of Milwaukee, State of Wisconsin, as more particularly described on Schedule A attached hereto (the "Property").
- B. The parties desire that certain repairs be made to the dockwall of that portion of the Property abutting the Milwaukee River on the west, as identified on Schedule B attached hereto (the "Dockwall Repairs").
- C. On the date hereof, the Owner and the Board entered into a Riverwalk Easement and Project Agreement (the "Easement Agreement") pursuant to which the Owner granted to the Board an easement over portions of the Property for the purpose of constructing the Dockwall Repairs, and the Board agreed to construct the Dockwall Repairs.
- D. Pursuant to the terms of the Easement Agreement, Owner agreed to repay the Board for Owner's share of costs incurred by the Board in constructing the Dockwall Repairs. Accordingly, the parties desire to set forth herein the terms upon which Owner shall repay the Board for its costs.

AGREEMENTS

NOW, THEREFORE, Owner and the Board, in consideration of the premises and the mutual promises herein, mutually agree and covenant as follows:

- 1. Costs. The costs incurred or to be incurred by the Board in constructing the Dockwall Repairs are set forth on Schedule C attached hereto (the "Costs"). Owner agrees to pay the Board Owner's share of the Costs as set forth on Schedule C. The Costs shall bear interest from the date hereof until paid at the rate of 6.8% per annum. Payments are calculated based upon a 20-year amortization period and will be paid in equal monthly installments of principal and interest of \$1,020 each, commencing on January 1 of the year following the year in which construction of the Dockwall Repairs on the Property is complete and on each January 1 thereafter until paid in full. Interest on principal funds advanced

be deemed delivered either upon actual receipt or upon refusal by a party to accept delivery. Either party may change its address for purposes of receiving notice by delivering written notice thereof in accordance with the requirements of this paragraph.

To Property Owner:
Bermer Corporation
c/o Stewart Management
3575 North Oakland Avenue, #1
Milwaukee, WI 53211

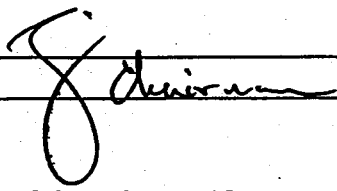
To Chicago:
Chicago Title Insurance Company
Attn: Michele Schmid
20900 Swenson Drive
Waukesha, WI 53187

To the Board:
c/o Historic Third Ward
Attn.: Ms. Nancy O'Keefe
219 North Milwaukee Street
Milwaukee, WI 53202

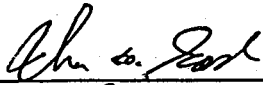
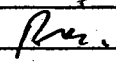
6. Covenants. This Agreement and all rights of the Board and obligations of Owner hereunder shall be covenants running with the land, encumbering the Property throughout the term of the Agreement, and shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

7. Amendment and Severability. This Agreement may be amended only by a written instrument executed by both the Board and Owner. If any provision of this Agreement shall be held invalid or unenforceable, the remaining provisions shall be valid and in force to the fullest extent permitted by law.

BOARD OF BUSINESS
IMPROVEMENT DISTRICT NO. 2

BY _____
Its 

BERMER CORPORATION

BY 
Its 

State of Wisconsin)
 : SS