

May 11, 2011

East Town Association, Inc
770 North Jefferson Street
Milwaukee, WI 53202

Friends of Juneau Park
919 North Astor Street, Unit 1901
Milwaukee, WI 53202

Ladies and Gentlemen:

Re: Possible Neighborhood Improvement
District for Cathedral Square Park and
Juneau Park

This letter of intent sets forth the basic steps, terms and conditions for the possible formation of a neighborhood improvement district (a "NID") by East Town Association, Inc. ("East-Town") and the Friends of Juneau Park (the "Friends"). The primary purpose of the NID would be to upgrade and improve maintenance and operations at Cathedral Square Park ("CSP") and Juneau Park ("JP").

1. Overview. East Town currently uses CSP to host signature events such as Jazz in the Park and Bastille Days. The Friends are interested in the upkeep of JP and currently undertake various caretaking activities for JP. Both CSP and JP are currently owned, operated and maintained by Milwaukee County. East Town and the Friends intend that a new NID would take over certain operating and maintenance functions at CSP and JP.

The steps to be pursued by East Town and the Friends in this endeavor will be:

- Enter into mutually acceptable letters of intent (later definitive agreements) with Milwaukee County, to be approved by the County Board and executed by the County Executive;
- Draft an initial NID operating plan;

- Project anticipated NID expenditures and assessments;
- Designate NID boundaries;
- Obtain approval from key NID property owners; and
- Pursue the NID approval process under Wis. Stats. sec. 66.1110, culminating in adoption of a resolution by the City of Milwaukee Common Council.

This letter of intent sets forth the parties' intent to commit time and funding resources to form the NID. The parties intend to split equally all attorney and other specified fees incurred in pursuing the NID formation. Attorney fees to form the NID shall not exceed \$15,000 without written authorization from both East Town and the Friends. Each group shall fund individually any attorney fees incurred by it to renegotiate any lease between it and Milwaukee County. Similarly, East-Town shall fund any architect fees it incurs to design CSP; the Friends shall fund any architect fees they incur to design JP. The parties agree to include all fees within any NID operating plan and to cause the NID to reimburse East-Town and the Friends for fees each organization incurs to pursue the NID.

2. Letter(s) of Intent with Milwaukee County.
3. *East Town Association will pursue an exclusive long-term ground lease of CSP from Milwaukee County. Unique terms of the CSP lease shall be determined in East-Town's sole discretion.*

(b) *The Friends will pursue an exclusive long-term ground lease of JP from Milwaukee County. Unique terms of the JP lease shall be determined in the Friends' sole discretion.*

3. Initial NID Operating Plan. The proposed initial NID operating plan shall include at least all of the following:

- (a) Reimbursement of East Town and the Friends for any fees incurred by them in pursuing the NID;
- (b) Design plans for initial capital improvements at both CSP and JP;

- (c) Commitments for funding such capital improvements;
- (d) Ongoing maintenance plans for both CSP and JP, which may or may not include contracting for public safety, cleaning and landscaping services;
- (e) Plans for events to be sponsored in CSP and JP;
- (f) Organization of the NID board; and
- (g) Any special restrictions desired by property owners, such as budget and/or assessment controls, automatic sunset, etc. NID assessments charged to owners of real estate within the NID will be based on assessed value subject to general property taxes.

4. The NID Board. The NID board shall consist of a six-member Board elected by property owners, and the NID board shall appoint two subboards—one to manage CSP and a second to manage JP.

- (a) The six-member elected NID board shall consist of:
 - Three owners of commercial property, also members of East Town and elected by all commercial property owners in the NID;
 - One owner of commercial property, also a member of the Friends and elected by all commercial property owners in the NID; and
 - Two owners of residential property, also members of the Friends and elected by all residential property owners in the NID.

The commercial/residential mix of the NID board may be adjusted annually in the NID operating plan to reflect changes in the total assessed value of NID property used for commercial or residential use.

(b) The six-member elected NID board shall, by majority vote, appoint one three-member subboard to manage CSP and a second three-member subboard to manage JP. The CSP subboard may or may not consist of the three East Town board members, and the three member JP board may or may not consist of the three Friends board members.

5. Anticipated NID Expenditures and Assessments. The parties expect the NID to invest approximately \$1.75 million for initial capital improvements at each of CSP and JP, for a total of \$3.5 million in initial capital expenditures. After such initial capital expenditures, annual NID assessments are expected to consist of not more than \$270,000 to pay annual debt service for the initial capital expenditures and \$230,000 for annual maintenance and operations fees. Annual NID assessments and expenditures must be approved by the NID board in its annual operating plan, and no capital expenditures in excess of \$50,000 shall be incurred without the approval of five NID board members.

6. Proposed NID Boundaries. Subject to more precise designation of the NID boundaries as the NID operating plan is developed, the NID boundaries are proposed to extend generally:

- from Broadway on the west;
- to Ogden Avenue on the north;
- to Lake Michigan on the east; and
- to Clybourn Avenue on the south.

7. Approval Process. The process to obtain all necessary approvals to create the NID may span up to 18 months. The necessary steps in the approval process include:

(a) Fundraising for the initial legal and architect fees and expenses (Spring of 2011);

(b) Obtaining Milwaukee County approval of the letter(s) of intent described in paragraph 2 above (by July 1, 2011);

- (c) Preparing capital budgets for CSP and JP;
- (d) Developing the detailed initial NID operating plan and proposed NID boundaries (by July 1, 2011);
- (e) Meeting with key property owners and hosting neighborhood open houses (by August 31, 2011);
- (f) Converting the letter(s) of intent with Milwaukee County into definitive agreements (by August 1, 2011);
- (g) Determining individual NID assessments for all property owners and revising the NID operating plan and boundaries accordingly (by August 1);
- (h) Petitioning the City of Milwaukee (by August 1, 2011);
- (i) Publishing and mailing notices to all affected property owners (in August, 2011);
- (j) Holding a public hearing at City Plan Commission (in August, 2011);
- (k) Publishing and mailing a second notice to all affected property owners (in August, 2011); and
- (l) Obtaining approval from City Common Council by adoption of an approving resolution (in September, 2011).

8. Good Faith; Exclusivity. The parties agree, for a period of two years after execution of this letter, to negotiate in good faith and exclusively with one another to form the NID. Each of East Town and the Friends shall designate a task force of three representatives (a total of six members) to serve on a task force to pursue NID formation. Notwithstanding anything herein to the contrary, either party may terminate all efforts to form the NID by delivering a written notice of termination to the other party 30 days prior to the termination date.

9. Confidentiality. The parties agree to keep this letter of intent and all discussions relating thereto confidential. Notwithstanding the foregoing, the parties

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acknowledge that East Town may discuss a NID involving CSP with its members, advisors, potential funders and constituents, and the Friends may discuss a NID involving JP with its members, advisors, potential funders and constituents, provided that all discussions further the purposes described in this letter of intent.

10. Nonbinding. With the exception of the fee obligation in paragraph 1, the good faith/exclusivity in paragraph 8 and the confidentiality in paragraph 9, the parties agree that this letter of intent is nonbinding and does not create any legal obligations. In addition, it is understood and agreed that JPF is an unincorporated association of individuals interested in JP, that such individuals shall have no personal obligations hereunder, and that all obligations of JPF hereunder shall be enforceable only against the assets being held for the benefit of JPF by the Park People of Milwaukee County, Inc. If the parties are unable, within two years from the date of this letter or such longer time for which they agree to extend this letter, to form a NID, this letter of intent shall automatically terminate, and neither party shall have any further obligations hereunder.

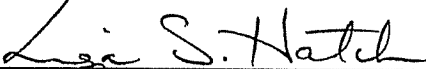
If the terms of this letter of intent are acceptable, please sign and return an original of this letter to the undersigned. We look forward to working with you on this transaction.

Sincerely,

EAST TOWN ASSOCIATION, INC.

BY 
Its Executive Director

FRIENDS OF JUNEAU PARK

BY 
Its President