

AMENDMENT NO. 2 TO RECOGNITION AGREEMENT

THIS SECOND AMENDMENT is made and entered into effective as of January 2, 2018, by and among **THE CITY OF MILWAUKEE** ("*Ground Lessor*"), **MARCUS CENTER FOR THE PERFORMING ARTS, INC.** ("*Ground Lessee*"), and **JOHNSON BANK** ("*Lender*").

RECITALS

A. Ground Lessor, Ground Lessee and Lender have previously entered into a Recognition Agreement, dated February 29, 2016 (the "*Original Recognition Agreement*") as amended by that certain Amendment No. 1 to Recognition Agreement dated August 31, 2016 ("*First Amendment*") (the Original Recognition Agreement and the First Amendment shall be collectively referred to as the "*Recognition Agreement*").

B. Ground Lessor, Ground Lessee and Lender desire to amend the Recognition Agreement pursuant to the terms of this Second Amendment.

NOW, THEREFORE, in consideration of the recitals and the mutual covenants and agreements set forth herein, the parties hereto hereby amend the Recognition Agreement as follows:

1. **Defined Terms.** Unless otherwise defined in this Amendment, all capitalized terms used herein shall have the meanings given to them in the Recognition Agreement.

2. **Amendment to Recitals B, C and D of the Recognition Agreement.** Recitals B, C and D of the Recognition Agreement are hereby amended by deleting the existing text in its entirety and replacing it with the following:

B. Ground Lessee previously obtained a loan from Lender in the amount of Five Hundred Thousand Dollars (\$500,000.00) which was subsequently increased to Two Million Three Hundred Thousand Dollars (\$2,300,000.00) (the "*Loan*") for the purpose of making certain repairs and maintenance to an existing parking structure situated on the Property ("*Parking Structure*") and, in connection therewith, encumbered Ground Lessee's leasehold interest in the Property as security for the Loan.

C. Ground Lessee has incurred additional expenses related to repairs and maintenance to the Parking Structure and, as a result, on October 3, 2017, Lender increased the amount of the Loan to Ground Lessee to Four Million Seven Hundred Fifty Thousand Five Hundred Thirty-Nine Dollars (\$4,750,539.00), with the proceeds used to finance such additional repairs and maintenance and to refinance the original principal balance of the Loan.

D. As of the date hereof, Ground Lessee has exercised its option to convert the construction loan facility ("*Construction Loan*") under the Loan to a permanent loan facility ("*Perm Loan*"), as evidenced by and upon the terms and conditions stated in that certain Second Amended and Restated Promissory Note, dated October 3rd, 2017, as amended by that certain Omnibus Amendment, dated December 1, 2017 and as further amended by

that certain First Amendment to Second and Restated Promissory Note, dated January 2, 2018.

- E. Lender made the Loan, agreed to lend such additional funds to Ground Lessee and agreed to convert the Construction Loan to a Perm Loan, secured in part by Ground Lessee's leasehold interest under the Ground Lease, provided that Ground Lessor and Ground Lessee agree to the provisions of this Agreement.

3. **Acknowledgment and Reaffirmation of Recognition Agreement.** Ground Lessor and Ground Lessee each hereby acknowledge and agree that: (a) they are aware that Ground Lessee has borrowed additional funds from Lender, thereby increasing the amount of the Loan, (b) the Construction Loan has been converted to a Perm Loan; (c) the Mortgage secures payment of the full amount of the Loan; and (d) notwithstanding the increased amount of the Loan to be secured by the Mortgage, the Recognition Agreement, as amended hereby, remains in full force. In addition, Ground Lessor and Ground Lessee each hereby reaffirms, in light of the additional amounts Ground Lessee is borrowing from Lender and the increased amount of the Loan secured by the Mortgage, its covenants and agreements set forth in the Recognition Agreement, as amended hereby.

4. **Additional Provisions.** Except as expressly modified by this Second Amendment, the terms and provisions of the Recognition Agreement shall remain in full force and effect and shall be applicable to this Second Amendment as if specifically set forth herein.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the day and year first above written.

CORPORATION:

BANK:

THE CITY OF MILWAUKEE

JOHNSON BANK

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

MARCUS CENTER FOR THE
PERFORMING ARTS, INC.

By: _____
Name: _____
Title: _____