

**AMENDMENT TO RENTAL AGREEMENT
BY AND BETWEEN
THE CITY OF MILWAUKEE
AND
MILWAUKEE HEALTH SERVICES, INC.**

Amendment made this ____ day of _____, 2004, to the Rental Agreement entered into the 1st day of January, 1996 (the "Agreement"), by and between the City of Milwaukee (the "City") and Milwaukee Health Services, Inc. (the "Agency").

In consideration of the mutual promises of the parties contained herein, it is agreed as follows:

1. Amendment of Section A. Section A.1. of the Agreement is amended to provide as follows:

1. The term of this Agreement shall be extended through December 31, 2006. It may be renewed and/or extended by the parties upon mutually-agreed upon terms upon the written consent of both parties.

2. Amendment of Section D. Section D of the Agreement is amended to provide as follows:

D.

OCCUPANCY FEES

1. The Agency shall make monthly payments of occupancy and operating maintenance charge fees (representing occupancy fees under this section, security guard services under section E, telephone services under section F, and custodial and housekeeping charges under section G) to the Commissioner of Health, City of Milwaukee, in the amount of

_____ Dollars (\$_____) during calendar year 2004. Thereafter, the amount of such monthly payments shall be recalculated to adjust for the Agency's proportionate share of actual costs of occupancy and maintenance.

2. Payments shall be made within thirty (30) days of date of invoice, which shall be during the first week of each month. In the event that the Agency is 60 days or more past due in payment of any current operating and occupancy maintenance charges, the City shall have the right to terminate this Agreement upon 30 days written notice and thereupon to immediately recover possession of the portion of the Health Center within coverage of this Agreement and/or otherwise utilized by the Agency.

3. The Agency will repay 2/3 of the occupancy and maintenance charge balance currently due to the City and outstanding as of February 17, 2004 (\$785,174.33), without interest, as expeditiously as possible, as follows:

a) The City shall apply \$364,862 of the amount currently held by the City as a result of the past withholding of 15% of monthly Medicare settlements due to the Agency. In addition, the City shall apply \$200,000 of the \$267,474 balance due to the Agency for program years 1996-2000 to reduce this debt. The remaining \$67,474 of this \$267,474 amount will be paid directly to the Agency on or before _____, 2004 and will be applied by the Agency for Municipal Health Services Program operations.

b) The remaining past due occupancy and operating maintenance charge balance (\$220,312.33) will be repaid through withholding by the City of 15% of all future interim and final Municipal Health Services Program Medicare settlements from the Centers for Medicare and Medicaid (CMS) to the Agency, for the entire term of this Agreement and any extensions thereof. The full amount of such withholding will be applied to reduce the past

due balance. The withholding amount will be reduced to 10% in the event that the Agency remains current in its occupancy and operating maintenance charge payments for a period of twelve consecutive months. In the event of any late payment thereafter, the withholding amount will be increased to 15%.

3. The remaining 1/3 of the past due occupancy and operating maintenance charge balance outstanding as of February 17, 2004 (\$392,587.16) shall be repaid, without interest, only in the event that the Agency shows a surplus in any organizational fiscal year of \$500,000 or more. In that event, 10% of that surplus shall be immediately paid to the City until the remaining balance has been reduced to zero.

3. Amendment of Section H. Section H of the Agreement is amended to add the following section 7.16:

16. Eligibility for CDBG Funding. Any consideration of an application by the Agency for an award of Community Development Block Grant (CDBG) funding from the City in 2005 and thereafter is contingent upon the Agency remaining current on all future operating and occupancy maintenance charges.

4. All Other Provisions Remain in Effect. Except as specifically amended herein, all other terms and provision of the Agreement shall remain in full force and effect.

In witness whereof, the parties have executed this Agreement the day and year first written above.

IN THE PRESENCE OF:

CITY OF MILWAUKEE

MARVIN PRATT, ACTING MAYOR

DATE: _____

IN THE PRESENCE OF:

MILWAUKEE HEALTH SERVICES, INC.

DATE: _____

COUNTERSIGNED:

COMPTROLLER

DATE: _____

This Agreement was drafted by
the Office of the City Attorney

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