

COOPERATION, CONTRIBUTION AND DEVELOPMENT AGREEMENT

Tax Incremental Districts No. 22 and 84

(Milwaukee Bucks Arena Project)

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**COOPERATION, CONTRIBUTION AND
DEVELOPMENT AGREEMENT**

(TIDs No. 22 & 84 - Milwaukee Bucks Arena Project)

This COOPERATION, CONTRIBUTION AND DEVELOPMENT AGREEMENT (“Agreement”) is made as of the 22nd day of December, 2015 (the “Effective Date”), by and among Deer District LLC, a Delaware limited liability company, (“DEVELOPER”); the Redevelopment Authority of the City of Milwaukee, a public body corporate and politic organized and existing under the laws of the State of Wisconsin (“RACM”); and the City of Milwaukee, a Wisconsin municipal corporation (“CITY”).

RECITALS:

1. DEVELOPER intends to design and construct an approximately 17,500 seat arena in downtown Milwaukee on the New Arena Parcel, as defined herein, that will be owned by the Wisconsin Center District, a local exposition district created pursuant to Chapter 229 of the Wisconsin Statutes (the "District"), leased and operated by DEVELOPER and used as the home arena of the Milwaukee Bucks basketball team, a franchise in the National Basketball Association (the “Bucks Arena”).

2. In addition to the Bucks Arena, DEVELOPER intends to design and construct the Parking Structure, the Public Plaza and the Live Block Plaza, as those terms are defined herein, at a total estimated cost of not less than \$500 million.

3. The DEVELOPER, the State of Wisconsin, Milwaukee County and CITY have agreed that not more than \$250 million of the total estimated cost of the Arena Project and the Live Block Plaza, each as defined herein, would be funded with public dollars, including a CITY contribution of \$47 million.

4. The CITY and RACM each agrees to contribute land for the Greater Arena Project and the Ancillary Development, as those terms are defined herein, within CITY’s Tax Incremental District No. 84 (West McKinley and West Juneau) (“TID 84”) boundaries.

5. In accordance with the Tax Increment Law, as defined herein, by passage of Common Council Resolution File No. 150383, on September 22, 2015, CITY authorized execution of this Agreement, approved conveyance of the 4th & Highland Parcel and RACM’s Park East Parcel, as those terms are defined herein, in support of the Arena Project and the Live Block Plaza and created TID 84 in order to provide for the funding for certain TID 84 project costs including, among other things, \$20 million for the Arena Project and the Live Block Plaza consisting of \$12 million to be used for the Plaza Contribution, as that term is defined herein, and \$8 million to be used for the Parking Structure (collectively, the “TID 84 Contribution”).

6. In accordance with the Tax Increment Law, by passage of Common Council Resolution File No. 150384, on September 22, 2015, CITY approved an amended project plan

for CITY's Tax Incremental District No. 22 (Beerline "B") ("TID 22") in order to provide for the funding for certain TID 22 project costs, including, among other things, \$27 million to be used for the Parking Structure (the "TID 22 Contribution").

7. On July 2, 2015, the Commissioners of RACM, in accordance with the Blight Elimination and Slum Clearance Law, as defined herein, and the Tax Increment Law, approved Resolution No. 10567 which approved the project plan for TID 84 and Resolution No. 10568 which approved the amended project plan for TID 22 and authorized execution of this Agreement.

8. On October 15, 2015, the Commissioners of RACM approved Resolution No. 10584 which approved the conveyance of the RACM Park East Parcel to DEVELOPER.

9. All of the Greater Arena Project will be constructed within the boundary of TID 84 and the Parking Structure will be constructed within one mile of the boundary of TID 22.

10. In order to induce CITY and RACM to undertake the activities set forth in this Agreement, DEVELOPER agrees to cooperate with CITY and RACM in the development of the Greater Arena Project in accordance with the terms of this Agreement.

11. In order to promote development within the boundaries of TID 84 and to assist in the creation of tax base and public improvements attending to such development, CITY and RACM agree to cooperate with each other and DEVELOPER in the development of the Greater Arena Project in accordance with the terms of this Agreement.

In consideration of the above recitals, which are incorporated by reference, and the mutual obligations of the Parties hereto, CITY, RACM and DEVELOPER covenant and agree as follows:

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

1.1. Definitions. In addition to the words and terms elsewhere defined in this Agreement, the following words and terms when used in this Agreement shall have the following meanings:

"4th & Highland Parcel" means the CITY-owned parcel of land and parking structure located at 324 West Highland Avenue in the City of Milwaukee.

"Affiliate" means Fear the Deer LLC ("HoldCo"), Milwaukee Bucks LLC ("TeamCo"), Head of the Herd LLC ("MixedUseCo") or any persons or entities directly or indirectly under the same control, ownership or management as DEVELOPER, HoldCo, TeamCo or MixedUseCo or any persons or entities controlling or managing DEVELOPER, HoldCo, TeamCo or MixedUseCo. DEVELOPER may create other Affiliates for the purposes of carrying out the Greater Arena Project and Ancillary Development, provided, such parties comply with all terms and conditions of this Agreement. The Parties agree that for purposes of this Agreement, any action taken by an

Affiliate with respect to the Greater Arena Project shall be considered an action of the DEVELOPER for which DEVELOPER is responsible and liable hereunder.

“Ancillary Development” means development, including the Training Facility by DEVELOPER or an Affiliate that occurs within the TID 84 boundaries on Blocks 2, 3, 5, 6, 7 and 8, as identified on the development map attached as Exhibit A, that is not included in the Greater Arena Project.

“Arena Project” means design and construction of the Bucks Arena, the Parking Structure and the Public Plaza.

“Arena Project Site” means Blocks 1, 4 and 7 as shown on Exhibit A.

“Arena Project Timeline” means the preliminary schedule for implementation of the Greater Arena Project attached hereto as Exhibit B. The Arena Project Timeline may be revised by DEVELOPER from time to time during the term of this Agreement; provided, however, that extensions aggregating greater than sixty (60) days for the completion date of the Parking Structure (other than due to a Force Majeure Event or a breach of a Project Document by CITY, RACM or Milwaukee County affecting DEVELOPER’s ability to timely complete the Parking Structure) shall be subject to the written approval of the Commissioner.

“Blight Elimination and Slum Clearance Law” means Sections 66.1333 and 66.1337 Wis. Stats., as amended.

“Bond Documents” means any documents necessary to effectuate the sale of RACM-issued bonds to DEVELOPER for the Developer Financed Contribution in accordance with Article VII, which may include a bond purchase agreement, a loan agreement, a contribution agreement or any other document the Parties deem necessary.

“Bradley Center” means the BMO Harris Bradley Center arena currently located on the Bradley Center Land.

“Bradley Center Land” means Blocks 2 and 3 as identified on Exhibit A.

“Bucks Arena” has the meaning set forth in Recital 1.

“Certificate of Completion” means a certificate in substantially the form attached as Exhibit C.

“City Investment” means CITY’s contribution of \$47 million towards the Arena Project and the Live Block Plaza consisting of the TID 22 Contribution and the TID 84 Contribution. City Investment consists of the Plaza Contribution and the Parking Structure Contribution. A schedule of the City Investment is attached hereto as Exhibit J.

“Commissioner” means CITY’s Commissioner of City Development.

“Detailed Planned Development” means the planned development zoning for the Greater Arena Project and Ancillary Development to be proposed by DEVELOPER and considered in good faith by CITY pursuant to Sec. 295-907 of the Milwaukee Code of Ordinances.

“Developer Financed Contribution” has the meaning set forth in Section 7.1.

“Disbursement Agreement” means one or more disbursement agreements, including the Escrow Agreement, to be negotiated and entered into among CITY, DEVELOPER and any other entities deemed necessary to be parties to such an agreement, to address the process for disbursement of the TID 22 Contribution and the TID 84 Contribution as construction of the Parking Structure, Public Plaza and Live Block Plaza progresses.

“District” has the meaning set forth in Recital 1.

“DPW Commissioner” means CITY’s Commissioner of Public Works.

“Easement” has the meaning set forth in Section 8.1.

“Environmental Laws” means all federal, state and local laws including statutes, regulations, ordinances, codes, rules and other governmental restrictions and requirements relating to the discharge of air pollutants, water pollutants or process waste water or otherwise relating to the environment or hazardous substances including, but not limited to, the Federal Solid Waste Disposal Act, the Federal Clean Air Act, the Federal Clean Water Act, the Federal Resource Conservation and Recovery Act of 1976, the Federal Comprehensive Environmental Responsibility Cleanup Liability Act of 1980, regulations of the Environmental Protection Agency, regulations of the Nuclear Regulatory Agency, and regulations of any state department of natural resources or state environmental protection agency now or at any time hereafter in effect.

“Escrow Agreement” means the agreement attached as Exhibit L, which shall be executed by CITY, DEVELOPER and the Escrowee on the Effective Date.

“Executive Director” means RACM’s Executive Director.

“Final Plans” means plans and specifications that will be used for the construction of the Parking Structure prepared by DEVELOPER in accordance with the Detailed Planned Development and this Agreement, and approved in writing by the Commissioner in consultation with the DPW Commissioner. The Parties acknowledge that the Final Plans might not be approved until after CITY and RACM issue the debt necessary to fund the City Investment, but that CITY and RACM monetary contributions towards the PROJECT are capped at the amounts described in this Agreement.

“Greater Arena Project” means the design and construction of the Arena Project plus the Live Block and the Live Block Plaza.

“Human Resources Agreement” means the agreement substantially in the form attached as Exhibit D.

“Live Block” means a retail and entertainment facility surrounding the Live Block Plaza on 3 sides to be designed and constructed by DEVELOPER or an Affiliate on Block 4, as identified on Exhibit A, with a separate tax key parcel than the Live Block Plaza. The Live Block will be located along the northern, eastern and southern portions of Block 4, approximately as delineated on Exhibit E (but subject to change as designs are finalized), and created by a certified survey map of the 4th & Highland Parcel.

“Live Block Plaza” means a covered pedestrian plaza area to be designed and constructed by DEVELOPER on Block 4, as identified on Exhibit A, on a separate tax key parcel adjacent to the Live Block, approximately as delineated on Exhibit E (but subject to change as designs are finalized), and created by a certified survey map of the 4th & Highland Parcel.

“New Arena Parcel” means Block 1, as identified on Exhibit A, the majority of which is currently owned by the Bradley Center Sports and Entertainment Corporation and will be conveyed to the District and thereafter be leased to DEVELOPER for the Bucks Arena, pursuant to Sections. 229.47(2)(b) and 229.461, Wis. Stats.

“Park East Land” means the Milwaukee County-owned land in Blocks 5, 6, 7 and 8, as identified on Exhibit A, for which DEVELOPER currently has an option to purchase.

“Parking Structure” means a new parking structure having a minimum of 1243 parking spaces to be designed and constructed by DEVELOPER on Block 7, as identified on Exhibit A. The portion of Block 7 where the Parking Structure is constructed shall be a separate parcel or condominium unit from the remainder of Block 7 and shall be conveyed to CITY upon completion of the Parking Structure. “Parking Structure” shall refer to both the parking structure building itself and the parcel or condominium unit on which the building is located.

“Parking Structure Contribution” means CITY’s contribution in the amount of \$35 million to be used for the Parking Structure and any other components of the Greater Arena Project that can be funded with the proceeds of the bonds issued by CITY to fund the Parking Structure Contribution without affecting the tax-exempt status, if any, of those bonds. and consisting of the TID 22 Contribution and the Developer Financed Contribution.

“Parking Structure Management Agreement” means the agreement between DEVELOPER, or its Affiliate, and CITY for the operation and management of the Parking Structure after it is conveyed to CITY.

“Parties” means CITY, RACM and DEVELOPER, or its Affiliates, but each may individually be referred to as a Party.

“PILOT Agreement” means any or all of the payment in lieu of taxes agreements to be recorded on the various parcels of land owned by or expected to be owned by DEVELOPER or

Affiliates (exclusive of the Arena Project and the Live Block Plaza) in substantially the form attached as Exhibit F.

“Plaza Contribution” means CITY’s contribution in the amount of \$12 million to be used for the Public Plaza and Live Block Plaza and any other components of the Greater Arena Project that can be funded with the proceeds of the bonds issued by CITY to fund the Plaza Contribution without affecting the tax-exempt status, if any, of those bonds. The Plaza Contribution consists of the TID 84 Contribution minus the Developer Financed Contribution.

“Preconditions” means the preconditions contained in Section 3.4 of this Agreement.

“Preconditions Deadline” means May 31, 2016, unless another date is specified in Section 3.4 of this Agreement. If another date is specified in Section 3.4, said date shall be the “Preconditions Deadline” for the performance or satisfaction of such Precondition.

“PROJECT” means the Greater Arena Project and the additional obligations of DEVELOPER, CITY and RACM described in Article III of this Agreement.

“Project Documents” means this Agreement, the PILOT Agreement(s), the Easement, the Disbursement Agreement(s), the Human Resources Agreement, the Street Dedication, the Parking Structure Management Agreement, any documents necessary to effectuate the Developer Financed Contribution and any other instruments, agreements and documents necessary to complete the PROJECT or meet the terms and conditions of this Agreement, including those agreements between DEVELOPER (or any Affiliate) and the District or Milwaukee County.

“Public Plaza” means the open-air, public plaza to be constructed on the land located between the Bucks Arena and the 4th & Highland Parcel.

“RACM Park East Parcel” means the RACM-owned 8,246 square foot parcel of land located on the southeast corner of Block 5, as identified on Exhibit A, at the intersection of N. Old World Third Street and W. Juneau Avenue.

“Street Dedication” means the deed dedicating public right-of-way as described in Sec. 3.1.O. below.

“Substantial Completion” means completion of the Parking Structure in substantial compliance with the Final Plans and DEVELOPER’s, or an Affiliate’s, compliance with all other material requirements of this Agreement as confirmed in good faith by the Executive Director and DPW Commissioner.

“Tax Increment Law” means Section 66.1105, Wis. Stats.

“Termination Date” means the date on which this Agreement terminates which shall be the earlier of: (i) the date of the Certificate of Completion or (ii) the last of the Preconditions Deadlines if all of the Preconditions have not been completed, unless waived or extended by all Parties.

“TID 22” has the meaning set forth in Recital 6.

“TID 22 Contribution” has the meaning set forth in Recital 6.

“TID 84” has the meaning set forth in Recital 4.

“TID 84 Contribution” has the meaning set forth in Recital 5.

“Training Facility” means the training facility to be constructed by DEVELOPER on Block 8, as identified on Exhibit A.

1.2. Rules of Construction. Unless the context clearly indicates to the contrary, the following rules shall apply to the construction of this Agreement:

A. Words importing the singular number shall include the plural number and vice versa.

B. The captions and headings herein are solely for convenience of reference only and shall not constitute a part of this Agreement nor shall they affect its meaning, construction or effect.

C. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders, and words of the neuter gender shall be deemed and construed to include correlative words of the masculine and feminine genders.

ARTICLE II

PROJECT DESCRIPTION

Subject to the terms and conditions set forth herein, the PROJECT requires DEVELOPER to complete the Greater Arena Project and to comply with all of the obligations of DEVELOPER described in Section 3.1 of this Agreement.

ARTICLE III

PARTY RESPONSIBILITIES

3.1. DEVELOPER Obligations. During the term of this Agreement, DEVELOPER, or an Affiliate, shall do all of the following:

A. To the extent that DEVELOPER or an Affiliate is a party, work diligently and in good faith to complete or finalize all of the Preconditions by the Preconditions Deadline.

B. Obtain a leasehold interest in the New Arena Parcel through a lease agreement with the District and ownership or control of Block 7, as identified on Exhibit A, in order to timely fulfill DEVELOPER's obligations hereunder.

C. Submit an application for CITY approval of the Detailed Planned Development for the land to be utilized for the Greater Arena Project and design the Greater Arena Project consistent with the Detailed Planned Development that is approved by CITY. Such submittals for Detailed Planned Development approval may be done in phases.

1. No later than March 1, 2016, DEVELOPER shall submit an application for CITY approval of the Detailed Planned Development for the land to be utilized for the Bucks Arena and Parking Structure. With regard to the Detailed Planned Development for the Bucks Arena and Parking Structure, DEVELOPER shall work diligently and in good faith to obtain CITY approval by May 31, 2016.

2. DEVELOPER shall submit an application for CITY approval of the Detailed Planned Development for the land to be utilized for the Live Block, Live Block Plaza and Public Plaza on or before September 1, 2016 and shall work diligently and in good faith to obtain CITY approval by December 13, 2016. In the event that the Public Plaza is a pedestrian mall rather than vacated right-of-way as described in Section 8.6, a Detailed Planned Development will not be required for the Public Plaza pursuant to CITY ordinance. However, under that scenario, DEVELOPER shall still submit detailed design plans, comparable to a Detailed Planned Development, to CITY for approval by its Common Council.

D. Agree to be bound by the terms of the Easement in the event that CITY approves the proposed vacation of CITY's North 4th Street right-of-way between West Juneau Avenue and W. Highland Avenue.

E. Accept title to the 4th & Highland Parcel from CITY (or accept title to the Live Block and arrange for the District to accept title to the Live Block Plaza), free and clear of liens and encumbrances, via a quit claim deed, subject to CITY's reversionary interest described in Section 13.3 of this Agreement, demolish the existing structure located thereon, and relocate any public or private utilities thereunder necessary for construction of the Live Block and Live Block Plaza; however, notwithstanding the foregoing, in no event shall CITY convey ownership of the 4th & Highland Parcel until such time as all Preconditions are satisfied and the Detailed Planned Development for the Live Block, Live Block Plaza and Public Plaza is approved by CITY. Demolition of the existing parking structure shall commence within 60 days after conveyance of the 4th & Highland Parcel. DEVELOPER shall honor all leases at the 4th & Highland Parcel that exist at the time of conveyance until termination or expiration of each lease, subject to Sec. 5.4, below. CITY warrants, represents and covenants that the leases identified on Exhibit H, attached hereto, comprise all of the existing leases encumbering the 4th & Highland Parcel at the time of execution of this Agreement, that true and complete copies of such leases or, for individual parking leases, copies of CITY's standard form lease, have been delivered to DEVELOPER and that none of the leases identified in Exhibit H shall be amended after the date hereof and, other than month to month individual parking leases using CITY's standard form lease terminable on 30 day's notice, no additional leases encumbering the 4th & Highland Parcel will be entered into by CITY after the date hereof. DEVELOPER shall pay CITY \$58,805 per month (the "Monthly

Revenue Payment”¹) from the date of conveyance of the 4th & Highland Parcel until the Parking Structure is constructed and open to the public for parking, provided that no payments shall be required for any period of delay that is attributable to breach of a Project Document by CITY or RACM. DEVELOPER shall receive a credit against the Monthly Revenue Payment in the amount of increased net revenues actually received by CITY from its 1000 N. Water Street and MacArthur Square parking structures above their baseline net revenues after the closure of the 4th & Highland parking structure. Baseline net revenues are \$21,829 per month at the 1000 N. Water parking structure and \$112,796 per month at the MacArthur Square parking structure. The foregoing baseline numbers are subject to confirmation by the Parties. CITY and DEVELOPER will develop a process to address payment schedule, monthly revenue reporting, audit rights and application of credits prior to commencement of demolition of the 4th & Highland parking structure. In addition, if the Parking Structure is not completed and opened to the public for parking by December 1, 2017, except to the extent the delay is due to (a) a Force Majeure Event or (b) breach of a Project Document by CITY, RACM or Milwaukee County affecting DEVELOPER’s ability to timely complete the Parking Structure, DEVELOPER shall pay liquidated damages to CITY of \$1,960 per day of delay.

F. Before the date of submission of the Detailed Planned Development for the Public Plaza, Live Block Plaza and Live Block, prepare for submission a certified survey map of the 4th & Highland Parcel to divide it into separate parcels for the Live Block and the Live Block Plaza and record or arrange for the recording of such certified survey map after CITY conveys ownership of the 4th & Highland Parcel. Upon request of the District, transfer or arrange for the transfer of the Live Block Plaza to the District at no cost to the District.

G. With regard to the Parking Structure, provide geotechnical and environmental reports to CITY upon which CITY can rely as verification that the Parking Structure site is of sufficient geotechnical and environmental condition to support construction of the Parking Structure, and secure approval from the DPW Commissioner of the architect and design of the Parking Structure and construct and operate the Parking Structure in accordance with Article V, below. In the event that the cost to complete construction of the Parking Structure is greater than the Parking Structure Contribution, DEVELOPER shall pay for all costs not covered by the Parking Structure Contribution.

H. Prepare the Final Plans and exercise good faith efforts to secure CITY’s approval of them.

I. Exercise good faith efforts to obtain all necessary approvals and building and other permits needed to complete construction of and to occupy and operate the Greater Arena Project.

¹ The Monthly Revenue Payment was calculated with the assumption that CITY would be losing the monthly rent payment on the T-Mobile Central LLC lease identified on Exhibit H. In the event that the T-Mobile Central LLC lease is relocated to another CITY-owned structure and lease payments are made to CITY, the amount of net monthly revenue CITY receives from that relocated T-Mobile Central LLC lease (gross revenue minus a pro rata contribution towards operation, maintenance and a contribution to a capital reserve account, if any, at the structure where the T-Mobile Central LLC lease is relocated) shall be credited against the Monthly Revenue Payment amount.

J. Commence construction of at least one component of the Greater Arena Project by June 1, 2016 and complete construction of the Greater Arena Project in compliance with the Final Plans and the Detailed Planned Development within 60 months after construction commences on any portion of the Greater Arena Project, subject to a Force Majeure Event and further subject to the CITY, RACM, Milwaukee County and the District complying with their respective obligations under the Project Documents. Construction shall be deemed as commencing on the date of commencement of any demolition or construction activities on any portion of the Greater Arena Project.

K. Exercise good faith efforts to complete construction of the Live Block and Live Block Plaza by the time the Bucks Arena opens to the public for its first event.

L. Pay a maximum of \$1 million to CITY for permit fees and on-site expedited applications, reviews, inspections and approvals for the Arena Project and the Training Facility (collectively, the "Permit and Inspection Fees"). Exhibit I, attached hereto, sets forth the scope of what is included in the Permit and Inspection Fees.

M. Upon completion of the Parking Structure, cause the Parking Structure to be conveyed to CITY via special warranty deed, free of all encumbrances and liens that are objectionable to CITY including, but not limited to, any unpaid financial obligations such as utility bills, special assessments or special charges. Prior to such conveyance, CITY shall receive, at no cost to CITY, a title report for the Parking Structure dated within 30 days prior to such conveyance. DEVELOPER has no obligation to provide title insurance to CITY. In the event the title report shows liens, encumbrances or financial obligations on the title that are objectionable to CITY, DEVELOPER shall take steps necessary to remove those liens or encumbrances.

N. Enter into the Human Resources Agreement with CITY.

O. Enter into a PILOT Agreement with CITY for any parcels of land to which DEVELOPER or Affiliate(s) obtain title in Blocks 2 through 8, except the Public Plaza, Live Block Plaza and Parking Structure.

P. In accordance with Section 3.2.M., provide CITY with a deed for public right-of-way purposes for North 5th Street between Highland Avenue and State Street (the "Street Dedication") following demolition of the Bradley Center and clearing of the Bradley Center Land following demolition unless the Ancillary Development eventually proposed for Blocks 2 and 3, as depicted on Exhibit A, is not compatible with establishing North 5th Street between Highland Avenue and State Street and DEVELOPER's obligation to provide the Street Dedication is waived by CITY.

Q. Exercise good faith efforts to obtain ownership of the Bradley Center Land and demolish the Bradley Center within 12 months following completion of the Bucks Arena. The Bucks Arena shall be deemed completed upon the earlier of (1) the first event that is open to the public being held at the Bucks Arena or (2) the issuance of the certificate described in Sec. 229.42(4e)(d), Wis. Stats.

R. Purchase RACM-issued bonds in an amount sufficient to fund \$8 million for the Developer Financed Contribution pursuant to mutually acceptable Bond Documents as further described in Article VII, below.

S. Contribute \$375,000 towards the Workforce Development Program in accordance with Article VI, below.

T. Secure approval and make or arrange for payment for relocation of any utilities currently located within and adjacent to Blocks 5, 6, 7 and 8, as identified on Exhibit A, to the extent necessary for construction of the Greater Arena Project and the Ancillary Development.

U. After completion of the Live Block, lease at least 25% of the total Live Block commercial space to Milwaukee-based tenants, subject to tenant availability and ability to pay prevailing market rent rates. Milwaukee-based tenants may include DEVELOPER or any Affiliate, but portions of the Live Block where DEVELOPER or Affiliate subleases to non-Milwaukee-based franchises shall not be counted towards the 25% (unless the franchisee is Milwaukee-based and not the DEVELOPER or an Affiliate).

V. Following completion of construction of the Greater Arena Project, exercise good faith efforts to diligently pursue and complete the Ancillary Development in an expedient manner, subject to market conditions, with a quality of construction consistent with the Detailed Planned Development requirements for such Ancillary Development.

W. It is contemplated that Blocks 5 and 6, as shown on Exhibit A, will be used by DEVELOPER for construction staging and for temporary surface parking. DEVELOPER shall obtain all necessary approvals from CITY and Milwaukee County for such uses and may not use this land for temporary surface parking longer than 24 months after completion of the Greater Arena Project and the Training Facility.

X. Execute and deliver all Project Documents to which it is a party by duly authorized representatives of DEVELOPER or its applicable Affiliate.

Y. Pay all closing costs related to the conveyance of the 4th & Highland Parcel by CITY and the RACM Park East Parcel by RACM. DEVELOPER acknowledges that pursuant to Sec. 304-49-9 of the Milwaukee Code of Ordinances, CITY cannot convey any part of the 4th & Highland Parcel and RACM cannot convey the RACM Park East Parcel to DEVELOPER, or its Affiliate, if such recipient of the conveyance is in violation of the policies described below at the time of closing. DEVELOPER certifies that neither it, nor any Affiliate that may take title to any part of the 4th & Highland Parcel or the RACM Park East Parcel:

1. Is tax delinquent in the payment of any CITY property tax (real or personal property in the City of Milwaukee), special assessment, special charge or special tax owed to CITY;
2. Has an outstanding judgment owed to CITY;

3. Has outstanding building or health code violations or orders from CITY's Health Department or Department of Neighborhood Services that are not actively being abated;
4. Has been convicted of violating an order of the Health Department or Department of Neighborhood Services within 12 months preceding closing;
5. Has been convicted of a felony that causes neighborhood or community concerns with respect to neighborhood stability, health, safety or welfare; or
6. Has been subject to a CITY property tax foreclosure by the CITY within five years preceding closing.

If DEVELOPER, or its Affiliate, is found to be in violation of any of these CITY policies, CITY or RACM shall give DEVELOPER notice to correct this condition before closing, or other such period as reasonably determined by the Commissioner. CITY and RACM shall not convey any land to DEVELOPER, or its Affiliate, until any and all violations of the CITY policies are corrected.

Z. Negotiate in good faith and execute a Disbursement Agreement for disbursement of the TID 84 Contribution prior to commencement of construction on the Public Plaza, Live Block Plaza or Parking Structure. The Parties acknowledge that the portion of the TID 84 Contribution that is the Developer Financed Contribution may be deposited by the CITY and disbursed in accordance with the terms of the Escrow Agreement so that any portion of the City Investment for the Parking Structure would be disbursed through the Escrow Agreement and the Plaza Contribution would be disbursed through a separate Disbursement Agreement.

AA. Timely perform all material obligations of DEVELOPER under the Project Documents.

3.2. CITY Obligations. During the term of this Agreement, CITY shall do all of the following in order to assist DEVELOPER in completing the PROJECT:

A. Issue debt in amounts sufficient to obtain funds necessary to fund the TID 22 Contribution and the Plaza Contribution on a timely basis so as to be able to meet the construction and disbursement schedule for the Parking Structure, Public Plaza and Live Block Plaza in accordance with the Arena Project Timeline. Under no circumstance is CITY required to issue any long term debt prior to the Preconditions being satisfied.

B. Deposit the TID 22 Contribution with the Escrowee under the Escrow Agreement within 30 days following the Effective Date, which funds will be disbursed according to the Escrow Agreement.

C. Negotiate in good faith and execute a Disbursement Agreement for disbursement of the TID 84 Contribution and deposit the TID 84 Contribution with the escrow agent identified

in such Disbursement Agreement prior to commencement of construction of the Public Plaza, Live Block Plaza or Parking Structure, in accordance with the Arena Project Timeline and following satisfaction of the Preconditions. The Parties acknowledge that the portion of the TID 84 Contribution that is the Developer Financed Contribution may be deposited by the CITY and disbursed in accordance with the terms of the Escrow Agreement so that any portion of the City Investment going towards the Parking Structure would be disbursed through the Escrow Agreement and the Plaza Contribution would be disbursed through a separate Disbursement Agreement.

D. Contribute \$375,000 towards the Workforce Development Program in accordance with Article VI, below.

E. Assist DEVELOPER in obtaining as expeditiously as reasonably possible, all permits, approvals, licenses, certificates, inspections and consents that may be necessary or desirable to enable DEVELOPER to commence and carry out all obligations and actions under this Agreement and the Project Documents, including providing designated contact persons to handle zoning and permitting issues related to the Arena Project, the Live Block Plaza and Training Facility. Nothing contained herein shall be deemed to limit or waive CITY's independent right and authority to review and consider each request for such approvals consistent with the CITY's ordinances and regulations.

F. Convey ownership of the 4th & Highland Parcel to DEVELOPER, or its Affiliate, free and clear of any liens or encumbrances other than the leases listed on Exhibit H and any other encumbrances revealed on a title report furnished by CITY, no later than December 31, 2016. DEVELOPER may assign its rights to receive conveyance of the Live Block Plaza portion of the 4th & Highland Parcel to the District, if District agrees, in which case CITY shall convey the Live Block Plaza portion of the 4th & Highland Parcel directly to the District. Under no circumstances shall the 4th & Highland Parcel conveyance occur prior to commencement of construction of the Parking Structure. The conveyance shall be via quit claim deed in an "as is" condition at no cost to the District or DEVELOPER other than closing costs which shall be borne by DEVELOPER. The quit claim deed shall contain a deed restriction requiring the Live Block portion of 4th & Highland Parcel to be subject to a PILOT Agreement. CITY shall provide DEVELOPER or its Affiliate and the District, if DEVELOPER assigns its rights to the Live Block Parcel as described above, a title commitment for the 4th & Highland Parcel, but is not required to provide any title insurance or gap coverage. CITY shall cooperate and execute title related affidavits reasonably requested by the title company of DEVELOPER's choosing consistent with this Agreement. Prior to conveyance of the 4th & Highland Parcel, CITY shall give termination notices to all parking tenants in the 4th & Highland Parcel currently on a month to month lease agreement and to any cellular tower lease tenants having a lease that is subject to termination by the CITY.

G. Initiate and consider in good faith applications to vacate North 4th Street between W. Juneau Avenue and W. Highland Avenue, the public alleys within Block 1 and the Park East Land, and the portion of North 5th Street in Block 1. City shall exercise good faith efforts to complete any CITY-owned utility work related to those vacations within 6 months, but no longer than 12 months, following each vacation. Such vacations will proceed through the City's

standard process for street vacations. Although CITY agrees to initiate the vacation applications, any necessary utility related costs customarily charged to petitioners of street vacations shall be paid by DEVELOPER.

H. Complete rehabilitation of the sewer facilities located in Highland Avenue by December 31, 2016, if deemed necessary by the DPW Commissioner.

I. Resurface West Juneau Avenue between North 3rd Street and North 6th Street by July 31, 2018.

J. Resurface West Highland Avenue between North 3rd Street and North 4th Street and between North 5th Street and North 6th Street by July 31, 2018.

K. Complete any PROJECT-related streetscaping on West Juneau Avenue and West Highland Avenue as deemed appropriate by the DPW Commissioner by July 31, 2018.

L. Construct North 5th Street from West Juneau Avenue to West McKinley Avenue by or before completion of the construction of the Parking Structure. The Parties acknowledge that if DEVELOPER and CITY agree, this work can be done as part of or in coordination with DEVELOPER's construction contract for the Parking Structure at CITY's cost so long as CITY's customary and legal public construction requirements are followed.

M. At DEVELOPER's or an Affiliate's request and subject to Section 3.1.P., above, construct North 5th Street from West State Street to West Highland Avenue, in coordination with the Ancillary Development on the Bradley Center Land.

N. Facilitate coordination between DEVELOPER, the State of Wisconsin and Milwaukee Metropolitan Sewerage District to relocate a sewer in the Park East Land to West McKinley Avenue. The Parties understand that the Wisconsin Department of Transportation ("WDOT") will relocate the sewer. CITY will fully cooperate and coordinate with WDOT and Milwaukee County to relocate the sewer and pay for any CITY-related incremental costs arising from the upsizing of the state-owned sewer that is located on the Park East Land and such other costs as CITY may agree to. CITY shall be responsible for no other costs related to the sewer relocation.

O. Following receipt of a title report for the Parking Structure issued within 30 days prior to conveyance showing no liens or encumbrances objectionable to CITY, accept title of the Parking Structure via a special warranty deed and comply with the CITY obligations found in Article V related to the Parking Structure.

P. Within 30 days following submission of Final Plans by DEVELOPER, either provide written approval of the Final Plans or a reasonably detailed written explanation of the modifications necessary in order to secure such approval.

Q. Execute and deliver all Project Documents to which it is a party.

R. Timely perform all obligations of the CITY under the Project Documents.

S. Diligently process and review in good faith DEVELOPER's Detailed Plan Development zoning application for the Greater Arena Project and the Ancillary Development. CITY acknowledges that the application will include the temporary surface parking referenced in Sec. 3.1.W., above.

3.3. RACM Obligations. During the term of this Agreement, RACM shall do all of the following in order to assist DEVELOPER in completing the PROJECT:

A. Convey ownership of the RACM Park East Parcel to DEVELOPER, or its Affiliate, free and clear of liens and encumbrances other than non-financial encumbrances revealed on a title report furnished by RACM, within 30 days after the date on which Milwaukee County conveys Block 5 of the Park East Land to DEVELOPER or its Affiliate or on an earlier date at the discretion of CITY and RACM if requested by DEVELOPER or an Affiliate; however, notwithstanding the foregoing, in no event shall RACM convey ownership of the RACM Park East Parcel until such time as all Preconditions are satisfied. The conveyance shall be via quit claim deed in an "as is" condition at no cost to DEVELOPER other than closing costs. The quit claim deed shall contain a deed restriction requiring the RACM Park East Parcel to be subject to a PILOT Agreement. RACM shall provide DEVELOPER or its Affiliate a title commitment for the RACM Park East Parcel, but is not required to provide any title insurance coverage or gap coverage. RACM shall cooperate and execute any title-related affidavits requested by the title company of DEVELOPER's choosing consistent with this Agreement. RACM's obligations under this Section 3.3.A. shall survive the Termination Date unless such termination is due to all of the Preconditions not being satisfied by the Preconditions Date.

B. Issue bonds to be sold to DEVELOPER, or Affiliate(s), to fund the Developer Financed Contribution and provide \$8 million of the bond proceeds to CITY for the City Investment in accordance with Article VII, below.

C. Execute and deliver all Project Documents to which it is a party.

D. Timely perform all obligations of RACM under the Project Documents.

3.4. Preconditions. All of the obligations of the Parties are subject to and conditioned upon the completion of the following Preconditions by the applicable Preconditions Deadline, as may be extended or waived pursuant to this Section 3.4:

A. All Parties being reasonably satisfied that funding mechanisms are in place or substantially progressing for all funds needed for construction of the Arena Project and Live Block Plaza, including: \$47 million from CITY, \$203 million from the District, \$100 million from Senator Herb Kohl (or Greater Milwaukee Foundation) and at least \$150 million from DEVELOPER, or Affiliate(s).

B. District and DEVELOPER, or its Affiliate(s), entering into the various agreements required by Sec. 229.461, Wis. Stats., related to the Arena Project and Live Block Plaza on or before April 1, 2016.

C. Obtaining a final determination from CITY regarding whether the 4th Street right-of-way will be vacated, converted to a pedestrian mall or remain open to vehicular traffic between West Juneau Avenue and West Highland Avenue on or before May 1, 2016.

D. The Detailed Planned Development for the Bucks Arena and Parking Structure being approved by CITY.

E. On or before April 1, 2016, DEVELOPER or an Affiliate and Milwaukee County entering into a development agreement with respect to the conveyance of Block 7 and the construction of the Parking Structure and requiring that the Parking Structure be conveyed to CITY upon completion of construction of the Parking Structure consistent with the requirements of Section 3.1.M, above, and the rest of the Project Documents.

While the Parties may, and likely will, complete some of their obligations under this Article III prior to the Preconditions being met, the Parties have no legal obligation to do so or to complete all of their obligations under this Agreement until all Preconditions have been met, except that DEVELOPER shall have a legal obligation to fulfill the requirements of Sections 3.1.A. and 3.1.C.1., prior to the Preconditions being met. Any completion of obligations under this Article III prior to the Preconditions being met shall not be deemed a waiver of these Preconditions. All Preconditions shall be met by the applicable Preconditions Deadline unless CITY, in its reasonable discretion, extends or waives the Preconditions Deadline. Upon satisfaction of all the Preconditions, CITY shall promptly provide written notice of such satisfaction to the Escrowee under the Escrow Agreement.

ARTICLE IV

CITY INVESTMENT

4.1 Background. This Agreement is entered into in furtherance of both the Blight Elimination and Slum Clearance Law and the Tax Increment Law. Under this Agreement:

A. CITY agrees to act on behalf of RACM by using its powers, as necessary, to provide for the accomplishment of RACM's redevelopment goals pursuant to sec. 66.1333(13), Wis. Stats., and in order to aid RACM's redevelopment activities so that the City Investment will qualify as a project cost for TID 22 and TID 84 pursuant to sec. 66.1105(2)(f)(1)(h), Wis. Stats.

B. Accordingly, CITY and RACM agree that the City Investment is made for the purpose of carrying on redevelopment and assisting in a redevelopment project pursuant to the terms of this Agreement.

C. CITY and RACM agree to cooperate in the achievement of shared redevelopment goals by using their respective powers, including particularly any powers that one but not the other has that are necessary or convenient to the accomplishment of these goals.

D. DEVELOPER agrees to cause the PROJECT to be implemented and Substantial Completion to occur pursuant to the terms of this Agreement (subject to CITY, RACM, Milwaukee County and the District complying with their respective obligations under the Project Documents).

4.2 **Findings and Declarations.**

A. CITY. CITY makes the following findings and declarations:

1. The Arena Project Site lies within the boundaries of TID 84 and exhibits conditions that cause it to be a “blighted area” under the Tax Incremental Law, as evidenced by the TID 84 Project Plan.

2. The City Investment is a “project cost” under the Tax Increment Law in multiple respects. *First*, it is a contribution made under sec. 66.1333(13), Wis. Stats., for the purpose of carrying out redevelopment and assisting in a redevelopment project. *Second*, it is a payment for capital costs including the actual cost to construct a new public parking structure that will be CITY-owned which is a valid “project cost” pursuant to sec. 66.1105(2)(f)1.a., Wis. Stats. *Third*, it is a contribution that is a valid “project cost” under sec. 66.1105(2)(f)1.(intro), Wis. Stats., because CITY is a 1st class city making a contribution towards parking facilities ancillary to and within one mile from the boundary of TID 22 and within one mile from public entertainment facilities that benefit TID 22.

3. The City Investment serves a public purpose by eliminating blighting conditions, enhancing CITY’s tax base, promoting employment opportunities and inducing appropriate redevelopment of the Arena Project Site.

4. The amount of the City Investment is the amount determined by CITY to be necessary to induce development of the Greater Arena Project and the Ancillary Development.

5. Repayment of the Developer Financed Contribution by CITY is a limited and conditional monetary obligation to pay for “project costs” under the Tax Incremental Law, and any administrative costs of issuing bonds to fund the Developer Financed Contribution are “project costs,” within the meaning of sec. 66.1105(2)(f)1.e., Stats.

B. RACM. RACM makes the following findings and declarations:

1. The Arena Project Site continues to exhibit conditions that cause it to be blighted under the Blight Elimination and Slum Clearance Law, as evidenced by the TID 84 Project Plan and as determined by passage of Resolution No. 9569 by the RACM commissioners on December 15, 2003.

2. This Agreement is necessary to effectuate the purposes of the Blight Elimination and Slum Clearance Law.

3. CITY is assisting RACM in improvement and redevelopment of property determined to be blighted.

4. It is not necessary for RACM to acquire the Arena Project Site for the purpose of assisting private improvement, and development of the Arena Project Site, since the Blight Elimination and Slum Clearance Law gives RACM the same duties, powers, and privileges as if it had acquired the Arena Project Site.

5. RACM acknowledges the City Investment as a contribution made in furtherance of the Blight Elimination and Slum Clearance Law for the purpose of carrying on redevelopment and assisting in a redevelopment project.

C. DEVELOPER. DEVELOPER declares that “but for” the City Investment it would not undertake the Greater Arena Project.

4.3 Payments of City Investment and Conditions to Payment.

A. The City Investment funds shall be contributed by CITY to the Arena Project and Live Block Plaza and disbursed in accordance with the Disbursement Agreement(s). Disbursements related to the Parking Structure shall first be made from the TID 22 Contribution before any disbursements related to the Parking Structure are made from the TID 84 Contribution.

B. The City Investment is a monetary obligation of CITY contributing to the actual costs for the design and construction of the Parking Structure, Public Plaza and Live Block Plaza in an amount not to exceed \$47 million.

C. No disbursement of any portion of the City Investment shall occur until all Preconditions are met. No disbursement of the Plaza Contribution shall occur until the Detailed Planned Development for the Public Plaza, Live Block Plaza and Live Block is approved by CITY.

ARTICLE V

PARKING STRUCTURE

5.1 DEVELOPER shall comply with CITY’s requirements for public works projects for the construction of the Parking Structure, including, but not necessarily limited to, compliance with the Human Resources Agreement, competitive bidding requirements and all applicable statutory wage requirements.

5.2 Prior to April 1, 2016, CITY and DEVELOPER, or its Affiliate, shall enter into the Parking Structure Management Agreement or other agreements as necessary for the maintenance and operation of the Parking Structure that will contain the following provisions:

A. DEVELOPER shall manage the day to day operation and maintenance of the Parking Structure. CITY agrees to permit the DEVELOPER to hire a third party professional

parking operator, at a market rate, to fulfill the DEVELOPER's obligations for the operation and maintenance of the Parking Structure.

B. DEVELOPER and CITY shall work together to establish mutually acceptable parking rates at the Parking Structure (and, with respect to other parking facilities as provided in subsection C, below, at mutually agreed upon terms and conditions, including parking rates) for monthly / daily parking and for parking during events at the Bucks Arena.

C. At least 1,243 parking spaces shall be available for parking during events at the Bucks Arena, provided the CITY and DEVELOPER may mutually agree these 1,243 parking spaces may be located in the Parking Structure and other nearby parking facilities so long as at least 843 parking spaces are available in the Parking Structure during events at the Bucks Arena. During other times and Bucks Arena non-event times, all parking spaces in the Parking Structure shall be made available to the public for daily and monthly public parking.

D. CITY shall retain sole rights to arrange for leases, at market rates determined in accordance with subsection B, above, for any parking spaces beyond the 1,243 required for Bucks Arena events or the 843 Parking Structure parking spaces if the parties have mutually agreed to off-site parking as described in subsection C, above. The location of such leased spaces in the Parking Structure shall be subject to approval by DEVELOPER.

E. Revenue from the Parking Structure shall first be applied to operation and maintenance costs, including an annual contribution to a capital reserve account, as more fully identified in the Parking Structure Management Agreement, and the remainder shall be equally split between CITY and DEVELOPER on an annual basis. Any remainder of revenues (after a pro rata contribution toward operation and maintenance costs and a pro rata contribution to a capital reserve account) from off-site parking as described in subsection C, above, shall also be equally split between CITY and DEVELOPER.

F. CITY shall have the right to sell naming rights or sponsorship opportunities for the Parking Structure; provided, however, DEVELOPER or its Affiliate shall have the exclusive right to market and, upon reasonable approval of CITY, grant to third parties such naming rights and/or sponsorship opportunities on CITY's behalf. Any revenue received for such naming rights or sponsorship opportunities shall, after payment of related costs reasonably incurred by DEVELOPER or its Affiliate in securing, and fulfilling obligations with respect to, such naming rights or sponsorship opportunities, be equally split between CITY, on the one hand, and DEVELOPER and/or its Affiliate, on the other hand. Any associated signage related to such naming rights or sponsorship opportunities shall be subject to standard CITY approvals.

5.3 DEVELOPER may, as part of the Arena Project, construct a skywalk connecting the Parking Structure to the Bucks Arena, and shall be responsible for obtaining all necessary skywalk approvals and air space leases and permits through standard CITY procedures and shall be responsible for all maintenance, operations, repairs and capital expenditures related to the skywalk. The cost of the skywalk shall not be funded by the City Investment.

5.4 For any existing parking leases or cellular tower leases at the 4th & Highland Parcel that are not month to month or subject to some other termination provision and are not terminated by CITY, upon conveyance of the 4th & Highland Parcel, or any portion thereof, to DEVELOPER or an Affiliate, DEVELOPER or an Affiliate shall take over as the landlord in such leases and tenants of such leases shall be accommodated by DEVELOPER or such Affiliate at some other location that is agreeable to such tenant between the time that the structure at the 4th & Highland Parcel is demolished and the Parking Structure is completed and open to the public. Upon conveyance of the 4th & Highland Parcel, or any portion thereof, to DEVELOPER or an Affiliate, DEVELOPER or Affiliate shall be responsible for all of CITY's obligations and liabilities under such leases at no cost to CITY.

5.5 Prior to conveyance of the Parking Structure to CITY, DEVELOPER shall subdivide Block 7, as shown on Exhibit A, either via certified survey map or a condominium declaration so that the Parking Structure and Ancillary Development on Block 7 are separate and distinct parcels or condominium units. In the event that a condominium declaration is utilized, the condominium declaration, articles of incorporation and bylaws for the condominium association and any other condominium documents shall be subject to review and reasonable approval by the Commissioner and DPW Commissioner.

5.6 CITY has the sole right to enter into other, non-parking related leases at the Parking Structure including, but not limited to, cellular tower or utility easements so long as CITY coordinates the location of such lease premises with DEVELOPER to assure that such leases do not materially interfere with the parking activities at or operation of the Parking Structure or reduce the number of parking spaces below what is required in this Agreement. Any revenue generated from such leases shall be equally split between CITY and DEVELOPER; provided however, that if the existing lease with T-Mobile Central LLC, identified on Exhibit H, is relocated to the Parking Structure, then all revenue from that lease shall be retained solely by CITY.

ARTICLE VI

WORKFORCE DEVELOPMENT

6.1 The Parties agree to implement a Workforce Development Program, which shall require the following:

A. The completion of a gap analysis of work force capabilities and capacities on a trade by trade basis as required in the Human Resources Agreement for the purposes of maximizing employment opportunities, targeting training programs and assessing compliance feasibility for CITY's Resident Preference Program. The gap analysis shall be completed by CITY (through CITY's Department of City Development and Office of Small Business Development), DEVELOPER and DEVELOPER's project manager, in collaboration with other Milwaukee-based workforce development entities as mutually agreed to by CITY and DEVELOPER. This gap analysis shall be performed both prior to commencement of construction bidding and again following construction bidding.

B. Development and utilization on the Greater Arena Project of various programs with the purpose of increasing workforce capacity, including any of the following: (1) a youth recruitment program, (2) worker recruitment events, (3) a worker recruitment project specifically targeted to employment opportunities related to the operation of the Bucks Arena following construction completion, (4) business development programs for architectural and other professional fields, and (5) any other program that CITY and DEVELOPER mutually agree upon.

6.2 CITY and DEVELOPER shall each contribute a minimum of \$375,000 within 4 years of the Effective Date to be used towards the Workforce Development Project.

6.3 CITY and DEVELOPER may enter into one or more agreements related to the Workforce Development Program and the use of the funds contributed towards the Workforce Development Program.

ARTICLE VII

TID 84 DEVELOPER FINANCED CONTRIBUTION

7.1 The City Investment includes \$8 million that will be financed by DEVELOPER or Affiliate(s) purchasing \$8 million in federally taxable bonds issued by RACM ("Developer Financed Contribution") by May 1, 2016.

7.2 Upon sale of the bonds to DEVELOPER, RACM shall lend the proceeds of the sale as the Developer Financed Contribution to CITY to be used for a portion of the City Investment. CITY agrees to make annual payments to RACM, subject to annual appropriation, to repay the bonds as described herein and in accordance with the Bond Documents.

7.3 Tax increments from TID 84 will provide funds to assist CITY in repaying all bonds or notes issued by CITY or RACM for the TID 84 Contribution, including the Developer Financed Contribution, costs of issuance and reserves. However, no CITY tax increments are or will be actually pledged towards such repayment.

7.4 Repayment of the Developer Financed Contribution shall be subordinate to repayment of CITY-issued bonds or notes for the Plaza Contribution. CITY shall first repay the general obligation bonds or notes issued by CITY for the Plaza Contribution plus all of CITY's borrowing costs related to the Plaza Contribution. Upon CITY fully repaying the Plaza Contribution portion of the TID 84 Contribution plus borrowing costs, CITY shall then repay RACM for the Developer Financed Contribution. RACM will use such funds received from CITY to repay DEVELOPER for the Developer Financed Contribution plus annually compounded interest of 4.5% as of the date that RACM issued the bonds.

7.5 CITY agrees to undertake an annual audit of TID 84, the cost of which is a project cost pursuant to sec. 66.1105(2)(f)1.d., Wis. Stats.

7.6 CITY has no obligation to make payments to RACM to repay the Developer Financed Contribution in excess of the amount of tax increments that have been collected and allocated to TID 84 under the Tax Increment Law. Each year, CITY shall make available to DEVELOPER and RACM, upon their request, a certificate showing the amount of tax increments that have actually been collected and allocated to TID 84 under the Tax Increment Law and the amount of tax increments that are used to pay project costs, including but not limited to, the repayment of the \$12 million in general obligation bonds or notes issued by CITY for the Plaza Contribution plus CITY's borrowing costs. A prototype of such certificate is attached hereto as Exhibit K.

7.7 CITY and RACM shall not enter into any other TID 84 development agreement(s) or incur project costs within TID 84 that make another developer or third party superior to DEVELOPER's repayment rights under this Article VII or extends the length of time of DEVELOPER's repayment.

7.8 The Parties agree that TID 84 shall not last longer than 25 years from the date it was created and any portion of the Developer Financed Contribution that is not repaid within that 25 years due to lack of collected tax increments from TID 84 shall not be collectable by DEVELOPER and shall not constitute a debt or legal obligation of CITY or RACM. DEVELOPER waives any rights of collection of the Developer Financed Contribution and repayment of the RACM-issued bonds beyond the 25-year life of TID 84.

7.9 The Parties agree to enter into any Bond Documents necessary for RACM to issue the bonds, lend the proceeds of the bonds to CITY for the City Investment and repay the Developer Financed Contribution through repayment of the bonds in accordance with the terms of this Article VII.

7.10 The Parties agree that CITY may accelerate its repayment to RACM and RACM may accelerate its repayment of the Developer Financed Contribution to DEVELOPER should TID 84 tax increments exceed expectations and are available to fund early payment so that TID 84 can be terminated earlier than its 25th year.

7.11 The CITY's moral obligation shall not be pledged towards the repayment of the Developer Financed Contribution.

7.12 In the event that this Agreement terminates because the Preconditions are not satisfied by the Preconditions Deadline, all bonds or other borrowing instruments issued by CITY or RACM, shall be refunded including the Developer Financed Contribution.

ARTICLE VIII

EASEMENT

8.1 In the event that CITY approves the proposed vacation of CITY's North 4th Street right-of-way between West Juneau Avenue and W. Highland Avenue, DEVELOPER agrees to be bound by the terms of a Transportation and Public Access Easement (the "Easement") to be mutually negotiated and executed at a later date, but prior to the recording of CITY's Common Council resolution vacating the North 4th Street right-of-way. The Parties acknowledge the expectation that the Easement will contain, at a minimum, the following provisions:

A. CITY shall be granted a transportation easement over the vacated North 4th Street right-of-way for public transportation purposes which may encompass bicycle or recreation trails, bike-share facilities and installation of a fixed-rail transit line, plus related amenities.

B. CITY shall be granted a public access easement over the Public Plaza and Live Block Plaza for use by the general public for normal and customary pedestrian and recreational uses appropriate for a public plaza of the size and scope of the Public Plaza and Live Block Plaza, subject to DEVELOPER's, or its Affiliate's, right to periodically close or partially limit access to the Public Plaza and/or Live Block Plaza for special events, as to be further defined in the Easement.

C. For the duration of DEVELOPER's, or its Affiliate's, lease or management of the Bucks Arena, DEVELOPER shall be responsible for maintaining, repairing and operating the Public Plaza and Live Block Plaza and any amenities installed in the Public Plaza and Live Block Plaza by DEVELOPER. CITY shall at all times be responsible for maintaining, repairing and operating the public transportation facilities and any related amenities installed by CITY. At its cost, CITY shall install and maintain such improvements as are necessary to ensure public safety with regard to the public transportation facilities and CITY shall coordinate with DEVELOPER as to the design and location of such improvements.

D. The Easement shall run with the land.

E. At CITY's sole discretion, unless the District still has bonds outstanding that were issued for funding of the Arena Project and the Live Block Plaza in which case District's approval is also required, the Easement shall terminate and the vacated right-of-way shall be rededicated to CITY, at no cost to CITY, with DEVELOPER responsible for removal (at CITY's discretion) of any improvements installed in the Public Plaza by DEVELOPER or its Affiliates, upon the occurrence of any of the following:

1. Substantial interference that continues unabated after written notice and reasonable opportunity to cure, due to DEVELOPER's use, operation or regulation of the Public Plaza (or, subsequent to the date that DEVELOPER or its Affiliate is no longer leasing or managing the Bucks Arena, the District's use, operation or regulation of the Public Plaza), with CITY's easement rights such that CITY is unable to operate its public transportation facilities.
2. Termination of the use of the Bucks Arena as the home arena of a National Basketball Association franchise.
3. DEVELOPER fails to develop the Arena Project and Live Block Plaza in substantial compliance with the Detailed Planned Development approved by the CITY.
4. Failure to meet the Preconditions by the Preconditions Deadline, unless the CITY otherwise agrees to waive this failure or extend the Preconditions Deadline.

5. DEVELOPER fails to complete construction of the Public Plaza in accordance with the terms of this Agreement.

6. DEVELOPER ceases to use substantially all the vacated right-of-way for public plaza purposes, other than periodic closure for special events.

7. DEVELOPER voluntarily agrees to re-dedicate the vacated right-of-way as public right-of-way.

8.2 The Easement shall be finalized prior to the vacation of North 4th Street such that it can be recorded contemporaneously with the recording of the CITY's related street vacation resolution.

8.3 The Parties understand that CITY will not finalize the vacation of North 4th Street until DEVELOPER, District and CITY agree to the terms of and execute the Easement.

8.4 Nothing herein shall obligate CITY to vacate North 4th Street between West Juneau Avenue and W. Highland Avenue nor shall it obligate CITY, DEVELOPER or District to agree to any specific terms in the Easement and the above-described minimum terms are not binding on any Party or District until the actual Easement is signed.

8.5 Nothing in this Article VIII shall limit CITY's or any utility's ability to retain utility easements pursuant to Section 66.1005, Wis. Stats., in any vacated rights-of-way within the Arena Project Site or the Park East Land.

8.6 The Parties acknowledge that CITY may, as an alternative to considering an application to vacate North 4th Street pursuant to Section 3.2.G., consider making North 4th Street a pedestrian mall pursuant to Section 62.71, Wis. Stats., in which case the North 4th Street right-of-way would not be vacated but could be developed as the Public Plaza. Under that scenario, CITY will exercise good faith efforts to negotiate a lease with the District prior to May 1, 2016, with terms that are mutually agreeable to CITY, District and DEVELOPER, for the pedestrian mall that would include terms consistent with the Easement terms listed above in Section 8.1 and would allow the District to sublease the pedestrian mall to DEVELOPER.

8.7 In the event that North 4th Street between West Juneau Avenue and W. Highland Avenue is not vacated, CITY may, at the time of conveyance of the 4th & Highland Parcel, retain a public access easement consistent with Section 8.1.B., above, over the Live Block Plaza. Such easement would terminate at the same time as any lease or sublease entered pursuant to Section 8.6, above.

ARTICLE IX

INSPECTIONS

9.1 DEVELOPER and its contractors and subcontractors shall be solely responsible for the completion of the Greater Arena Project in accordance with the Project Documents and subject to the CITY, RACM, Milwaukee County and the District complying with their respective obligations relating to the Greater Arena Project under the Project Documents. Nothing

contained in this paragraph shall create or affect any relationship or obligation between CITY or RACM, on the one hand, and any contractor or subcontractor engaged by DEVELOPER, on the other hand, in design and construction of the Greater Arena Project.

9.2 Upon notice and during normal business hours, CITY may make reasonable inspections of the Parking Structure, Public Plaza and Live Block Plaza including, but not limited to, inspections by CITY's Department of Public Works, Department of City Development and Department of Neighborhood Services, during construction, provided that such inspections do not interfere with the progress of the Arena Project and Live Block Plaza. In order to allow CITY agencies to undertake these inspections in a meaningful fashion, DEVELOPER shall, upon request, provide CITY with any change orders and shop drawings relating to the Parking Structure, Public Plaza and Live Block Plaza.

9.3 In the event that CITY determines, as a result of such inspections, that DEVELOPER's contractors or subcontractors are not constructing the Parking Structure, Public Plaza or Live Block Plaza in accordance with the Final Plans or this Agreement, the CITY shall promptly inform DEVELOPER of such noncompliance and DEVELOPER shall, as soon as reasonably possible, require its contractors or subcontractors to remedy such noncompliance. CITY may, pursuant to the terms set forth in the Disbursement Agreement, withhold payment until such corrective measures are completed and the noncompliance cured in a satisfactory manner.

9.4 CITY may, at its discretion, hire an owner's representative for the construction of the Parking Structure to conduct inspections under this Article IX and review disbursement requests under any Disbursement Agreement. The fee of such owner's representative, in an amount not to exceed \$30,000, shall be considered a cost of construction of the Parking Structure and shall be paid out of the Parking Structure Contribution.

ARTICLE X

ENVIRONMENTAL MATTERS

10.1 DEVELOPER covenants and agrees to comply with all Environmental Laws applicable to DEVELOPER's design, demolition and construction activities for the Arena Project and Live Block Plaza. CITY and RACM shall not be responsible for any environmental remediation on the 4th & Highland Parcel or the RACM Park East Parcel as those parcels will be conveyed to DEVELOPER in an "as is" condition subject to no warranties.

10.2 DEVELOPER covenants and agrees to indemnify and hold RACM and CITY, their officers, employees, officials and agents, harmless from and against any and all claims, damages, costs, expenses (including reasonable legal, consulting and engineering fees) and awards of every type and nature arising out of environmental contamination present on the 4th & Highland Parcel and the RACM Park East Parcel at and after the time those parcels are conveyed to DEVELOPER or its Affiliate or in connection with the activities of DEVELOPER (or other persons acting under DEVELOPER's direction or control) at the 4th & Highland Parcel or the RACM Park East Parcel that constitute violations or alleged violations of Environmental Laws. The foregoing indemnification shall not apply to violations of Environmental Laws caused by CITY, RACM or their respective employees, agents or contractors.

10.3 The Parties agree to provide to each other, immediately upon receipt, copies of any notice, pleading, citation, indictment, complaint, order, decree, correspondence or other document, from any source, asserting or alleging a circumstance or condition which:

A. constitutes a violation of any Environmental Laws at the 4th & Highland Parcel and the RACM Park East Parcel;

B. requires or may require a clean-up, removal, remedial action or other response by or on the part of DEVELOPER under Environmental Laws; or

C. seeks damages or penalties (civil, criminal or punitive) from any of the Parties for an alleged violation of Environmental Laws.

ARTICLE XI

CERTIFICATE OF COMPLETION

11.1 When DEVELOPER believes that Substantial Completion has been met, DEVELOPER or its Affiliate shall provide RACM with a copy of the occupancy permits for the Parking Structure and a signed certification from its architect, or another person reasonably acceptable to the Executive Director, stating that the Parking Structure, as constructed, is in compliance in all material respects with the Final Plans. Upon receiving this documentation and confirming that Substantial Completion has been met, RACM shall furnish DEVELOPER with the Certificate of Completion.

11.2 The Certificate of Completion shall constitute a conclusive determination of satisfaction and termination of the covenants and agreements listed in this Agreement, except those terms that have a different termination date or that run with the land as described in this Agreement. The Certificate of Completion shall be in recordable form and may be recorded by DEVELOPER, or its Affiliate, at its discretion and cost.

ARTICLE XII

DEFAULT PROVISIONS

If any one or more of the following events occur, it is hereby defined as and declared to be and to constitute an "Event of Default" under and for purposes of this Agreement.

12.1 Any Party shall materially default in the performance or observance of any of the covenants, agreements or conditions on the part of such Party set forth in this Agreement and the continuance thereof for 5 days following receipt of written notice from another Party specifying such default and requesting that it be corrected; provided, however, if such default is of a nature such that it cannot be cured in such 5-day period, the defaulting Party shall have such time as is reasonably necessary to cure such default provided such Party is diligently and in good faith proceeding to cure such default.

12.2 DEVELOPER, or its Affiliate, committing a default under the development agreement with Milwaukee County related to Block 7 resulting in termination of such development

agreement and, as a consequence, DEVELOPER (or its successor) rendered legally incapable of completing and conveying the Parking Structure to the CITY (a "Termination").

12.3 DEVELOPER, or its Affiliate, committing a Reverter Default, as that term is defined in Section 13.3., below.

12.4 Any Party shall:

- A. Become insolvent; or
- B. Be unable or admit in writing its inability to pay its debts as they become due, or
- C. Make a general assignment for the benefit of creditors or to an agent authorized to dissolve a substantial amount of its property; or
- D. Become subject (either voluntarily or involuntarily) to an order for relief within the meaning of the bankruptcy code and, in the case of an involuntary application, such order is not vacated within 60 days of such order; or
- E. File a petition to effect a plan or other arrangement with creditors; or
- F. File an answer to a creditor's petition, admitting the material allegations thereof, for dissolution, reorganization or to effect a plan or other arrangements with creditors; or
- G. Apply to a court for the appointment of a receiver for any of its assets; or
- H. Have a receiver appointed for any of its assets (with or without consent) and such receiver shall not be discharged within 60 days after appointment; or
- I. Otherwise become the subject of any federal or state bankruptcy or insolvency proceedings, which proceedings are not discharged within 60 days after the initiation of such proceedings.

ARTICLE XIII

REMEDIES

13.1 If an Event of Default shall occur, and after notice and the period to cure as provided for in this Agreement, the aggrieved Party may terminate this Agreement and/or pursue any available remedy, either at law or in equity, against the Party in default including, but not limited to, withholding disbursement of payments provided for in this Agreement, but only to the extent permitted by the Disbursement Agreement.

13.2 If an Event of Default pursuant to Sec. 12.2 shall occur, DEVELOPER shall repay to CITY any portion of the Parking Structure Contribution previously paid to DEVELOPER under the Disbursement Agreement within 60 days of a Termination.

13.3 Notwithstanding anything to the contrary contained herein, if, subsequent to CITY's conveyance of title to any portion of the 4th & Highland Parcel to DEVELOPER, or its Affiliate,

and prior to issuance of the Certificate of Completion, DEVELOPER, or its Affiliate, fails to commence to construct the Live Block or the Live Block Plaza in accordance with the date on the Arena Project Timeline, or after such commencement abandons construction of the Live Block or the Live Block Plaza (except to the extent the delay or abandonment is due to (a) a Force Majeure Event or (b) breach of a Project Document by CITY, RACM or the District related to the Live Block or the Live Block Plaza affecting DEVELOPER's ability to timely complete them) and any such failure or abandonment is not cured, ended or remedied within 90 days after CITY's written demand to do so (a "Reverter Default") then, and only then, shall the CITY have the right to reenter and take possession of the 4th & Highland Parcel and to record against the 4th & Highland Parcel in the Milwaukee County Register of Deeds Office a "Notice of Reverter." DEVELOPER agrees that the recording of such Notice of Reverter in strict compliance with this Section 13.3 shall have the effect of delivering and recording a deed from DEVELOPER, or its Affiliate, to CITY, and shall automatically terminate all of DEVELOPER's, and its Affiliates', rights, title and interest in and to any portion of the 4th & Highland Parcel (and any interest of any successor that has taken title from or through DEVELOPER, or its Affiliate) and revert in the CITY the full estate previously conveyed by the CITY. The intent of this provision, together with other provisions of this Agreement, is that the conveyance of the 4th & Highland Parcel pursuant and subject to this Agreement shall be made upon a condition subsequent to the conveyance that in the event of a Reverter Default, and the failure on the part of DEVELOPER, or its Affiliate, to remedy, end, abrogate or otherwise cure such default, as required herein, CITY at its option may effect a termination of the estate conveyed to DEVELOPER, or its Affiliate, in favor of CITY in which case all rights and interests of DEVELOPER, or its Affiliate, (and of any successor or assign), shall revert to, and thereafter be solely and fully vested in, the CITY. And such reversion of title in the CITY shall be subject to, limited by, and shall not defeat, render invalidate or limit (a) the lien of any mortgage authorized by this Agreement or (b) any right or interest provided in this Agreement for the protection of the holder of such mortgage. CITY agrees that before exercising its reversionary interest, it will exercise its best efforts to work with DEVELOPER to resolve the Reverter Default or to reach some settlement in an effort to avoid exercising the CITY's reversionary interest. Upon the issuance of the Certificate of Completion, this Agreement shall automatically terminate along with CITY's reversionary interest in the 4th & Highland Parcel.

13.4 Notwithstanding the foregoing, the Parties acknowledge that the remedies set forth herein need to be coordinated with Milwaukee County and the District such that the remedies provided herein do not materially interfere with completion of the Greater Arena Project under the Project Documents or, if there is no way to avoid material interference with the completion of the Greater Arena Project under the Project Documents, CITY and RACM shall use their best efforts, prior to implementing the remedies provided for herein, to work with Milwaukee County and the District on remedies under the respective Project Documents that are reasonably fair to CITY, RACM, Milwaukee County and District.

ARTICLE XIV

PROHIBITION AGAINST TRANSFER OF PARCELS

Subject to Article XIX herein, DEVELOPER, or its Affiliate, has not made or created, and will not, prior to the issuance of the Certificate of Completion, make or create, or suffer to be made or created, any partial or total sale, assignment, conveyance, trust or transfer in any other

mode or form of or with respect to their interests in, and obligations under, this Agreement, the 4th & Highland Parcel or the RACM Park East Parcel, or any part thereof or any interest therein, or contract or agree to do any of the same, without the prior written approval of the Commissioner or Executive Director unless DEVELOPER remains liable and bound by this Agreement, in which event the Commissioner or Executive Director's approval is not required. Notwithstanding the foregoing, DEVELOPER or its Affiliate may: (i) convey or cause to be conveyed the Live Block Plaza to the District, or (ii) assign or transfer all or any portion of the 4th & Highland Parcel or the RACM Park East Parcel and all or any portion of its rights under this Agreement to an Affiliate, subject to Section 23.7., below. Any transfer described in this Article XIII shall be subject to the provisions of this Agreement, such that DEVELOPER, its Affiliate, or the transferee shall comply with the requirements of this Agreement. DEVELOPER shall provide written notice to CITY or RACM prior to any assignment or transfer, of any nature, under this Article XIII.

ARTICLE XV

INSURANCE AND WARRANTIES

15.1 DEVELOPER shall obtain, pay for, and maintain liability insurance during the course of the construction of the Parking Structure in the types and amounts set forth on Exhibit G attached hereto and made a part of this Agreement. DEVELOPER shall also bear the risk, or require its general contractor to bear the risk, of loss or damage to the Parking Structure by fire or other casualty prior to conveyance of the Parking Structure to CITY. After such conveyance, CITY shall bear such risk except where loss or damage to the Parking Structure is caused by the negligent acts, errors or omissions of DEVELOPER, its architect, general contractor, its sub-contractors, or any of them, or anyone for whose acts any of them may be liable. DEVELOPER shall purchase and maintain, or cause its general contractor to purchase and maintain, builder's risk insurance on the Parking Structure to the full cost of replacement at the time of loss. This builder's risk insurance shall include the interests of DEVELOPER in the work, shall name CITY and RACM as additional insureds, and shall insure against all risks of physical loss, including fire, lightning, explosion, windstorm, hail, smoke, aircraft, riot and civil commotion, theft, vandalism, malicious mischief, debris removal, flood, earthquake, earth movement, water or wind damage, testing, collapse, and damage resulting from defective design, workmanship or materials, any materials or equipment stored off site, onsite or in transit, and all risk perils. Certificates of insurance on all required policies shall be filed with the Commissioner and updated annually until no person or entity other than CITY has an insurable interest in the property to be covered by this insurance, or final completion of the Parking Structure, whichever occurs first. The certificates shall provide that the insurance company will furnish CITY and RACM with a 30 day written notice of cancellation, non-renewal or material change. The Parking Structure Management Agreement shall (i) address the amounts, types and party responsible for insurance coverage for the Parking Structure in addition to what is required pursuant to Exhibit G and this Article XV, (ii) shall allow CITY to terminate the Parking Structure Management Agreement in the event that the Bucks Arena is no longer used as the home arena for a National Basketball Association franchise and (iii) shall further include an absolute waiver by the CITY and RACM of their right to terminate the Parking Structure Management Agreement through the exercise of eminent domain.

15.2 DEVELOPER warrants to CITY and RACM that all labor, materials, equipment, supplies and services used or supplied for the construction of the Parking Structure shall be of good quality, conform with the requirements of the Final Plans, be free of all liens, claims or other encumbrances, and that good title to the materials, equipment and supplies incorporated into the Parking Structure shall be conveyed to CITY at the time it takes ownership of the Parking Structure.

15.3 If, before completion of construction of the Parking Structure and for a period of two years after the date of completion of the Parking Structure, any defective work not conforming to the requirements of the approved Final Plans is found by CITY, DEVELOPER shall cause its contractors to promptly correct the defective work, and any damage to the completed or partially completed Parking Structure caused by the correction, at no cost to CITY. All warranties obtained by DEVELOPER from contractors and material and equipment suppliers performing work on the construction of the Parking Structure shall be assigned to CITY upon completion of the Parking Structure.

ARTICLE XVI

INDEMNIFICATION

In addition to the warranties provided under Section 15.3, DEVELOPER shall indemnify, defend and hold harmless RACM and CITY, their officers, employees, officials and agents (collectively, the "Indemnified Parties") from and against any and all losses, claims, damages, expenses (including reasonable attorney fees and costs) and any other liabilities arising therefrom, whether arising in equity or at law, in connection with, or as a result of the negligent actions, errors or omissions of DEVELOPER, its Affiliates, or their respective officers, members, employees, contractors, subcontractors, material suppliers, architects, engineers, agents and assigns, in the construction of the Parking Structure pursuant to this Agreement. Nothing in the foregoing indemnity shall protect the Indemnified Parties against their own default, negligence or misconduct. The indemnification covenants made by DEVELOPER in this Article XVI shall terminate upon the issuance of the Certificate of Completion; provided that said covenants shall continue to be effective thereafter with respect to all claims, whenever asserted, which are based on acts, omissions or other events which occurred prior to the issuance of the Certificate of Completion.

ARTICLE XVII

FORCE MAJEURE

If any Party is delayed or prevented from the performance of any act required by this Agreement or the Project Documents by reason of fire, earthquake, war, flood, riot, strikes, labor disputes, judicial orders, public emergency or regulations, material shortages, terrorism, unusually inclement weather or other causes beyond the reasonable control of the Party obligated to perform (a "Force Majeure Event"), then performance of such act shall be excused for the period of such delay, and the time for the performance of any such act shall be extended for a period equivalent to such delay. No Party to this Agreement shall be considered in breach or

default of its obligations under this Agreement in the event of an unavoidable delay applicable to that Party as described in this Article XVII.

ARTICLE XVIII

CONFLICT OF INTEREST: REPRESENTATIVES NOT INDIVIDUALLY LIABLE

No member, official, agent or employee of RACM or CITY shall have any personal financial interest, direct or indirect, in this Agreement, nor shall any such member, official, agent or employee participate in any decision relating to this Agreement which affects such person's personal interests or the interests of any corporation, partnership or association in which such person is, directly or indirectly, interested. No member, official, agent or employee of RACM or CITY shall be personally liable to DEVELOPER, or any successor in interest or Affiliate, in the event of any default or breach by RACM or CITY or for any amount which may become due to DEVELOPER, under the terms of this Agreement.

ARTICLE XIX

MORTGAGEES NOT OBLIGATED TO CONSTRUCT

It is understood and agreed that DEVELOPER or Affiliate(s) may mortgage the Arena Project Site or portions thereof (including a collateral assignment of DEVELOPER's or its Affiliate's rights relating to the Parking Structure) in conjunction with the issuance of loans or any other debt, whether initial financing or refinancing of the PROJECT, in order to provide financing for the PROJECT (the mortgagee in connection with such financing being a "Permitted Mortgagee"). Notwithstanding any of the provisions of this Agreement, including but not limited to those which are intended to be covenants running with the land, a Permitted Mortgagee or any affiliate of a Permitted Mortgagee that obtains title to the Arena Project Site or any part thereof as a result of foreclosure proceedings, or action in lieu thereof, shall not be obligated by the provisions of this Agreement to complete the construction or to guarantee such construction; nor shall any covenant or any other provision in this Agreement be construed to so obligate such a party. This Article XIX shall not apply to (a) any other party who thereafter obtains title to the Arena Project Site or any portion of the Arena Project Site from or through a Permitted Mortgagee or its affiliate or (b) any other purchaser of the Arena Project Site or any portion of the Arena Project Site at a foreclosure sale, or other action in lieu thereof, other than a Permitted Mortgagee or its affiliate. DEVELOPER shall have the right to collaterally assign this Agreement to a Permitted Mortgagee, and CITY and RACM agree to: execute such estoppel certificates and assurances from time to time as the Permitted Mortgagee may reasonably request; provide simultaneously to a Permitted Mortgagee any notices of default sent to the DEVELOPER; afford a Permitted Mortgagee the right to cure a DEVELOPER default; and afford a Permitted Mortgagee the right to replace the DEVELOPER under this Agreement with a party that assumes and fully performs the obligations of DEVELOPER hereunder in exchange for which CITY and RACM shall fully perform their respective obligations hereunder.

ARTICLE XX

NOTICES

Any notice required to be sent to any Party shall be in writing and forwarded to the following, as applicable:

CITY:

City of Milwaukee
809 North Broadway
Milwaukee, WI 53202
Attn: Commissioner of City Development

With a copy to:

Office of City Attorney
800 City Hall
200 East Wells Street
Milwaukee, WI 53202
Attn: Mary L. Schanning

RACM:

Redevelopment Authority of the City of Milwaukee
809 North Broadway
Milwaukee, WI 53202
Attn: Executive Director/Secretary

With a copy to:

Office of City Attorney
800 City Hall
200 East Wells Street
Milwaukee, WI 53202
Attn: Mary L. Schanning

DEVELOPER:

Deer District LLC
1543 North 2nd Street, 6th Floor
Milwaukee, WI 53212
Attn: Peter Feigin

With a copy to:

Attorney Bruce Block
Reinhart Boerner Van Deuren, S.C.
1000 North Water Street, Suite 1700
Milwaukee, WI 53201-2965

ARTICLE XXI

PROJECT SIGNS

21.1 DEVELOPER agrees that, during the construction period and at DEVELOPER's expense, a sign identifying the participation of CITY and RACM in the Arena Project and Live Block Plaza shall be placed upon the Arena Project Site, consistent with such reasonable criteria that may be established by the District, RACM, DEVELOPER and DEVELOPER's mortgage lenders. Such identification signage may be part of an overall PROJECT construction/development sign.

21.2 CITY agrees that, to the extent funds become available from grants or other sources, to provide directional and informational signage in the public rights-of-way to assist the public in locating all components of the Arena Project and Live Block Plaza.

ARTICLE XXII

RECORDS

22.1 DEVELOPER shall keep accurate, full and complete books and accounts with respect to the costs to be funded by the City Investment and shall include a provision in all its contracts related to the Parking Structure, Public Plaza and Live Block Plaza requiring its contractors and 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 seven years subsequent to Substantial Completion.

22.2 CITY's Comptroller shall have the right, upon reasonable notice to DEVELOPER, its contractors or subcontractors as the case may be, to examine, or cause to be examined, the books and accounts of DEVELOPER, its contractors or subcontractors relating to the Parking Structure, Public Plaza and Live Block Plaza during normal business hours.

ARTICLE XXIII

MISCELLANEOUS PROVISIONS

23.1 Limitations of Waivers. If any term contained in this Agreement should be breached by any Party and thereafter waived by another Party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive the same or other or any future breach hereunder on any other occasion. No remedy herein conferred upon or reserved to any Party is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement now or hereafter existing at law or in equity or by virtue of other contracts. No delay or omission to exercise any right or power occurring upon any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof but any such right or power may be exercised from time to time and as often as may be deemed expedient. To entitle any Party to exercise any remedy reserved or available to it, it shall not be necessary to give any notice other than such notice as may be expressly required by this Agreement.

23.2 Amendments. This Agreement shall not be amended, changed, modified, altered or terminated without the written consent of all Parties.

23.3 Successors. It is intended and agreed that, until the Termination Date, the covenants of DEVELOPER, for itself and on behalf of its Affiliates, provided in this Agreement shall be binding to the fullest extent permitted by law and equity for the benefit and in favor of, and enforceable by, RACM and CITY, against DEVELOPER or any successor to DEVELOPER's or Affiliate's interest in the Arena Project Site.

23.4 Governing Law and Termination. The laws of the State of Wisconsin shall govern this Agreement. This Agreement shall terminate on the Termination Date.

23.5 Severability. If any provision of this Agreement shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or in all jurisdictions, in all cases because the provision conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstance shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstances, or of rendering any other provision herein contained invalid, inoperative or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses or sections of this Agreement shall not affect the remaining portions of this Agreement, or any part thereof.

23.6 Approvals. Whenever this Agreement requires the consent or approval of RACM or allows the discretion of RACM to be exercised, the Executive Director shall have the authority to provide such consent or approval or to exercise such discretion. Whenever in this Agreement the consent or approval of CITY is required or the discretion of CITY may be exercised, the Commissioner shall have the authority to provide such consent or approval or to exercise such discretion, except as otherwise provided in this Agreement. Any and all approvals and consents required of any Party hereunder shall not be unreasonably withheld, conditioned or unduly delayed and shall be granted or withheld consistent with the agreements of the Parties set forth in this Agreement with respect to the nature and scope of the development of the Project. CITY and RACM warrant and represent that their execution of this Agreement and the undertaking and fulfillment of their respective obligations hereunder, have been duly authorized by all necessary and appropriate actions and they are legally bound by the terms and conditions of this Agreement.

23.7 Assignment. Except as otherwise expressly provided herein, no Party may assign any of its interest herein or obligations hereunder, without the prior written consent of all other Parties; provided, however, that DEVELOPER, may assign certain of its rights and obligations in this Agreement to an Affiliate without the consent of RACM and CITY, provided that the documents and instruments evidencing such assignment shall be reasonably acceptable in form and substance to the Executive Director and the Commissioner.

23.8 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument. Any Party may execute this Agreement by facsimile; provided that the Party provides an original of the facsimile signature to each other Party within five calendar days of transmission of the facsimile signature.

23.9 Recording. Any Project Documents to be recorded with the Register of Deeds Office shall be recorded at DEVELOPER's expense.

23.10 Mutual Cooperation. The Parties acknowledge that the completion of the PROJECT will be a complex process carried out over multiple years requiring ongoing interactions and cooperation by all parties to the Project Documents. CITY, RACM and DEVELOPER commit to carry out their respective obligations collaboratively and in good faith so as to enable completion of the PROJECT in accordance with this Agreement.

23.11 DEVELOPER Agency with Respect to Parking Structure. CITY expressly acknowledges the following:

A. As of the Effective Date, DEVELOPER and its Affiliates do not presently own and have never owned Block 7.

B. DEVELOPER's or its Affiliate's development agreement with Milwaukee County for Block 7 may provide for Milwaukee County to retain title to the land upon which the Parking Structure will be located (the "Parking Structure Parcel") until completion of the Parking Structure, and for direct conveyance of the Parking Structure by Milwaukee County to CITY.

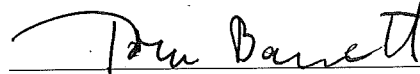
C. However, if DEVELOPER or an Affiliate acquires title to the Parking Structure Parcel, it will do so for the sole purpose of constructing the Parking Structure for the benefit of, and upon completion immediate transfer to, the CITY, utilizing the City Investment to pay for the costs of the Parking Structure.

D. DEVELOPER's or its Affiliate's ownership interest in the Parking Structure Parcel will be encumbered by CITY's rights and DEVELOPER's or its Affiliate's obligations set forth in this Agreement immediately upon conveyance of the Parking Structure Parcel to DEVELOPER or its Affiliate. As such, DEVELOPER or its Affiliate will merely acquire legal title to the Parking Structure Parcel and equitable title will vest with CITY. DEVELOPER or its Affiliate will be holding title to the Parking Structure Parcel and constructing the Parking Structure with CITY funds as the agent of CITY. The value of the Parking Structure Parcel and the Parking Structure to DEVELOPER or its Affiliate will be nominal; all actual value of the Parking Structure Parcel and the Parking Structure will redound to the benefit of CITY, consistent with CITY's equitable interest in the Parking Structure and the Parking Structure Parcel.

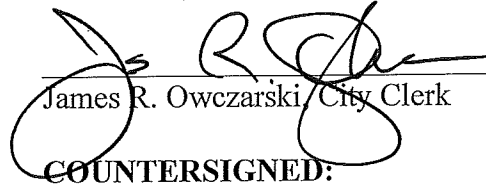
IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first set forth above.

SIGNATURES ON NEXT PAGE

CITY OF MILWAUKEE




Tom Barrett, Mayor

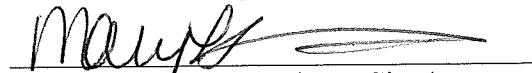


James R. Owczarski, City Clerk

COUNTERSIGNED:

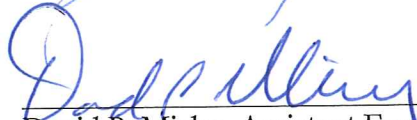

Martin Matson, Comptroller

Signatures of Tom Barrett, Mayor; James R. Owczarski, City Clerk; and Martin Matson, Comptroller, authenticated this 22nd day of December, 2015.


Mary L. Schanning, Assistant City Attorney
State Bar No. 1029016

REDEVELOPMENT AUTHORITY
OF THE CITY OF MILWAUKEE

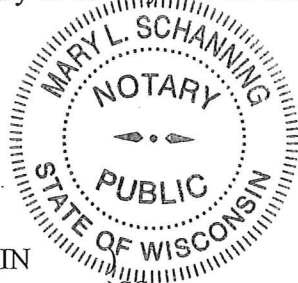

Lois A. Smith, Chairperson

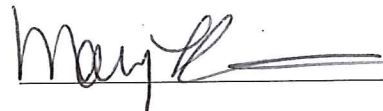

David P. Misky, Assistant Executive
Director/Secretary

STATE OF WISCONSIN)
)SS.
MILWAUKEE COUNTY)

Personally came before me this 21st day of December, 2015, Lois A. Smith, Chairperson, of the Redevelopment Authority of the City of Milwaukee, to me known to be the person who executed the foregoing instrument, and to me known to be such Chairperson of the Redevelopment Authority of the City of Milwaukee, and acknowledged that he executed the foregoing instrument as such officer of the Redevelopment Authority of the City of Milwaukee.

(SEAL)

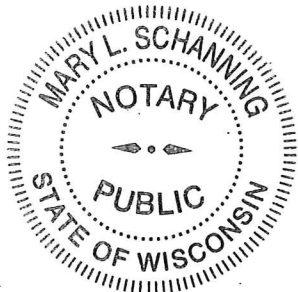


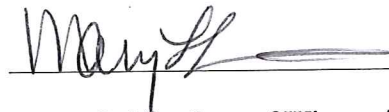

Notary Public, State of Wisconsin
My Commission is permanent

STATE OF WISCONSIN)
)SS.
MILWAUKEE COUNTY)

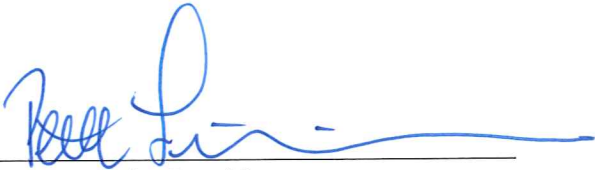
Personally came before me this 21st day of December, 2015, David P. Misky, Assistant Executive Director-Secretary of the Redevelopment Authority of the City of Milwaukee, to me known to be the person who executed the foregoing instrument, and to me known to be such Assistant Executive Director-Secretary of the Redevelopment Authority of the City of Milwaukee, and acknowledged that he executed the foregoing instrument as such officer of the Redevelopment Authority of the City of Milwaukee.

(SEAL)




Notary Public, State of Wisconsin
My Commission is permanent

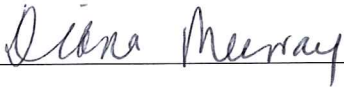
DEER DISTRICT LLC

By: 
Peter Feigin, President

STATE OF ^{New York} WISCONSIN)
^{New York})SS.
MILWAUKEE COUNTY)

Personally came before me this 21st day of December, 2015, Peter Feigin, President of Deer District LLC, to me known to be the person who executed the foregoing instrument, and to me known to be such President of such limited liability company, and acknowledged that he executed the foregoing instrument as such officer of Deer District LLC.

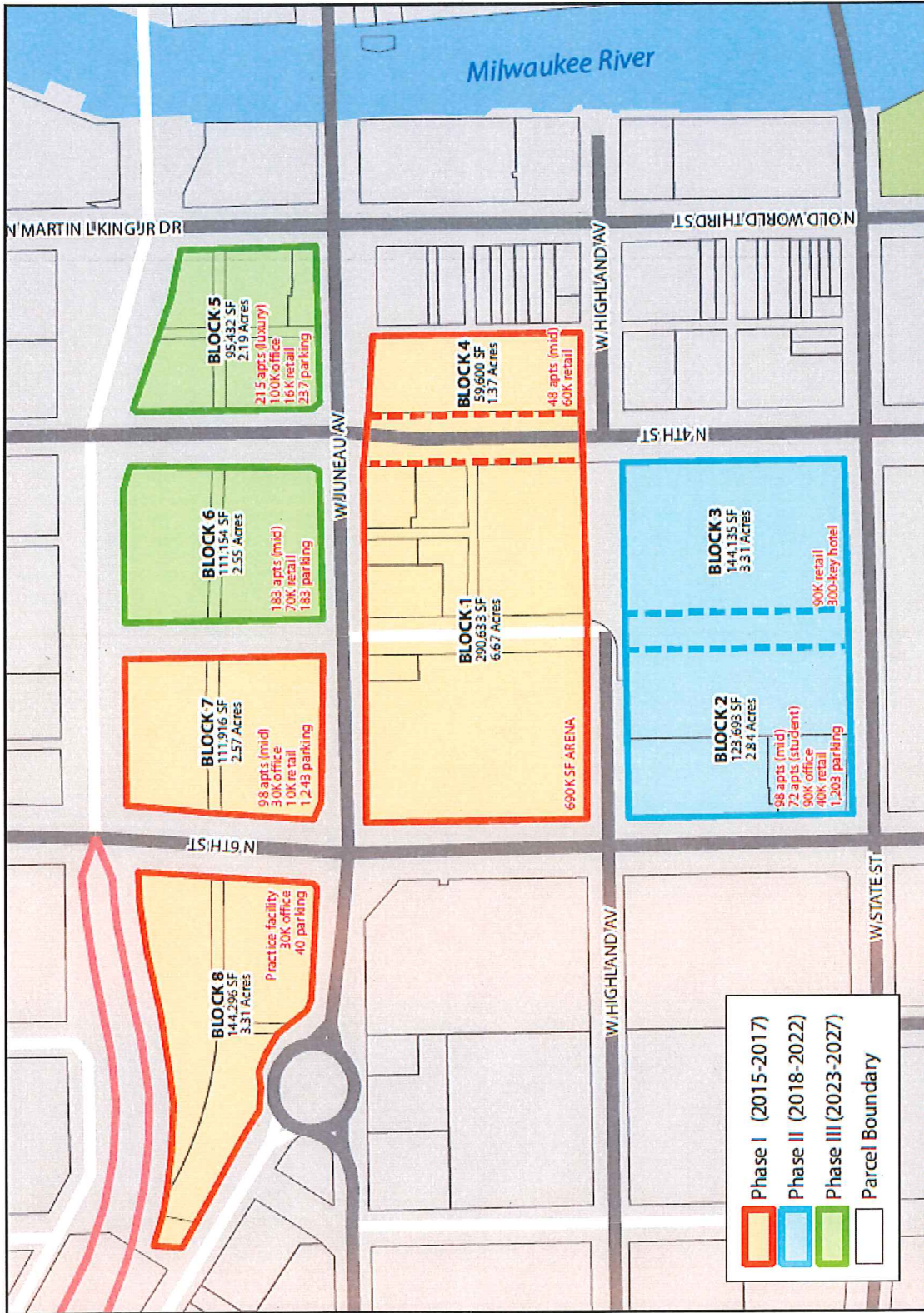
(SEAL)


Notary Public, State of ~~Wisconsin~~ ^{New York}
My Commission Feb 12, 2019

DIANA MURRAY
Notary Public, State of New York
Registration No. 01MU6160602
Qualified in Rockland County
Filed in New York County
Commission Exp. Feb. 12, 2019

EXHIBIT A
(Development Map)

MILWAUKEE ARENA | DEVELOPMENT PLAN BY PHASE



Prepared by the Department of City Development Planning, Division of Planning, March 2015
Source: City of Milwaukee Information & Technology Management Division

EXHIBIT B

Arena Project Timeline

Commence construction of Parking Structure	6/1/2016
Completion by WDOT of sewer relocation from Park East Land	7/15/2016
Commence construction of Bucks Arena	7/31/2016
Commence demolition of the existing structure on the 4 th & Highland Parcel	12/31/2016
Commence construction of Live Block, Public Plaza and Live Block Plaza	4/30/2017
Complete construction of Parking Structure.....	11/1/2017
Complete construction of Bucks Arena	9/30/2018
Complete construction of Live Block, Public Plaza and Live Block Plaza.....	9/30/2018
Complete demolition of Bradley Center	9/30/2019

Dates are subject to change as provided in the Cooperation, Contribution and Development Agreement. Meeting the above dates is not solely within the control of DEVELOPER. All parties to the Project Documents must timely fulfill their respective obligations.

EXHIBIT C

CERTIFICATE OF COMPLETION

Document Number

Document Title

CERTIFICATE OF COMPLETION

Recording Area

Name and Return Address

Parcel Identification Number (PIN)

Project: TID 22 (Beerline "B") and TID 84 (West McKinley and West Juneau)

Site Address: _____

Developer: Deer District, LLC

Agreement: Cooperation, Contribution & Development Agreement dated December __, 2015

Legal Description:

THIS IS TO CERTIFY that the undersigned, on behalf of the Redevelopment Authority of the City of Milwaukee, have caused the inspection of the Parking Structure and are satisfied that the PROJECT has been completed in accordance with the requirements of the Cooperation, Contribution and Development Agreement dated as of December __, 2015 (the "Agreement").

THIS CERTIFICATE when signed by the Redevelopment Authority of the City of Milwaukee shall constitute a conclusive determination of satisfaction and termination of the agreements and covenants in Agreement with

respect to the obligations of Deer District LLC, and its successors and assigns, to construct improvements on the Arena Project Site.

ISSUANCE OF THIS CERTIFICATE shall mean that the Arena Project Site may be conveyed, mortgaged or leased and that any party purchasing or leasing the Arena Project Site shall not incur any obligation with respect to the construction of improvements on the Arena Project Site and that neither the Redevelopment Authority of the City of Milwaukee nor any other party shall thereafter have or be entitled to exercise any rights or remedies or controls with respect to the Arena Project Site that it might otherwise have or be entitled to exercise with respect to the Arena Project Site as a result of a default in or breach of any provision of the Agreement.

Dated at Milwaukee, Wisconsin this ____ day of _____, 20____.

(SEAL)

**REDEVELOPMENT AUTHORITY
OF THE CITY OF MILWAUKEE**

_____, Chairperson

Assistant Executive Director-Secretary

STATE OF WISCONSIN)
)SS.
MILWAUKEE COUNTY)

Personally came before me this ____ day of _____, 20____, _____, Chairperson, and _____, Assistant Executive Director-Secretary of the above-named Redevelopment Authority of the City of Milwaukee, to me known to be the persons who executed the foregoing instrument, and to me known to be such Chairperson and Assistant Executive Director-Secretary of said Redevelopment Authority of the City of Milwaukee, and acknowledged that they executed the foregoing instrument as such officers as the deed of said Redevelopment Authority by its authority.

(SEAL)

Notary Public, State of Wisconsin
My Commission _____

This document was drafted by Mary L. Schanning, Assistant City Attorney

EXHIBIT D

(Human Resources Agreement)

EXHIBIT E

Draft Block 4 Diagram – Actual parcel boundaries will be established by the CSM required by Sec. 3.1.F.

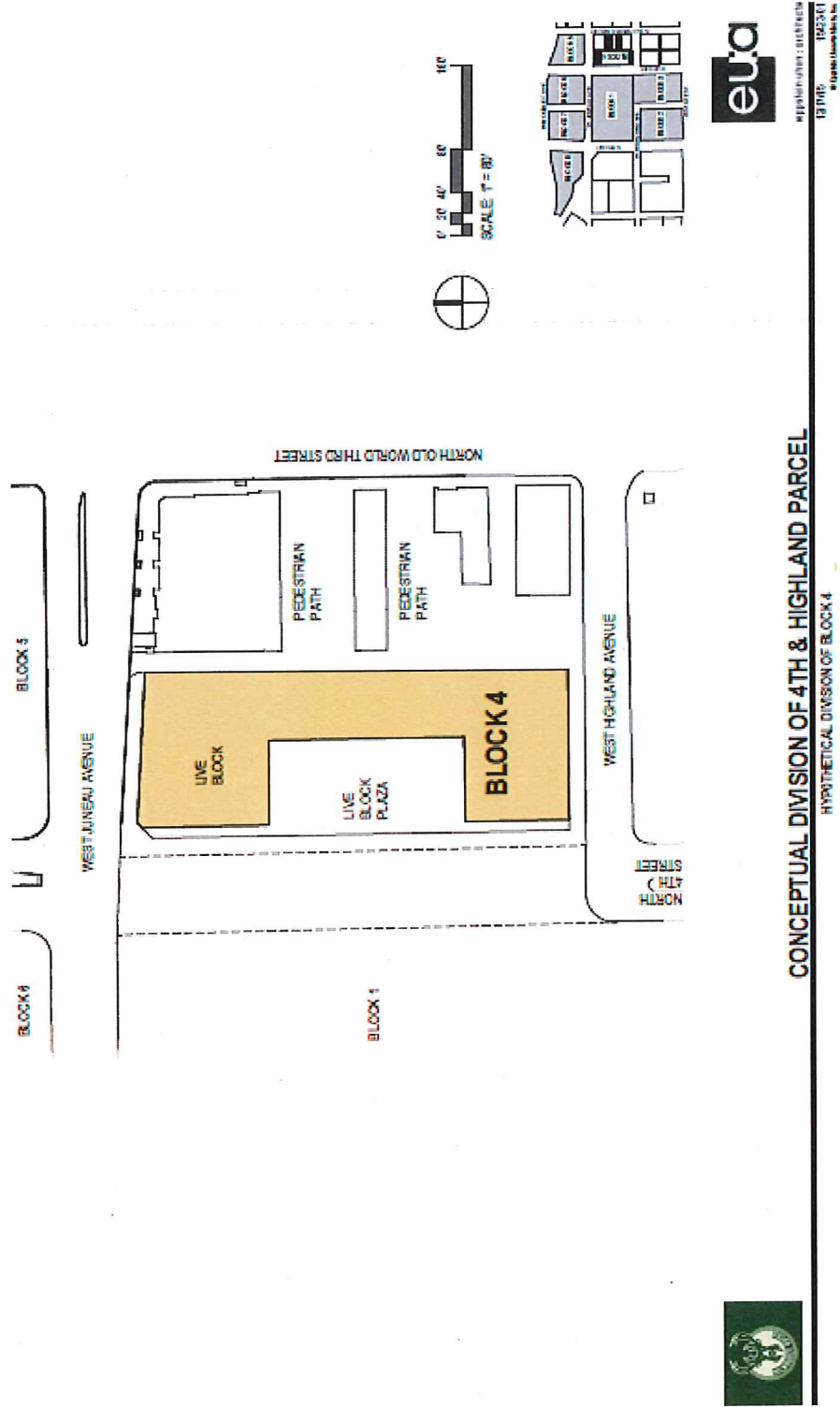


EXHIBIT F
(PILOT Agreement)

PILOT AGREEMENT

Document Number

Document Title

**PAYMENT IN LIEU
OF TAXES AGREEMENT**

(Greater Arena Project & Ancillary Development)

Recording Area

Name and Return Address

Mary L. Schanning
Assistant City Attorney
Office of the City Attorney
200 East Wells Street, Suite 800
Milwaukee, WI 53202

Parcel Identification Number (PIN) _____

This PILOT AGREEMENT for payments in lieu of taxes (“PILOT Payments”) is made by and between _____, a _____ (“OWNER”), and the City of Milwaukee, a Wisconsin municipal corporation (“CITY”), as of the ____ day of _____, 20____.

RECITALS

WHEREAS, OWNER is the owner of the real property legally described on **Exhibit A** (the “PROPERTY”); and

WHEREAS, OWNER recognizes that, notwithstanding the fact that portions of the PROPERTY may in the future qualify for tax exempt status, valuable government services and benefits will be provided to it and the PROPERTY, which services and benefits directly or

indirectly relate to the public health, safety, and welfare, and which include, but are not limited to: fire and police protection; paved streets and streetlights; snow removal; benefits associated with living in an organized community; and

WHEREAS, The PROPERTY includes a portion of the land included in the Greater Arena Project and Ancillary Development (the “PROJECT”) which is subject to that Cooperation, Contribution and Development Agreement, dated December ____, 2015 (the “DEVELOPMENT AGREEMENT”); and

WHEREAS, In Common Council Resolution File No. 150383, adopted on September 22, 2015, the Common Council approved the Project Plan for Tax Incremental District No. 84 (“TID 84”) in order to provide for certain costs with respect to the PROJECT, which costs directly benefit OWNER and the PROPERTY; and

WHEREAS, OWNER agrees for itself and its successors and assigns to make PILOT Payments to CITY in recognition of the services and benefits referred to herein and the provision of financial assistance to the PROJECT pursuant to the DEVELOPMENT AGREEMENT; and

WHEREAS, it is the intent of this PILOT AGREEMENT to have OWNER and all future owners of the PROPERTY, any parcel or building which is within the PROPERTY or any portion thereof, make payments in lieu of taxes in order to assure the financial viability of TID 84 and to pay for services and benefits provided for the PROPERTY by CITY that directly or indirectly relate to the public health, safety, and welfare.

NOW, THEREFORE, For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. INCORPORATION OF RECITALS.

The parties hereby acknowledge that the above Recital clauses are part of this PILOT AGREEMENT.

2. CITY SERVICES.

A. Services Typically Covered by Property Tax.

CITY agrees to continue to furnish governmental services and benefits to the PROJECT and the PROPERTY of the same type, and to the extent, as are furnished from time to time, without cost or charge (except by means of property tax and authorized fees and charges), to other similarly situated buildings and projects in CITY. Nothing in this PILOT AGREEMENT shall be construed to give OWNER or its successors and assigns a contractual right to specific governmental services, or to impose upon CITY any additional duties, it being the parties' intent that CITY provide public services to the PROJECT and the PROPERTY subject to the same terms and conditions as apply to properties owned by citizens or the public generally. Such services and benefits include, but are not limited by specific enumeration herein, those typically covered by the property tax such as fire and police protection, and on public streets, street cleaning, snow removal and street lighting. CITY shall not have breached its obligations hereunder if it is prevented from providing benefits and/or services to the PROJECT or the PROPERTY because of typical *force majeure* reasons (e.g. war, flood, fire, labor dispute, supply shortage, act of God, natural disaster, etc.), because of budgetary constraints, or because any person or entity shall assert a right which prevents delivery of such benefits and/or services.

B. BID Assessments, Special Assessments, Special Charges and Fees.

Notwithstanding paragraph 2.A., or any future property tax exempt status of the PROPERTY, OWNER understands that the PROJECT and the PROPERTY will be subject to

applicable business and/or neighborhood improvement district assessments, special assessments, special charges, and special taxes as defined in §74.01, Wis. Stats. (and as also referred to in Ch. 66, Wis. Stats.) and fees charged by CITY in the same manner that such special assessments, special charges, special taxes, and fees are charged for similar services and/or undertakings to properties within CITY. This provision shall not affect CITY's powers, consistent with the law, to determine the services and benefits (other than those typically covered by the property tax) that shall be provided to the PROJECT and the PROPERTY and/or similarly situated property pursuant to this paragraph 2.B. Nothing contained herein shall preclude OWNER or its successors and assigns from appealing, as provided by law, the imposition of such special assessments, special charges, special taxes, or fees by CITY.

3. PILOT PAYMENTS.

A. Calculations.

In recognition of those services and benefits covered by paragraph 2.A. of this PILOT AGREEMENT, beginning in the year the PROPERTY or any portion thereof becomes exempt from property tax, and so long as the PROPERTY or any portion thereof continues to be exempt, in whole or in part, under § 70.11, Wis. Stats., OWNER, or its successors and assigns, shall pay CITY an annual PILOT Payment for the PROPERTY or the portion thereof which is exempt for each calendar year. The method to be used in determining the PILOT shall be the Value¹ for that tax year determined by CITY's Assessor times the Total Property Tax Rate² for the tax year.

¹ "Value" herein means CITY Assessor's determination of the fair market value of the tax exempt portion(s) of the PROPERTY on January 1 of each tax year.

² "Total Property Tax Rate" means the net rate for all taxes calculated to include all taxing bodies reflected on City of Milwaukee tax bills from time to time (in 2014, the applicable Total Property Tax Rate was \$29.97 per \$1,000 of assessed value).

B. Payment Due Date.

PILOT Payments for the year in which the PROPERTY or a portion thereof becomes exempt and subsequent years shall be due and payable (i) in full on or before January 31 of the year following the calendar year for which the PILOT Payment was calculated, or (ii) if OWNER or its successor or assign elects to pay in installments, according to the following schedule: one-tenth of the PILOT Payment by the last day of each month for the first 10 months in the year following the calendar year for which the particular PILOT Payment was calculated. OWNER or its successor or assign shall be deemed to have elected to pay the PILOT Payment in installments by making the first full installment payment on or before January 31 in the respective year in which the PILOT Payment is due.

C. Use.

CITY may use and expend PILOT Payments hereunder in such manner and for such purposes as CITY desires.

D. Mandatory Payment for Services to Offset PILOT Payment.

Notwithstanding anything herein to the contrary, if the State of Wisconsin enacts a mandatory payment for municipal services to be paid by owners of property exempt from general property tax or similarly situated owners of exempt property, PILOT Payments shall be reduced dollar for dollar by any such mandatory payment paid by OWNER or its successors or assigns to CITY.

4. EXEMPT STATUS.

CITY Assessor's Office may review the PROPERTY's exempt status under §70.11, Wis. Stats. from time to time with the respective January 1 dates being the reference dates for those exemption reviews. If CITY, as a result of those reviews or otherwise, determines that all or any

portion of the PROPERTY no longer qualifies (or does not qualify) for exemption from property tax, (i) CITY will provide notice of such determination to OWNER or its successor or assign, (ii) this PILOT AGREEMENT shall be suspended with respect to any years and, if applicable, with respect to any portions of the PROPERTY for which exemption no longer applies, (iii) if PILOT Payments have been erroneously made for such tax years, CITY shall promptly refund such PILOT Payments, or, at the option of CITY, offset such PILOT Payments against any property taxes due, or to become due, from OWNER or its successors or assigns, in which case CITY will treat such offset as having been made under protest, and (iv) the PROPERTY, or any portion thereof which does not qualify for exemption, shall be placed on the property tax rolls for all years for which whole or partial exemption has been determined not to apply. If OWNER or its successors or assigns disagree with CITY's determination that the PROPERTY or any part thereof no longer qualifies for tax exemption, OWNER or its successors or assigns may challenge such determination by following the procedure set forth in §74.35, Wis. Stats. or as otherwise provided by law.

Notwithstanding anything to the contrary contained herein, OWNER acknowledges that it is or may be bound by the reporting requirement, in §70.11, Wis. Stats., preamble, and that under §70.109, Wis. Stats.: exemptions are strictly construed; it is presumed that property is taxable; and the burden is on the person claiming exemption.

OWNER, on its behalf and that of its successors and assigns, also acknowledges that if it leases, or otherwise allows another person to use and/or occupy, all or a portion of the PROPERTY, such use may affect the PROPERTY's exempt status. See, e.g. the preamble of §70.11, Wis. Stats., §70.1105, and Deutsches Land v. City of Glendale, (WI S.Ct. April 16, 1999). For example, if OWNER is exempt but only uses and occupies 90% of the PROPERTY

for exempt purposes and leases the other 10% of the PROPERTY to a for-profit, nonexempt entity, and if the assessor applies a square footage, taxed in part analysis, the PROPERTY is to be taxed on a 10% basis and exempt on a 90% basis and the PILOT Payment will be paid on the 90% portion.

5. TERM.

This PILOT AGREEMENT shall be permanent and shall run with the land.

6. APPEAL OF ASSESSED VALUE.

OWNER and its successors and assigns shall have the same rights to contest the assessed valuation of the PROPERTY as a taxpaying owner under Wisconsin law. CITY acknowledges OWNER's right to contest the assessed valuation of the PROPERTY under the procedures provided in §§70.07 and 70.47, Wis. Stats., and CITY expressly agrees not to dispute OWNER's right to contest the assessed valuation of the PROPERTY under said statutes.

7. DOCUMENTS, INSPECTION, COOPERATION.

OWNER and its successors and assigns shall cooperate with CITY (including, but not limited to, the City Assessor's Office, the City Attorney's Office, and the City Comptroller's Office) with respect to this PILOT AGREEMENT by allowing inspections of the PROPERTY upon reasonable written request of CITY and by allowing inspection of any leases applicable to the PROPERTY and such other documents that CITY may, from time to time, request concerning exemption and assessment determinations. Notwithstanding the foregoing, CITY expressly reserves all its rights in law and equity to inspect and to obtain disclosure, documents, inspection, and information.

8. AMENDMENT.

This PILOT AGREEMENT may be modified and amended from time to time as CITY and OWNER shall mutually agree in writing. However, if an amendment or modification applies to only a portion of the PROPERTY, it is only the CITY and the current owner(s) of that portion of the PROPERTY that must agree in writing to the amendment or modification rather than all parties defined as OWNER in this Agreement.

9. SEVERABILITY; GOVERNING LAW.

If any provision hereof is duly held by a court of competent jurisdiction to be invalid with respect to any circumstance or otherwise, the remainder of this PILOT AGREEMENT and/or the application of the PILOT AGREEMENT to any other circumstance, shall not be affected thereby. The parties intend that the laws of the State of Wisconsin and ordinances and regulations of the City of Milwaukee shall be the governing law with respect to this PILOT AGREEMENT.

10. BINDING EFFECT/NOTICE.

This PILOT AGREEMENT shall be binding upon and inure to the benefit of that parties hereto and their successors and assigns. Successors and assigns referred to in this PILOT AGREEMENT include any owner or tenant of any portion of the PROPERTY or improvements thereon. OWNER and its successors and assigns shall include a reference to this PILOT AGREEMENT in each future conveyance of all or any portion of the PROPERTY in order to give express notice of this PILOT AGREEMENT. Neither OWNER nor its successors or assigns shall have any liability for obligations accruing under this PILOT AGREEMENT with respect to any portions of the PROPERTY for any period of time other than during their ownership and/or occupancy. OWNER AND ITS SUCCESSORS AND ASSIGNS MAY WISH

TO GIVE NOTICE OF THE TERMS OF THIS PILOT AGREEMENT TO FUTURE TENANTS UNDER LEASES FOR PORTIONS OF THE PROPERTY AND ALLOCATE RESPONSIBILITY FOR PAYMENTS UNDER THIS PILOT AGREEMENT IN ANY LEASES FOR PORTIONS OF THE PROPERTY.

11. AUTHORITY.

OWNER represents and warrants to CITY that its agents executing this PILOT AGREEMENT have been duly authorized to so execute and to cause OWNER to enter this PILOT AGREEMENT, and that OWNER has obtained all requisite consents and approvals concerning the same.

12. RECORDING

CITY shall cause this PILOT AGREEMENT or a memorandum of this PILOT AGREEMENT to be recorded with the Milwaukee County Register of Deeds and deliver a copy of the recorded PILOT AGREEMENT to OWNER.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have caused this PILOT AGREEMENT to be executed by duly authorized representatives as of the date and year first written above.

CITY OF MILWAUKEE

Tom Barrett, Mayor

James R. Owczarski, City Clerk

COUNTERSIGNED:

Martin Matson, Comptroller

Signatures of Tom Barrett, Mayor and James R. Owczarski, City Clerk and Martin Matson, Comptroller authenticated this _____ day of _____, 20____.

_____, Assistant City Attorney
State Bar No. _____

EXHIBIT A

Legal Description of the Property

EXHIBIT G

Insurance Requirements

[suggested limits subject to City's risk manager's review and modification]

Developer agrees, prior to commencement of construction work on the Parking Structure, to procure and maintain, or cause its contractors, subcontractors and suppliers to procure and maintain, worker's compensation insurance, employer's liability insurance, business automobile liability insurance, and commercial general liability (CGL) insurance, and to cause its architects, engineers and design/build contractors or subcontractors to procure and maintain these same insurances together with professional liability insurance. Each CGL policy shall include coverage for liability arising from premises, onsite storage of tools and equipment, operations, independent contractors, products-completed operations, personal injury, and advertising injury, contractual liability, and broad form property damage. Certificates of insurance shall be provided to CITY within 30 days prior to commencement of construction of the Parking Structure. All policies shall state that CITY shall be afforded a 30 day written notice of cancellation, non-renewal or material change by any insurers providing the coverage required by CITY for the duration of the construction of the Parking Structure. These policies shall be written by insurers lawfully authorized to do business in the State of Wisconsin and reasonably acceptable to CITY, and must have a current A.M. Best rating of A-VIII or better, with at least the following limits of liability:

1. Worker's Compensation at statutory rates
2. Employer's Liability Insurance – including bodily injury by accident and by disease,
\$1,000,000 per occurrence
\$1,000,000 aggregate
3. Business Automobile Liability Insurance – including rented, leased and owned vehicles
\$1,000,000 per occurrence
\$2,000,000 aggregate
\$10,000 medical expense (per person)
4. Commercial General Liability Insurance
\$2,000,000 per occurrence
\$2,000,000 general aggregate
\$2,000,000 products/completed operations aggregate
\$1,000,000 personal & advertising injury limit
\$5,000 medical expense (per person)
5. Professional Liability Insurance (architects/engineers/design-build contractors or subcontractors only)– project-specific coverage, including prior acts coverage sufficient to cover all services performed for the PROJECT with a two year tail coverage following final payment to insured for this PROJECT services.
\$3,000,000 per claim

\$3,000,000 aggregate

6. Excess/Umbrella Insurance – form following CGL and Business Automobile Liability Insurance
\$ 5,000,000 per occurrence/aggregate

CITY and RACM shall be named as additional insureds for the Business Automobile and Commercial General Liability Insurance coverages. DEVELOPER shall assemble and furnish to CITY Certificates of Insurance evidencing coverage as provided above from insurers licensed in the State of Wisconsin and reasonably acceptable to CITY. DEVELOPER shall provide updated Certificates of Insurance annually through completion of the Parking Structure and during products/completed operations, and the tail coverage periods.

EXHIBIT H

List of Existing Leases on the 4th & Highland Parcel

Cell Tower Lease with T-Mobile Central LLC – dated June 1, 2000, as amended in April 2005; June 1, 2010 and November 15, 2012

Parking Lease with Journal-Sentinel, Inc. – dated April 1, 2009 (78 parking spaces)

Parking Lease with Milwaukee River Hotel, LLC (Aloft Hotel) – dated March 7, 2014 (100 parking spaces) (month to month)

Individual parking leases with residents and tenants of The Moderne (57 parking spaces) (month to month)

Individual parking leases with tenants of RFP Office LLC (8 parking spaces) (month to month)

Individual parking leases (61 parking spaces) (month to month)

EXHIBIT I

Permit and Inspection Fees

Based on information provided by DEVELOPER, CITY's Department of Neighborhood Services ("DNS") estimated the permit fees and staffing needs for the various buildings in the Arena Project and Training Facility. The \$1 million maximum for Permit and Inspection Fees includes all of the following and is based on the assumptions described herein.

Assumptions: The construction permit fee costs are actual numbers unless the square footage of the various buildings are revised. As for the trade permits, DNS made numerous assumptions which may not be accurate in the end. This because CITY's fee schedule is based on length of pipe, number of fixtures, size of equipment. This information isn't currently available for the Arena Project and Training Facility so DNS used other recent projects and used their cost ratios between trade and construction permits and applied it to this project. At this time, CITY does not know how accurate these assumptions will be. Additionally, the Permit and Inspection Fees does not include permits such as early release of footing and foundations, elevator or occupancy permits. Nor does it include any fit out permits for build outs not shown on the base building permits and drawings. Also there is a 1.2% technology and training surcharge on all permits. That is not reflected in the numbers below.

ARENA

1) Construction permit

- Permit fee is 30 cents per square foot. $690,000 \times .30 = \$207,000$
- Plan review fee is based on square footage. Projects greater than 400,000sq ft are charged at \$21,600

2) HVAC permit

- Assumed HVAC is 5.4% of the construction permit $207,000 \times .054 = \$11,257$
- Plan review fee is based on square footage. Projects greater than 400,000sq ft are charged at \$21,600

3) Plumbing permit

- Assumed plumbing is 3.6% of the construction permit $207,000 \times .036 = \$7,486$
- Plan review fee is based on square footage. $\$6,969$

4) Electrical permit

- Assumed electrical is 4.2% of the construction permit $207,000 \times .042 = \$8,694$
- No plan review fee for electrical

5) Sprinkler permit

- Assumed sprinkler is 1.6% of the construction permit $207,000 \times .016 = \$3,312$
- Plan review fee is based on square footage. Projects greater than 400,000 sq ft are charged at \$21,600

Arena Total* = \$ 309,518

PLAZA

1) Construction permit

- Standard fee is 30 cents per square foot $40,000 \times .30 = \$12,000$
- Could be calculated as an "odd structure." Need cost of construction to make a fee estimate under that category.
- Plan review fee is based on square footage. $\$1,680$

Plaza Total* = \$13,680

PARKING STRUCTURE

1) Construction permit

- Permit fee is 30 cents per square foot. $500,000 \times .30 = \$150,000$
- Plan review fee is based on square footage. Projects greater than 400,000 sq ft are charged at \$21,600

2) HVAC permit

- Assumed hvac is minimal. Used .3% of the construction permit 150,000 x .054 = \$450
- Plan review fee is based on square footage. Modified due to minimal work \$2,183
- 3) Plumbing permit
- Assumed plumbing is 4.6% of the construction permit 150,000 x .046=\$6,900
- Plan review fee is based on square footage. \$4,851
- 4) Electrical permit
- Assumed electrical is 4.2% of the construction permit 150,000 x .042 = \$6,300
- No plan review fee for electrical
- 5) Sprinkler permit
- Assumed sprinkler not required because designed as a open parking structure

Parking Structure Total* = \$ 92,284

TRAINING FACILITY

- 1) Construction permit
- Permit fee is 30 cents per square foot 50,000 x .30 = \$15,000
- Plan review fee is based on square footage. charged at \$2,280
- 2) HVAC permit
- Assumed HVAC is 5.4% of the construction permit 15,000 x .054 = \$810
- Plan review fee is based on square footage. charged at \$2,280
- 3) Plumbing permit
- Assumed plumbing is 3.6% of the construction permit 15,000 x .036 = \$540
- Plan review fee is based on square footage. charged at \$1617
- 4) Electrical permit
- Assumed electrical is 4.2% of the construction permit 15,000 x .042 = \$630
- No plan review fee for electrical
- 5) Sprinkler permit
- Assumed sprinkler is 1.6% of the construction permit 207,000 x .016 = \$240
- Plan review fee is based on square footage. charged at \$2,280

Training Facility Total* = \$ 24,060

PROJECT FEES* = \$539,542

The Permit and Inspection Fees includes CITY's costs for DNS to provide the following staff in a field office dedicated to this project:

- 1 plan examiner III/team leader
- 1 construction inspector
- 1 plumbing inspector
- 1 electrical inspector
- 1 office assistant III

DNS will ensure additional staff would be kept abreast of this project so that staffing gaps caused by vacation or illness could be backfilled. Functions not handled by this staff such as elevator and sprinkler inspections would be handled by other DNS staff and this project would be designated as a priority status with them. A permit stipend to cover these costs could be paid in quarterly installments over the estimated construction period until such time that the stipend and project fees listed above reach the \$1 million maximum required for Permit and Inspection Fees. If the Arena Project and Training Facility as designed result in substantial changes in the assumptions listed above, an increase in Permit and Inspection Fees above the \$1 million maximum may be required.

*based on assumptions listed at the top of this document

EXHIBIT J

City Contribution Schedule

TID 22 Contribution = \$27 million

\$27 million initially issued as extendable municipal commercial paper in December 2016 and replaced with CITY issued general obligation bonds (est. issuance: after Preconditions are satisfied)

TID 84 Contribution = \$20 million

\$12 million initially issued as extendable municipal commercial paper in May 2016 and replaced with CITY issued general obligation bonds (est. issuance: after Preconditions are satisfied) \$8 million Developer Financed Contribution – RACM bonds (est. issuance: May 2016)

TOTAL: \$47 million

EXHIBIT K



Department of City Development
City Plan Commission
Redevelopment Authority of the City of Milwaukee
Neighborhood Improvement Development Corporation

Rocky Marcoux
Commissioner
rmarco@milwaukee.gov

Martha L. Brown
Deputy Commissioner
mbrown@milwaukee.gov

_____, 20__

Deer District, LLC
1543 North 2nd Street, 6th Floor
Milwaukee, WI 53212

To Whom It May Concern:

Re: Milwaukee Tax Incremental District (TID) No. 84 – West McKinley and West Juneau

This letter certifies the amount of tax increments that have been collected and allocated to TID No. 84 (2015 tax levy for 2016 budget purposes) is \$ _____.

{Therefore, per the Development Agreement entered into as of December _____, 2015 between the City of Milwaukee, Redevelopment Authority of the City of Milwaukee and Deer District, LLC, \$ _____ in tax increments have been applied towards TID No. 84 project costs including, but not limited to, annual TID administrative costs and repayment of the \$12 million Plaza Contribution plus borrowing costs by the City. At this time, there are not sufficient tax increments to begin paying Deer District, LLC its Developer Financed Contribution.}

OR

{Therefore, per the Development Agreement entered into as of December _____, 2015 between the City of Milwaukee, Redevelopment Authority of the City of Milwaukee and Deer District, LLC, since the \$12 million Plaza Contribution by the City plus borrowing costs has been paid, enclosed is our annual payment of tax incremental revenue collected for the TID No. 84 Project in Milwaukee in the amount of \$ _____.}

Please see the attached schedule of tax increments collected to date and project costs paid. Should you have any questions, please contact _____ at (414) 286-_____.

Sincerely,

Rocky Marcoux
Commissioner



EXHIBIT L

Escrow Agreement

HUMAN RESOURCES AGREEMENT
(MILWAUKEE BUCKS ARENA PROJECT)

**HUMAN RESOURCES AGREEMENT
(MILWAUKEE BUCKS ARENA PROJECT)**

This Human Resources Agreement (“Agreement”) is entered into as of December 22, 2015, by and between the City of Milwaukee (“CITY”), and Deer District LLC, a Delaware limited liability company, (“DEVELOPER”).

WHEREAS, the parties to this Agreement acknowledge and understand that this Agreement is executed in conjunction with that certain Cooperation, Contribution and Development Agreement dated as of December 22, 2015 among CITY, DEVELOPER and the Redevelopment Authority of the City of Milwaukee (the "Development Agreement"), regarding the implementation of the Arena Project and the Live Block Plaza, as those terms are defined in the Development Agreement;

WHEREAS, DEVELOPER acknowledges that CITY has established policies regarding the utilization of SBEs (defined below), in Chapters 355 and 370 of the Milwaukee Code of Ordinances (“MCO”); and

WHEREAS, DEVELOPER acknowledges that CITY has established policies regarding the utilization of CITY residents in MCO §355-7; and

WHEREAS, DEVELOPER acknowledges that CITY has established policies regarding payment of living wages in MCO §355-13-3; and

WHEREAS, DEVELOPER acknowledges that CITY’s approval of the Development Agreement was conditioned upon the DEVELOPER, its affiliates and their agents, agreeing to meet the requirements of this Agreement with respect to the development of the Bucks Arena, the Public Plaza, the Live Block Plaza and the Parking Structure, as those terms are defined in the Development Agreement.

NOW, THEREFORE, the parties agree as follows:

I. DEFINITIONS

1. SMALL BUSINESS ENTERPRISE (“SBE”) is a business that has been certified by the City of Milwaukee Office of Small Business Development (the “SBE Office”) based on the requirements of MCO § 370-25. For purposes of this Agreement, SBE may also include any businesses that are certified by Milwaukee County, the State of Wisconsin, the federal government or the Milwaukee Metropolitan Sewerage District as small, emerging or disadvantaged or some other program that in the discretion of the manager of the SBE Office is comparable to CITY’s small business enterprise program.

2. FIRST-SOURCE EMPLOYMENT PROGRAM means an employment program operated by CITY or its designee which is to be utilized as contractors’ first source for recruiting applicants for both new and replacement employment.

3. JOINT VENTURE is an association of two or more persons or businesses to carry out a single business enterprise for profit for which purpose they combine their property, capital, efforts, skills and/or knowledge.

4. PROJECT means the Arena Project and Live Block Plaza, as more particularly described in the Development Agreement, to include the development of various parcels of property located within the boundaries of CITY’s TID No. 84.

5. PROJECT COSTS means all costs of the PROJECT directly related to the development and construction of the Bucks Arena, the Plaza, the Live Block Plaza and the Parking Structure, but less and excluding all costs associated with the purchase, lease or right to use any land; permit fees paid to CITY or any other governmental entity or quasi-governmental entity; utility company fees; financing and interest expenses; insurance premiums; work within trades for which there is no available SBE or RPP participation to meet the Arena Project

Timeline, as set forth in the Development Agreement; other work not contracted through DEVELOPER and over which DEVELOPER does not have direction or control in the selection of contractors or material providers for the same; fixtures, furnishings, equipment, elements, features and services unique to arena construction, including fabrication and installation related thereto, for which there is no available SBE or RPP participation; and other costs approved by DEVELOPER and the SBE Office, with such approval not being unreasonably withheld. Prior to commencement of bidding, and as further provided in Article III, subsection C of this Agreement, DEVELOPER or its representatives, the SBE Office and the City's Department of City Development shall meet and confer to determine the eligible SBE PROJECT COSTS for the PROJECT as well as the appropriate RPP percentages for specific trades.

6. RPP means CITY's Resident Preference Program as described in MCO §355-7. For purposes of this Agreement, the CITY's Resident Preference Program shall include Unemployed and Underemployed Residents, as that term is defined in MCO §355-1-3 as well as anyone who previously qualified as an Unemployed and Underemployed Resident but no longer qualifies because he or she has been working under the CITY's Resident Preference Program beyond the 5 year thresholds described in MCO §355-1-3.

II. SMALL BUSINESS ENTERPRISE PROGRAM

DEVELOPER shall, in developing and constructing the PROJECT, utilize SBEs for no less than 25% of the total PROJECT COSTS including the amounts expended for the purchase of non-professional services and supplies and 18% of the amounts expended for the purchase of professional services for the PROJECT deemed eligible pursuant to SBE guidelines, as summarized in **Exhibit A "Categories of Work."**

A. DEVELOPER from and after the date of this Agreement and in conjunction with the implementation of the PROJECT, shall undertake the following activities (which may be modified in consultation with and with the approval of the SBE Office):

1. Advertise in general circulation and trade association media, as well as in community newspapers regarding contracting and subcontracting opportunities. Advertising in the Daily Reporter and two other publications shall be the minimum acceptable level of performance. Complete **Exhibit B “SBE Marketing Plan – Publications/Advertising Contacts”** and submit it to the SBE Office.
2. Provide interested SBEs and the agencies listed in **Exhibit C “SBE Marketing Plan – Community Agency Contacts”** with adequate information about the PROJECT plans, specifications, and contract/subcontract requirements at least two weeks prior to the date the contract bidding process commences. DEVELOPER shall document Community Agency Contacts by completing the Contact Sheet attached as **Exhibit C1 “SBE Contact Sheet”** and submitting the completed Contact Sheet to the SBE Office prior to commencement of the bidding process.
3. Complete and submit **Exhibit D “Form A – Contractor Compliance Plan”** to the SBE Office upon execution of the prime contractor’s contract, if any, or upon commencement of construction.
4. Conduct pre-bid or selection conferences and a walk-through at least two weeks in advance of the date that bids are due.
5. Provide written notice of the PROJECT to all pertinent construction trade and professional service SBEs listed in the current City of Milwaukee Directory soliciting their services in sufficient time (at least two weeks) to allow those businesses to participate effectively in the contract bidding or selection process. To identify SBEs for the PROJECT, utilize the current *Official City of Milwaukee SBE Directory* published by CITY’s SBE Office. The directory can be accessed on-line at:

<https://milwaukee.diversitycompliance.com/FrontEnd/VendorSearchPublic.asp?TN=milwaukee&XID=2276>
6. Follow-up with SBEs who show an interest in the PROJECT during the initial solicitation process and document contact with SBE firms using **Exhibit E “SBE Solicitation Form.”**
7. Select trade and professional service areas for SBE awards wherein the greatest number of SBEs exist to perform the work, thereby increasing the likelihood of contracts or subcontracts being awarded to SBEs. Where appropriate, split

contracts or subcontracts into smaller, economically feasible units to facilitate SBE participation.

8. Negotiate in good faith with interested SBEs, not reject SBE bids or proposals as unqualified or too high without sound reasons based on a thorough review of the bid or proposal submitted and maintain documentation to support the rejection of any SBE bid or proposal. Bids that are not cost effective and/or are not consistent with the PROJECT schedule will be considered "rejectable." Rejected bids or proposals shall be documented on **Exhibit F "SBE Rejection of Bid or Proposal Form."**
9. Utilize the services available from public or private agencies and other organizations for identifying SBEs available to perform the work.
10. Include in the PROJECT bid, RFP or selection documents and advertisements an explanation of PROJECT requirements for SBE participation to prospective contractors and subcontractors.
11. As necessary and whenever possible, facilitate the following:
 - (a) Joint ventures, limited partnerships or other business relationships intended to increase SBE areas of expertise, bonding capacity, credit limits, etc.
 - (b) Training relationships
 - (c) Mentor/protégé agreements

B. If DEVELOPER completes the aforementioned activities and demonstrates "good cause," as determined by the SBE Office, for not meeting the 25% requirement for SBE participation for the construction, including supplies and non-professional services, of any phase or portion of the PROJECT or the 18% requirement for SBE participation for the purchase of professional services for any phase or portion of the PROJECT, it shall be deemed that DEVELOPER has acted in "good faith" and has satisfied the requirement with respect to such phase or portion.

C. If at any point during the term of this Agreement, DEVELOPER meets or exceeds the 25% requirement for SBE participation for the construction, including supplies and non-professional services, of any phase or portion of the PROJECT and the 18% requirement for SBE participation for the purchase of professional services for any phase or portion of the PROJECT,

whether commenced before or after the date hereof, it shall be deemed that DEVELOPER has achieved or exceeded CITY's SBE requirement with respect to the PROJECT, for the purposes of fulfilling the terms of this Agreement.

D. Contract or subcontract amounts awarded to SBE suppliers, that do not manufacture products they supply, may only be counted for up to one-fifth of the SBE participation requirement.

III. RESIDENT PREFERENCE PROGRAM

A. Subject to the provisions in subsections C and D, below, DEVELOPER shall, in developing and constructing the PROJECT, utilize the RPP for no less than 40% of the total "worker hours" expended on eligible "Construction," as defined in MCO §309.41,¹ included in eligible PROJECT COSTS. Due to the scope of the PROJECT and limited availability of RPP eligible workers for the PROJECT, in the event that DEVELOPER exhausts all eligible RPP workers, as determined by the SBE Office, in cooperation with the Milwaukee Area Workforce Investment Board, and has not met the 40% requirement, DEVELOPER may hire any City resident to fill that gap and reach the 40% requirement.

B. DEVELOPER from and after the date of this Agreement and in conjunction with the PROJECT, shall undertake the following activities:

1. Listing and causing contractors and sub-contractors to list open positions with any first source hiring agency specified by the SBE Office.
2. Disseminating information provided by the SBE Office to all contractors and sub-contractors on how to recruit unemployed and underemployed residents.
3. Listing and causing contractors and sub-contractors to list job openings with Wisconsin Job Service, W-2 agencies and other agencies as specified by the SBE Office.
4. Working in cooperation with CITY, identify and implement any other activities and steps to maximize utilization of unemployed and underemployed residents on the Project.

¹ The definition of "Construction" shall mean "Construction" as defined in sec. 309.41 of the MCO, but as modified to reflect the private nature of the PROJECT.

5. Disseminating the Employee Affidavit form, attached as **Exhibit G**, to all contractors and sub-contractors for their use in documenting RPP compliance.
6. Causing contractors and sub-contractors to participate in training on the CITY's LCP Tracker Labor Compliance Software.
7. Throughout the construction of the PROJECT, causing contractors and sub-contractors to provide timely payroll information, on at least a monthly basis, via LCP Tracker.

C. For the purposes of maximizing employment opportunities, targeting training programs and assessing RPP compliance feasibility for PROJECT COSTS, CITY (through CITY's Department of City Development and the SBE Office), DEVELOPER AND DEVELOPER's project manager, in conjunction with the Milwaukee Area Workforce Investment Board in collaboration with the Milwaukee Building Trades and WRTP Big Step, shall develop a gap analysis of work force capabilities and capacities on a trade by trade basis. This analysis shall be performed both prior to commencement of construction bidding and again following construction bidding and shall be utilized to adjust RPP percentages for specific trades involved in the construction of the Bucks Arena, Public Plaza, Live Block Plaza and Parking Structure, if necessary, with such percentages determined by the SBE Office and the entities responsible for preparation of the gap analysis.

D. Prior to the commencement of the PROJECT, DEVELOPER or its representatives and the SBE Office shall meet and confer to determine, utilizing the gap analysis described in subsection C above, the eligible construction PROJECT COSTS subject to the mandatory RPP requirement. If at any point during the term of this AGREEMENT, DEVELOPER meets or exceeds the 40% mandatory RPP requirement or such other applicable percentages established under subsection C, above, in conjunction with the PROJECT, it shall be deemed that DEVELOPER has achieved or exceeded CITY's RPP requirement with respect to the PROJECT.

E. DEVELOPER shall file the reports attached as **Exhibit H “Construction RPP Hours Calculation”** to evidence compliance with RPP requirements with the SBE Office. All RPP reports shall be accompanied by supporting Employee Affidavits, in the form attached as **Exhibit G**.

IV. SBE AND RPP REPORTING

DEVELOPER agrees to report to the SBE Office, CITY’s Common Council and the Zoning, Neighborhoods and Development Committee of the CITY’s Common Council on DEVELOPER’s utilization of SBEs and unemployed or underemployed residents in its contracting activities for the PROJECT, pursuant to Chapters 355 and 370 of the MCO and in accordance with the requirements of this Agreement. In order to monitor the PROJECT’s SBE and RPP worker participation, CITY requires, and DEVELOPER agrees to take the following steps:

- A. Provide a list of all categories of work for each phase or portion of the PROJECT, with budget allowances, for which bids will be solicited and highlight those categories, based upon DEVELOPER’s knowledge and experience, which are conducive to SBE participation.
- B. Provide the SBE Office with documentation supporting efforts extended to solicit bids from SBEs. Upon request, DEVELOPER shall make information related to SBE bids available to the SBE Office.
- C. Submit an SBE Quarterly Report to the SBE Office on or before the 20th of the first month of each quarter, on the form attached as **Exhibit I “Form D – SBE Monthly Report”**, or such other forms approved by the SBE Office.
- D. Submit an SBE/RPP Report to CITY’s Common Council on a quarterly basis regarding achievement of SBE and RPP standards for the duration of construction of the PROJECT. The forms attached as **Exhibit H** and **Exhibit I** (or such other forms approved by the SBE Office) shall also be used for said quarterly reports.
- E. Upon request from the SBE Office, make a quarterly presentation to the Zoning, Neighborhoods and Development Committee of the CITY’s Common Council regarding achievement of SBE and RPP standards for the duration of construction of the PROJECT. Said presentation shall be coordinated through the SBE Office.

- F. Complete and submit a final **Exhibit I** and **Exhibit J** “**SBE Subcontractor Payment Form**” (or such other forms as are approved by the SBE Office) to the SBE Office upon completion of all construction of the PROJECT.

V. LABOR STANDARDS AND WAGES.

DEVELOPER shall comply with all applicable state and municipal labor standards provisions on the PROJECT including, but not limited to, living wage requirements of MCO §355-13-3. Unless precluded by Section 66.0903, Wis. Stats., any worker who performs work on the PROJECT shall, at a minimum, receive a living wage as defined in MCO §310-13-2-a. DEVELOPER shall provide and cause its contractors and subcontractors to provide the SBE Office any necessary documentation relative to compliance with applicable labor standards provisions including, but not limited to, the City’s living wage requirements on forms specified by the SBE Office.

VI. CITY ADMINISTRATION.

The SBE Office shall have primary responsibility for the administration of this Agreement as well as primary monitoring and enforcement authority for the programs and activities encompassed by this Agreement. In exercising its responsibilities under the Agreement, the SBE Office shall use good faith and act in a reasonable manner. Notwithstanding the foregoing, the SBE Office shall make all information and data collected pursuant to this Agreement available to CITY’s Department of City Development and Comptroller in order to allow fulfillment of their respective responsibilities with respect to the programs and activities encompassed by this Agreement. CITY’s Department of City Development, and Comptroller shall cooperate with and assist the SBE Office in the administration of this Agreement.

VII. DEVELOPER ADMINISTRATION.

DEVELOPER may retain a person or firm reasonably acceptable to the SBE Office, to act as DEVELOPER's consultant and to assist in record keeping, collection of information and the filing of all reports necessary to demonstrate compliance with the requirements of this Agreement. DEVELOPER shall also comply with the reporting requirements set forth in Section IV of this Agreement.

VIII. AUDIT RIGHTS.

DEVELOPER shall keep or cause others under its control, including its contractors and subcontractors to keep accurate, full and complete books and accounts with respect to costs of developing, constructing, and completing the PROJECT, including personnel records, and carrying out the duties and obligations of DEVELOPER hereunder. All the books and accounts required to be kept hereunder shall be maintained in accordance with generally accepted accounting principles consistently applied, and shall be kept for a period of seven years.

IX. PUBLIC RECORDS.

Records shall be maintained in accordance with requirements prescribed by the CITY with respect to all matters covered by this Agreement. Both parties understand that the CITY is bound by Wisconsin Public Records Law, and as such, all of the terms of this Agreement are subject to and conditioned on the provisions of Wis. Stat. Section 19.21, et seq. DEVELOPER acknowledges that it is obligated to assist the CITY in retaining and producing records that are subject to Wisconsin Public Records Law, and DEVELOPER must defend and hold the City harmless from liability under that law. Except as otherwise authorized, these records shall be maintained for a period of seven years from the date of this Agreement.

X. NOTICES.

All notices under this Agreement shall be made in writing and deemed served upon depositing the same in the United States Postal Service as “Certified Mail, Return Receipt Requested,” addressed as follows:

A. To the CITY: SBE Program Office
City of Milwaukee
200 East Wells Street
Milwaukee, WI 53202
Attn: Director

With a copy to: Department of City Development
City of Milwaukee
809 North Broadway
Milwaukee, WI 53202
Attn: Commissioner

B. To DEVELOPER: Deer District LLC
1543 North 2nd Street, 6th Floor
Milwaukee, WI 53212
Attn: Peter Feigin

With a copy to: Attorney Bruce Block
Reinhart Boerner Van Deuren, S.C.
1000 North Water Street, Suite 1700
Milwaukee, WI 53201-2965

XI. SANCTIONS.

In the event that any document submitted to CITY by DEVELOPER or a contractor or subcontractor of DEVELOPER contains false, misleading or fraudulent information or demonstrates non-compliance with the requirements of this Agreement, the SBE Office may seek prosecution under MCO §355-19 or the imposition of any of the following sanctions:

- a. Imposition of a requirement that remedial efforts be undertaken by DEVELOPER for the remaining portion of the PROJECT where initial reports demonstrate non-compliance with the resident preference hours required for the PROJECT.
- b. Specific performance or specified remedies under this Agreement.

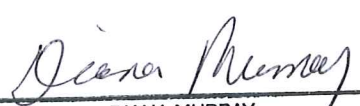
- c. Collection of any living wage shortfall, with interest, for distribution to employees performing work on the PROJECT.
- d. Remedies available under any development or other agreements between CITY and DEVELOPER related to the PROJECT for such non-compliance with human resource provisions.

IN WITNESS WHEREOF, the parties have executed this Human Resources Agreement as of the 22nd day of December, 2015.

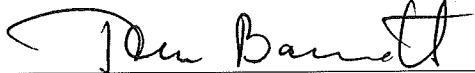
DEER DISTRICT LLC

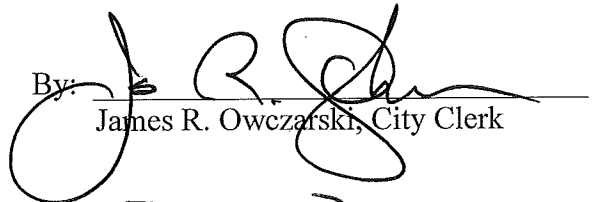
By: _____



Peter Feigin, President


DIANA MURRAY
Notary Public, State of New York
Registration No. 01MU6160602
Qualified in Rockland County
Filed in New York County
Commission Exp. Feb. 12, 2019

CITY OF MILWAUKEE

By: 
Tom Barrett, Mayor

By: 
James R. Owczarski, City Clerk

By: 
Martin Matson, City Comptroller

Approved as to form and execution and content
this 22nd day of December, 2015.



Mary L. Schanning
Assistant City Attorney

EXHIBIT A
CATEGORIES OF WORK

CATEGORIES OF WORK
CONSTRUCTION BUDGET FOR
MILWAUKEE BUCKS ARENA PROJECT

<u>WORK DESCRIPTION</u>	<u>GENERAL</u>	<u>SUPPLIER ITEMS</u>
SITE PREPARATION:		
DEMOLITION	\$0.00	
EXCAVATION	\$0.00	
SOIL HAULING & DISPOSAL	\$0.00	
STORMWATER MANAGEMENT SYSTEM	\$0.00	
OTHER SITE:	\$0.00	
 BUILDING CONSTRUCTION:		
FOOTINGS & FOUNDATION	\$0.00	
FLOOR SLAB	\$0.00	
STRUCTURAL STEEL**	**	\$0.00
GLAZING	\$0.00	
MASONARY	\$0.00	
ROOFING	\$0.00	
ROUGH CARPENTRY	\$0.00	
FINISH CARPENTRY	\$0.00	
DOORS, FRAMES & MILLWORK	\$0.00	
HVAC EQUIPMENT**	**	\$0.00
PLUMBING	\$0.00	
FIRE PROTECTION	\$0.00	
ELECTRICAL	\$0.00	
DRYWALL	\$0.00	
CEILINGS	\$0.00	
FLOORING	\$0.00	
CERAMIC TILE	\$0.00	
LIGHTING	\$0.00	
PAINTING/INTERIOR FINISH	\$0.00	
OTHER:	\$0.00	
OTHER:	\$0.00	
OTHER:	\$0.00	
 SITE IMPROVEMENTS:		
PAVING	\$0.00	
LATERALS/CATCH BASIN	\$0.00	
LANDSCAPING	\$0.00	
FENCING	\$0.00	
OTHER:	\$0.00	

	-----	-----
TOTAL HARD COSTS	\$0.00	\$0.00

PROFESSIONAL SERVICES	
ARCHITECTUAL	\$0.00
ENGINEERING	\$0.00
LEGAL SERVICES	\$0.00
SURVEY	\$0.00
ENVIRONMENTAL	\$0.00
GENERAL CONTRACTOR	\$0.00
CONSTRUCTION MANAGER	\$0.00
OTHER:	\$0.00

TOTAL PROFESSIONAL SERVICES	\$0.00

COST SUMMARY & SBE CALCULATIONS	CATEGORY	RATE	SBE REQUIREMENT
CONSTRUCTION EXCLUDING SUPPLIER ITEMS	\$0.00	25%	\$0.00
SUPPLIER AMOUNT **	\$0.00	25%	\$0.00
PROFESSIONAL SERVICES	\$0.00	18%	\$0.00

TOTAL SBE REQUIREMENTS			\$0.00

EXHIBIT B

SBE MARKETING PLAN – PUBLICATIONS/ADVERTISING CONTACTS

Milwaukee Times

(Published weekly)
1936 North King Drive, Milwaukee, WI 53212
Tele. No: (414) 263-5088
Contacted _____yes _____no
Contact Person _____
Date and Time _____

The Milwaukee Courier

(Published weekly)
2003 W. Capitol Drive, Milwaukee, WI 53206
Tele No: (414) 449-4860
Fax: (414) 906-5383
Contacted _____yes _____no
Contact Person _____
Date and Time _____

Milwaukee Community Journal, Inc.

(Published twice weekly)
3612 North King Drive, Milwaukee, WI 53212
Tele No: (414) 265-5300
Contacted _____yes _____no
Contact Person _____
Date and Time _____

Daily Reporter

(Published daily M-F)
225 E. Michigan St., Suite 540, Milwaukee, WI 53202
Tele No: (414) 276-0273
Fax: (414) 276-8057
Contacted _____yes _____no
Contact Person _____
Date and Time _____

Spanish Journal

(Published weekly)
611 West National Avenue, Suite 316, Milwaukee, WI 53204
Tele No: (414) 643-5683
Fax: (414) 643-8025
Contacted _____yes _____no
Contact Person _____
Date and Time _____

EXHIBIT C
SBE MARKETING PLAN – COMMUNITY AGENCY CONTACTS

National Association of Minority Contractors

6122 North 76th Street
Milwaukee, WI 53218
(414) 454-9475

The Milwaukee Urban League

435 West North Avenue
Milwaukee, WI 53212
(414) 374-5850

African American Chamber-Commerce

633 W Wisconsin Ave., Suite 1001
Milwaukee, WI 53203
(414) 462-9450

Hispanic Chamber of Commerce of Wisconsin

1021 W National Ave.
Milwaukee, WI 53204
(414) 643-6963

Hmong Wisconsin Chamber of Commerce

6815 W. Capitol Drive, Suite 204
Milwaukee, WI 53216
(414) 645-8828

EXHIBIT C1
Small Business Enterprise (SBE)
Contact Sheet

Name of Agency	Address of Agency	Contact Person	Date of Contact	Time of Contact

Exhibit D



CITY OF MILWAUKEE
OFFICE OF SMALL BUSINESS DEVELOPMENT
FORM A - CONTRACTOR COMPLIANCE PLAN

Please list all proposed subcontractor(s) and/or material suppliers for this project.

I. GENERAL INFORMATION (REQUIRED)

Project Name _____ SBE Participation: _____% Total Dollar Amount: \$ _____

Project Description: _____

II. PRIME CONTRACTOR INFORMATION (REQUIRED)

Contractor Name: _____

Address: _____

City/State/Zip: _____

Contact Person: _____ Title: _____

Phone: _____ Fax: _____ Email: _____

Print Name: _____ Title: _____

City of Milwaukee SBE Certification: _____ Yes _____ No

III. ACKNOWLEDGEMENT (REQUIRED)

I certify that the information included in this Compliance Plan is true and complete to the best of my knowledge.

Name of Authorized Representative: _____ Title: _____

Signature: _____ Date: _____

FOR STAFF USE ONLY

Reviewed by OSBD Staff: _____ Date: _____

CITY OF MILWAUKEE
OFFICE OF SMALL BUSINESS DEVELOPMENT
CONTRACTOR COMPLIANCE PLAN

List all subcontractor information in its entirety. Only SBE firms certified through the City Of Milwaukee Office of Small Business Development will be counted towards specified SBE requirements. Individual subcontractor SBE percentages should equal the overall participation as listed on Page 1. Please visit the OSBD website www.milwaukee.gov/osbd for a complete list of certified firms.

IV. SUBCONTRACTOR INFORMATION

Subcontractor Name: _____

Contact Person: _____ Title: _____

Phone: _____ Fax: _____ Email: _____

Owner/Representative Signature: _____ Date: _____

Work performed / Materials supplied: _____

City of Milwaukee SBE Certification Yes No

Please identify the proposed award amount and percentage of the contract the subcontractor will fulfill (if applicable).

Proposed Award: \$ _____ Percentage of contract: _____%

Subcontractor Name: _____

Contact Person: _____ Title: _____

Phone: _____ Fax: _____ Email: _____

Owner/Representative Signature: _____ Date: _____

Work performed / Materials supplied: _____

City of Milwaukee SBE Certification Yes No

Please identify the proposed award amount and percentage of the contract the subcontractor will fulfill (if applicable).

Proposed Award: \$ _____ Percentage of contract: _____%

PLEASE DUPLICATE AS NEEDED TO PROVIDE ADDITIONAL SUBCONTRACTOR INFORMATION

Department of Administration - Business Operations Division
Office of Small Business Development
City Hall, Room 606
200 East Wells Street
Milwaukee, WI 53202
Information Line: 414-286-5553 Fax: 286-8752
www.milwaukee.gov/osbd

Exhibit E
SMALL BUSINESS ENTERPRISE (SBE)
SOLICITATION FORM

Name & Address of SBE Firm _____

Name of Individual Contacted _____ Phone Number _____

Type of Work _____ Date and Time of Contact _____

Quotation or Proposal Received _____

REMARKS: THESE SHOULD INCLUDE ANY FOLLOW UP ACTIONS. IN THE EVENT THAT THE SMALL BUSINESS ENTERPRISE WILL NOT BE UTILIZED, INCLUDE AN EXPLANATION OF THE REASON (S) WHY THE FIRM WILL NOT BE USED. FOR EXAMPLE: IF THE ONLY REASON FOR NON-UTILIZATION WAS PRICE, THE EXPLANATION SHOULD REFLECT WHAT STEPS WERE TAKEN TO REACH A COMPETITIVE PRICE LEVEL.

REMARKS:

EXHIBIT F
SMALL BUSINESS ENTERPRISE (SBE)
Rejection of Bid or Proposal Form

Name and Address of SBE firm	Type of Work	Bid or Proposal Submitted by SBE	Actual Award	Reasons for bid rejection	Approved By
1					
2					
3					
4					
5					
6					
7					
8					

EXHIBIT G

FORM RPP (Rev.2009)

Contractor Name: _____

Development Project Name _____

Employee Affidavit
Residents Preference Program

I certify that I maintain my permanent residence in the City of Milwaukee and that I vote, pay personal income tax, obtain my driver's license, etc. at

_____, Milwaukee, WI _____
(Address) (Zip Code)

Residency status:

To verify my resident status, attached please find the following (check one)

- _____ Copy of my voter's certification form.
- _____ Copy of my last year's Form 1040.
- _____ Copy of my current Wisconsin Driver's License or State ID.
- _____ Copy of Other (i.e., Utility bill, Lease, etc.)

AND

Unemployment status:

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.

OR

Underemployed status:

_____ I certify that based on the attached chart (Income Eligibility Guidelines), I am underemployed.

Print Name

Sign Name

Social Security Number

Home Telephone Number

Subscribed and sworn to me this _____ day

Of _____, _____ A.D.
My Commission Expires _____

Notary Public Milwaukee County

RPP Chart

Income Eligibility Guidelines
July 1, 2015 to June 30, 2016

Eligibility determination is based on household size and income.
 Total income must be at or below the amount in the table.

House-hold Size	Yearly	Monthly	Twice per month	Every 2 weeks	Weekly
1	15,301	1,276	638	589	295
2	20,709	1,726	863	797	399
3	26,117	2,177	1,089	1,005	503
4	31,525	2,628	1,314	1,213	607
5	36,933	3,078	1,539	1,421	711
6	42,341	3,529	1,765	1,629	815
7	47,749	3,980	1,990	1,837	919
8	53,157	4,430	2,215	2,045	1,023
9	58,565	4,881	2,441	2,253	1,127
10	63,973	5,332	2,667	2,461	1,231
11	69,381	5,783	2,893	2,669	1,335
12	74,789	6,234	3,119	2,877	1,439
For Each Additional Household Member Add	5,408	451	226	208	104

Source: Wisconsin Department of Public Instruction
 School Nutrition Programs

EXHIBIT H

Milwaukee Bucks Arena Project
Construction RPP Hours Calculation
Phase _____

RPP Goal

Total Construction Hours Worked Pursuant to § 355-7.1a. "Worker Hours" includes work performed by persons filling apprenticeship and on-the-job training programs and excludes the number of hours of work performed by all non-Wisconsin residents.	
Multiplied by 40%	
Applicable RPP Goal	
Total RPP Construction Hours	
RPP Hour Surplus/Shortfall	
RPP Percentage (Total RPP Construction Hours/Total Construction Hours Worked)	

EXHIBIT I



CITY OF MILWAUKEE
DEPARTMENT OF ADMINISTRATION
OFFICE OF SMALL BUSINESS DEVELOPMENT
FORM D

SBE MONTHLY REPORT

The monthly report should be completed in its entirety and submitted no later than the 20th of every month to DOA-Office of Small Business Development. If this represents the final report, Form E - SBE Payment Certification should be attached for each subcontractor.

SECTION I. GENERAL INFORMATION (REQUIRED)

Month: _____ Final Report: Yes No

Prime Contractor: _____

Address: _____ City/State/Zip: _____

City of Milwaukee SBE Certification: Yes No

Purchase Order / Contract #: _____ Project Name / Number: _____

Description of service performed and/or materials supplied: _____

Prime Contractor's Total \$ _____ Prime Contractor's YTD \$: _____

Start Date: _____ Completion Date: _____ SBE Participation Requirement \$ _____ / _____ %

SECTION II. SUBCONTRACTOR INFORMATION (REQUIRED)

List all SBE subcontractor firm(s) utilized in connection with the above contract, either as service performed and/or supplier for the month. Only SBE firms certified through the City Of Milwaukee Office of Small Business Development will be counted towards specified SBE requirements. Please visit the OSBD website www.milwaukee.gov/osbd for a complete list of certified firms.

Name of SBE Firm	Service Performed / Material Supplied	Amount Paid for the Month (\$)	Total (\$) Paid Y-T-D
Total Payments to SBE			

SECTION III. ACKNOWLEDGEMENT (REQUIRED)

I/we hereby certify that I/we have read the above and approved this information to be precise and confirmed. I further understand that failure to return this form by the specified time may cause a delay in payments (if applicable).

Report Prepared by: _____ Title: _____ Date: _____

Authorized Signature: _____ Title: _____ Date: _____

Department of Administration - Business Operations Division
Office of Small Business Development
City Hall, Room 606
Milwaukee, WI 53202
Information Line: 414-286-5553 Fax: 414-286-8752
www.milwaukee.gov/osbd

DIRECTIONS FOR COMPLETING FORM D - MONTHLY REPORT

SECTION I. GENERAL INFORMATION

Please provide all contractual information as indicated in Section I.

If the purchase order/ contract or project requires Small Business Enterprise (SBE) requirements, please indicate the percentage in the designated area.

SECTION II. SUBCONTRACTOR INFORMATION

Monthly reports are due by the 20th of each month via fax at 414-286-8752 or US Postal Service.

The data should indicate payments for the previous month. If there are zero payments for a reporting period, a monthly report indicating such should still be submitted.

Only report payments to City of Milwaukee SBE firms. Non-SBE firms will not be counted towards participation requirements.

Please duplicate the form if you need to add additional payment information.

SECTION III. ACKNOWLEDGEMENT

Sign and date Form D signifying that all information is precise and confirmed. Unsigned forms will not be accepted.

EXHIBIT J



CITY OF MILWAUKEE
DEPARTMENT OF ADMINISTRATION
OFFICE OF SMALL BUSINESS DEVELOPMENT
FORM E

SBE SUBCONTRACTOR FINAL PAYMENT CERTIFICATION

This form is to be completed and signed by the Prime Contractor and SBE subcontractor firms that were utilized in connection with contract listed below, either for service performed and/or as a supplier.

Prime Contractor Name: _____

Prime Contractor's Bid or RFP#: _____ Purchase Order or Contract # _____

Project Name: _____

I hereby certify that our firm has paid the listed amount to the SBE Subcontractor as indicated below for work performed and/or material supplied on the above contract.

Authorized Signer: _____ Date: _____

Subcontractor Name: _____

Total payment received \$ _____

I hereby certify that our firm has received the listed amount from the Prime Contractor as indicated above for subcontract work performed and/or material supplied on the above contract.

Owner/Representative Signature: _____ Date: _____

Submit this form with the Prime Contractor's final FORM D (SBE Monthly Report) to:

Department of Administration
Office of Small Business Development
City Hall – Room 606
200 East Wells St
Milwaukee, WI 53202
(or fax to 414-286-8752)

**ESCROW
DISBURSEMENT AGREEMENT**

**Milwaukee Bucks Arena – Parking Structure
(TID 22)**

ESCROW DISBURSEMENT AGREEMENT
Milwaukee Bucks Arena – Parking Structure
(TID 22)

This Escrow Disbursement Agreement (“Escrow Agreement”) is made and entered into as of the 22nd day of December, 2015 by and among First American Title Insurance Company, a Nebraska corporation, (“ESCROWEE”); Deer District LLC, a Delaware limited liability company, (“DEVELOPER”); and the City of Milwaukee, a municipal corporation (“CITY”).

RECITALS

A. DEVELOPER, CITY and the Redevelopment Authority of the City of Milwaukee entered into a Cooperation, Contribution and Development Agreement dated as of the 22nd day of December, 2015 (the “Development Agreement”).

B. The Development Agreement addresses the implementation and funding of the Arena Project utilizing contributions from CITY’s Tax Increment Financing District No. 22 in the amount of \$27,000,000 to be provided by the CITY for construction of the Parking Structure in accordance with the Development Agreement, which funds shall be deposited with ESCROWEE by CITY (the “TID 22 Contribution”).

C. The parties desire to enter into this Escrow Agreement in order to provide for disbursement of the TID 22 Contribution by the ESCROWEE to DEVELOPER.

D. This Escrow Agreement shall not constitute a promise by ESCROWEE to protect any party against construction lien claims on any title insurance policy issued by ESCROWEE and the parties acknowledge that the only responsibility of ESCROWEE created by this Escrow Agreement shall be the faithful performance of the express obligations assumed hereunder.

E. Any capitalized terms not defined in this Escrow Agreement shall be defined as they are in the Development Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties mutually agree as follows:

1. **Deposit of Funds.** Promptly following execution of this Escrow Agreement, CITY shall deposit to the custody of the ESCROWEE the TID 22 Contribution in a total amount of \$27,000,000, to be used for making disbursements under this Escrow Agreement. The TID 22 Contribution shall be held by ESCROWEE in an interest-bearing money market account. Any interest earned thereon shall be retained in the escrow account and be added to the TID 22 Contribution (collectively, the “Escrow Funds”) to increase the funds available for

disbursement to DEVELOPER. ESCROWEE shall no later than January 31 of each year provide CITY and DEVELOPER an annual calendar year statement showing the amount and date of any interest earned, investment liquidation, investment purchase and disbursement and remaining balance.

2. **Disbursements for Work by DEVELOPER's Contractors.**

- A. The Escrow Funds shall be disbursed pursuant to the terms of the Development Agreement for the actual costs of designing, developing, constructing and equipping the Parking Structure and in accordance with the requirements of this Escrow Agreement.
- B. ESCROWEE shall not disburse any of the Escrow Funds until CITY has confirmed to ESCROWEE in writing that all Preconditions in the Development Agreement have been met.
- C. Prior to the first disbursement of any portion of the Escrow Funds, CITY and ESCROWEE shall be furnished a sworn statement from DEVELOPER, which will be supplemented in connection with subsequent draws, setting forth in detail the contractors and material suppliers with whom DEVELOPER has contracted, their address, work or materials to be furnished, amounts of the contracts, amount paid to date, amounts of current payments and balances due.

3. **Disbursements.** Prior to each disbursement of the Escrow Funds hereunder, the following steps shall be taken:

- A. DEVELOPER shall provide to CITY and ESCROWEE, with respect to the Parking Structure, a sworn statement from DEVELOPER's general contractor setting forth all contractors and materialmen with whom DEVELOPER or its general contractor has contracted amounts of contracts, amounts paid to date, amounts of current payments and balance due (with supporting documentation) and copies of all change orders (the "Contractor's Statement");
- B. DEVELOPER shall provide to CITY and ESCROWEE signed final lien waivers for all costs paid in prior disbursements and conditional lien waivers subject to payment of the current disbursement request (except that for the final disbursement request, final lien waivers shall be provided rather than conditional lien waivers), from all entities who provided work or materials as named on the Contractor's Statement submitted for the currently requested disbursement;
- C. DEVELOPER shall provide to CITY and ESCROWEE a report or a certification by GRAEF-USA (the "Architect") certifying that work with respect to the Parking Structure has been completed and materials are in place as indicated by the request for payment of the DEVELOPER;

- D. DEVELOPER shall provide to CITY and ESCROWEE, a report or certification, confirmed by the Architect and DEVELOPER's general contractor, upon which CITY can rely, certifying that the work completed so far is consistent with the Final Plans, certifying the percentage of construction that has been completed on the Parking Structure to date, certifying the costs that have been expended to date and certifying the estimated costs for work that remains to be done in order to complete construction of the Parking Structure and that has not yet been submitted for disbursement.
- E. CITY shall, as expeditiously as reasonably possible after receipt of the items in subsections A through D, above, approve or reject DEVELOPER's request for disbursement of funds, but under no circumstances shall such approval or rejection take more than 30 days. Such approval or rejection shall be provided in writing to both DEVELOPER and ESCROWEE. If DEVELOPER's request for disbursement is rejected, CITY shall provide to DEVELOPER written explanation of the portions of the request objected to and the specific reason(s) for the rejection. Non-compliance with the requirements of this Disbursement Agreement or those provisions of the Development Agreement relating to construction of the Parking Structure, or alleged discrepancies, inaccuracies, misstatements or misrepresentations in the Contractor's Statement shall be the only basis upon which CITY shall object to all or any portion of disbursement request; and
- F. Upon receipt of approval by CITY of the requested disbursement, ESCROWEE shall, within one business day transmit sufficient funds to cover the requested disbursement. All disbursements by ESCROWEE will be made directly to DEVELOPER for payment by DEVELOPER to the contractors, materialmen or other third parties rendering such work, materials and services except that upon request of DEVELOPER, disbursements may be paid by ESCROWEE directly to the contractors, materialmen or other third parties rendering such work, materials and services, rather than to DEVELOPER.
- G. In the event that the report provided pursuant to subsection D above reveals that the remaining Escrow Funds not yet disbursed are not sufficient to pay for all of the estimated costs for work that remains to be done in order to complete construction of the Parking Structure and that has not yet been submitted for disbursement, DEVELOPER shall deposit with ESCROWEE sufficient funds, to be added to the Escrow Funds, to cover such deficiency or provide such other assurances reasonably acceptable to CITY that sufficient funds are available to cover such deficiency. CITY may, at its discretion, withhold approval of any future

disbursement requests until such deposit by DEVELOPER has been made or such assurances provided.

It is the intention of the parties named herein that no person which is not a signatory to this Escrow Agreement shall be a third party beneficiary of this Escrow Agreement, and ESCROWEE owes no duty of care to any such party.

If either CITY or ESCROWEE discovers a misstatement or deficiency in any of the documents provided by DEVELOPER, either may stop disbursement until the misstatement or deficiency has been corrected.

4. **Limits of ESCROWEE's Duties.** The functions and duties assumed by ESCROWEE include only those described in the Escrow Agreement, and the ESCROWEE is not obligated to act except in accordance with the terms and conditions of this Escrow Agreement. ESCROWEE does not certify or insure that (a) the Parking Structure will be completed; (b) that the Parking Structure, when completed, will be in accordance with the Final Plans or the Development Agreement; (c) that sufficient funds will be available for completion of the Parking Structure; or (d) that the certifications of the Architect are correct. ESCROWEE shall not be responsible for any loss of documents or funds while such documents or funds are not yet in its custody. Documents or funds deposited in the United States mail by DEVELOPER or CITY shall not be construed as being in custody of ESCROWEE until actually received by ESCROWEE. **This Escrow Agreement is not a promise by ESCROWEE to protect any party against construction lien claims on any title insurance policy issued by ESCROWEE.**
5. **Inspections.** DEVELOPER shall be responsible for making inspections of the Parking Structure during the course of construction, and shall determine to its own satisfaction that the work done or materials supplied by its general contractor and all subcontractors and suppliers have been properly made or supplied in accordance with applicable contracts and the Development Agreement. ESCROWEE shall not be required to conduct any inspections of the Parking Structure.
6. **Notice to ESCROWEE.** The DEVELOPER and CITY agree to advise the ESCROWEE promptly in the event that they receive any lien notice or intention to claim a lien from any contractor, subcontractor, or material suppliers in connection with the construction of the Parking Structure.
7. **Escrow Fee.** An escrow fee of \$250 per draw is to be paid by DEVELOPER, which fee must be paid at the time each draw is disbursed or which fee will be deducted from the draw disbursement.
8. **Escrow Termination.** This Escrow Agreement shall terminate and ESCROWEE shall have no further liability hereunder upon any of the following occurring:

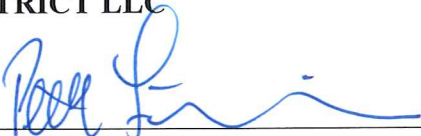
- A. All Escrow Funds are disbursed pursuant to Section 3 of this Escrow Agreement.
 - B. In the event that all of the Preconditions in the Development Agreement are not met by the Preconditions Deadline in the Development Agreement, CITY shall notify ESCROWEE in writing and ESCROWEE shall return all of the TID 22 Contribution to CITY. Any interest earned on the TID 22 Contribution shall also be returned to CITY along with the TID 22 Contribution.
 - C. ESCROWEE resigns as ESCROWEE by providing 30 days written notice to DEVELOPER and CITY. Upon resignation by the ESCROWEE, ESCROWEE shall forward all undisbursed funds to a new escrowee chosen by CITY and DEVELOPER.
9. **Collateral Assignment by DEVELOPER.** The parties acknowledge that DEVELOPER may collaterally assign its rights and interests in the Development Agreement and the Escrow Agreement to a Permitted Mortgagee, as further defined in Article XIX of the Development Agreement. If a Permitted Mortgagee (or its assignee or successor) succeeds to the role of DEVELOPER under the Development Agreement, then such Permitted Mortgagee (or its assignee or successor) shall similarly succeed to the role of DEVELOPER under this Escrow Agreement
10. **Supplement to Escrow Agreement.** CITY and DEVELOPER acknowledge that: (a) additional funds from the TID 84 Contribution may subsequently be deposited with ESCROWEE, which shall thereupon be disbursed in accordance with the terms of this Escrow Agreement, provided that the TID 22 Contribution shall be fully depleted before any of the TID 84 Contribution is disbursed; and (b) if the TID 84 Contribution is deposited with ESCROWEE, then any TID 84 Contribution funds remaining in the possession of ESCROWEE following completion of the Parking Structure and payment in full of all costs pertaining thereto shall be applied to supplement the Plaza Contribution and in such event, CITY and DEVELOPER shall amend this Escrow Agreement or provide for the disbursement of such excess funds under a separate Disbursement Agreement to accommodate such use.

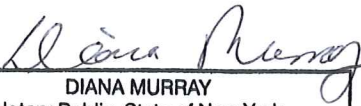
SIGNATURES ON NEXT THREE PAGES

Executed as of this 21st day of December 2015.

DEER DISTRICT LLC

By:


Peter Feigin, President




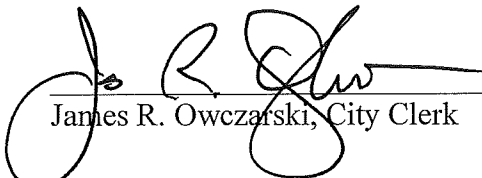
DIANA MURRAY
Notary Public, State of New York
Registration No. 01MU6160602
Qualified in Rockland County
Filed in New York County
Commission Exp. Feb. 12, 2019



Executed as of this 21st day of December 2015.

CITY OF MILWAUKEE:

By: 
Tom Barrett, Mayor

By: 
James R. Owczarski, City Clerk

Countersigned:


Martin Matson, City Comptroller

Executed as of this 21st day of December 2015.

FIRST AMERICAN TITLE INSURANCE COMPANY

By:



Jan M. Haapala, Vice President