

**MILWAUKEE ART MUSEUM
LEASE AGREEMENT**

This Lease Agreement ("Lease") is made and entered into as of the ____ day of _____ 2013, by and between the MILWAUKEE ART MUSEUM, INC. (hereinafter referred to as "Museum"), and the MILWAUKEE COUNTY, a governmental subdivision of the State of Wisconsin ("County").

RECITALS

WHEREAS, By resolution file no. 13594, passed March 17, 1953, County approved designation of an area within Juneau Park as the location for a war memorial project.

WHEREAS, County and Milwaukee County War Memorial Center, Inc. ("WMC") entered into that certain Contract dated January 7, 1954 (the "1954 Lease"), which provided for the construction, maintenance and operation of a memorial to the men and women who have served in the defense of our country at the Juneau Park site (referred to herein as the "Saarinen Building").

WHEREAS, Pursuant to the 1954 Lease, WMC was installed as prime tenant and manager of the Saarinen Building, which was intended to provide: (i) meeting rooms, halls and offices and other facilities for Veterans', Civic and Patriotic organizations, (ii) space for an Art Center in order to provide permanent, temporary and traveling art exhibits, and facilities for art instruction, study and research, (iii) music halls, and (iv) auxiliary facilities such as administration and parking.

WHEREAS, WMC as prime tenant and manager entered into an Agreement dated July 18, 1955 with the Milwaukee Art Institute and the Layton Art Gallery, as amended by an Addendum to Agreement dated September 10, 1956, all of which provided a sublease to the Milwaukee Art Institute of portions of the Saarinen Building and use of space by the Layton Art Gallery (together, the "1955 Sublease"). Museum succeeded to the interests of the Milwaukee Art Institute under the 1955 Sublease.

WHEREAS, Museum and Layton Art Collection, Inc. have entered into a new agreement, dated April 7, 2013, which incorporates the space rights of the Layton Art Gallery provided in the 1955 Sublease.

WHEREAS, As successor to the interests of the Milwaukee Art Institute, the Museum has occupied and improved portions of the Saarinen Building for Museum's use. In 1975, Museum funded and constructed an addition to the Saarinen Building, known as the "Kahler Addition." Museum subsequently donated the Kahler Addition to the County.

WHEREAS, County, WMC, and Museum entered into that certain Memorandum of Understanding dated May 16, 1996, pursuant to which the County agreed to provide guaranteed funding to Museum for a period of seven years, through WMC, in order to assist in the fundraising effort for the Museum's Calatrava Addition owned by Museum and located to the

south of the Kahler Addition and Saarinen Building, and pursuant to which WMC and Museum agreed to assume responsibility for certain maintenance and operational expenses associated with the Kahler Addition and Saarinen Building (the “1996 MOU”).

WHEREAS, In 1997 County, WMC, and Museum entered into that certain Lease and Sublease Amendment dated as of October 1, 1997 (the “1997 Lease and Sublease Amendment”), and WMC, Museum, and County entered into that certain Development Agreement dated November 11, 1997 (the “1997 Development Agreement”), both of which were intended to accommodate and facilitate construction of Museum’s Calatrava Addition and related site improvements (the “Calatrava Addition” and “Site Improvements,” respectively).

WHEREAS, In 2001 County, WMC and Museum entered into the following agreements that superseded the 1997 Lease and Sublease Amendment (the “2001 Agreements”):

- Amendment to Lease by and between County and WMC (the “2001 Lease Amendment”), which amended the 1954 Lease.
- Sublease by and between WMC and Museum (the “2001 Museum Sublease”), which superseded the 1955 Sublease in its entirety.

WHEREAS, in connection with the 2001 Agreements, WMC, County, and Wisconsin Veterans War Memorial/Milwaukee, Inc. (“Veterans”) entered into a Sublease (the “2001 Veterans Sublease”). The 2001 Veterans Sublease was terminated pursuant to that certain Sublease Termination Agreement dated January 17, 2006.

WHEREAS, The 2001 agreements also contemplated that Museum, Veterans and WMC would enter into a cooperation agreement to further clarify their working relationship and the anticipated uses of the subject premises (the “2001 Cooperation Agreement”).

WHEREAS, Pursuant to the terms of the 2001 Agreements, the 1954 Lease, as amended by the 2001 Lease Amendment, the 2001 Museum Sublease, and the 2001 Veterans Sublease superseded other prior agreements, amendments, leases or subleases to which County, WMC and Museum were parties relating to the use, possession and occupancy of the subject premises (except for the 1996 MOU and the 1997 Development Agreement, which were not superseded).

WHEREAS, Simultaneous with the execution of this Agreement, the parties will execute the following documents that will, together with this Lease, supersede and replace all prior agreements, amendments, leases or subleases to which County, WMC and Museum are parties relating to the use, possession and occupancy of the subject premises:

- County and WMC will execute a Lease Agreement terminating the 1954 Lease (as amended by the 2001 Lease Amendment) establishing leasehold rights within certain portions of the Saarinen Building and other property for the benefit WMC (the “2013 WMC Lease”).
- County, WMC, and Museum will execute (i) a Sublease Termination Agreement, terminating the 2001 Museum Sublease, and (ii) a Termination Agreement, terminating the 2001 Cooperation Agreement.

- County, Museum, and WMC will enter into a Development Agreement, which provides for the funding and construction of the Planned Capital Improvements and Museum Improvements (as such terms are hereinafter defined) to the Saarinen Building and Kahler Addition (the “Development Agreement”).

- County, Museum and WMC will enter into a North Tract Access, Use, and Future Development Agreement addressing ingress, egress, maintenance, utility, future development, and related rights and obligations with respect to the North Tract (the “North Tract Agreement”).

- County, Museum and WMC will enter into a Cooperation Agreement addressing the working relationship between Museum and WMC (the “Cooperation Agreement”).

WHEREAS, the Saarinen Building and the Kahler Addition are in need of certain repairs and improvements as identified in the September 2011 report prepared by the County’s Department of Audit and in other independent reports prepared for Museum and WMC which generally include without limitation: (i) replacement of the HVAC system servicing the Kahler Addition and other HVAC work related to the Saarinen Building; (ii) various structural repairs to the Saarinen Building and Kahler Addition; (iii) various other improvements and building envelope repairs to eliminate water infiltration into the Saarinen Building and the Kahler Addition; (iv) repair/replacement of the deck of the Saarinen Building, known as “Veterans Court”; and (v) repair of the outdoor stairwells, one of which is commonly known as the “Birdcage” (collectively, the “Planned Capital Improvements”).

WHEREAS, Museum intends to perform the following repairs and improvements, some of which are needed to repair deficiencies identified in the September 2011 report prepared by the County’s Department of Audit and in other independent reports prepared for Museum and WMC: (i) enclose the outdoor sculpture court and improve the interior space resulting from such enclosure for use as an art gallery; (ii) construct an east atrium entrance to the Museum on the lakeside of the Kahler Addition (the “East Atrium Addition”), which will serve in part to address existing deficiencies in the lakeside foundation and lakeside façade of the Kahler Addition; (iii) repair/replace the roof and deck of the Kahler Addition, known as “Fitch Plaza”; and (iv) reinstall Museum’s permanent art collection located in the Kahler Addition and in those portions of the Saarinen Building leased to Museum (collectively, the “Museum Improvements”).

WHEREAS, the cost of the Planned Capital Improvements is estimated to be Ten Million Dollars (\$10,000,000), which sum shall be funded by County.

WHEREAS, the cost of the Museum Improvements is estimated to be Fifteen Million Dollars (\$15,000,000), which sum shall be raised and contributed by Museum to fund the cost of the Museum Improvements.

WHEREAS, Museum previously funded, constructed, and donated the Kahler Addition to the County. Pursuant to the terms of the Development Agreement, Museum will fund, construct, and donate the East Atrium Addition to the County. County will accept such donation and Museum will thereafter occupy and use the East Atrium Addition and the other Museum Premises for Museum’s use as a tenant under this Lease.

WHEREAS, the Museum and WMC provide valuable cultural and educational activities, exhibits and educational programs for the public, and the Planned Capital Improvements and Museum Improvements are intended to correct known structural and maintenance deficiencies and to accommodate Museum's and WMC's current and future operational needs to enable the Museum and WMC to continue providing such public contributions.

WHEREAS, this Lease, together with the Development Agreement, are necessary to provide a mechanism to keep safe the art in Museum's collection, and a mechanism to ensure timely funding and performance of necessary management, maintenance and repairs of the Premises described herein.

AGREEMENT

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

1. Incorporation of Recitals. The foregoing Recitals are mutually acknowledged to be true, correct and incorporated into this Lease.

2. Demise of Premises. County hereby demises and leases to Museum, and Museum hereby takes and leases from County, the following premises (which shall constitute collectively, the "Premises"):

A. **LAND**. The land identified and legally described on Exhibit A attached hereto.

B. **KAHLER ADDITION AND SAARINEN BUILDING**. The entire Kahler Addition and those portions of the Saarinen Building identified and described on the Hybrid Engineering and Space Allocation Model attached as Exhibit B and made a part hereof.

C. **EAST ATRIUM ADDITION**. Once constructed, the entire proposed East Atrium Addition identified and described on Exhibit C attached hereto. The East Atrium Addition will be constructed in accordance with the terms of the Development Agreement.

D. **SCULPTURE COURT ENCLOSURE SPACE**. Once constructed, the interior art gallery space resulting from enclosure of the outdoor sculpture court as part of the Museum Improvements.

3. Pedestrian Bridge Air Rights. County hereby grants to Museum air rights over Lincoln Memorial Drive in the location of the Air Rights Parcel and the West Bridge Base Parcel identified and legally described on Exhibit D attached hereto for the installation, maintenance and operation of a pedestrian bridge and bridge support system. The term of such air rights shall run concurrent with the term of this Lease.

4. Access, Use, and Future Development Rights. In addition to the rights granted herein, County warrants Museum shall have the following access, use, and future development rights during the Term of this Lease:

A. Access in, through and to those portions of the Saarinen Building and Underbridge Area leased to WMC identified on the Hybrid Engineering and Space Allocation Model attached as Exhibit B as “Mutual Access”;

B. The access, use, and future development rights specified in the North Tract Agreement relating to the North Tract; and

5. Utility Rights. County shall have those utility rights specified in the North Tract Agreement relating to the installation of underground utility infrastructure on, over, across, and under the North Tract in connection with the East Atrium Addition. County shall be solely responsible for maintaining, repairing and replacing the utility infrastructure located on the Premises, whether on or after the date of this Agreement, in good condition and repair, in accordance with all applicable governmental rules, ordinances and regulations, as well as sound engineering practices.

6. WMC Use of Fitch Plaza. County as owner, and Museum as tenant, hereby acknowledge that County and Museum are granting and conveying to WMC in the Cooperation Agreement, simultaneous with the execution of this Lease, the right to use Fitch Plaza for weddings, receptions, parties, events and other bookings in accordance with the terms of the Cooperation Agreement.

7. Other Rights Reserved by County. The Premises are being leased to Museum subject to the following reservations:

A. UTILITIES. This Lease is subject to the County’s right to maintain, repair and replace certain underground gas, electricity, steam, water, sewer, and other utilities and services in their current locations identified in the site plan attached hereto as Exhibit E (including, without limitation, Lincoln Memorial Drive traffic signals, conduits, wires and controllers) and future locations on the Premises. County shall provide notice to Museum of County’s intent to maintain, repair or replace any such utilities. Any Site Improvements owned by Museum shall be dismantled, removed or replaced (if replacement is so desired) by Museum prior to County’s performance of the work or, in the alternative, Museum shall pay the additional cost for the County to work around, under or over such Site Improvements. County shall bear all costs for relocation of any utilities affected by the East Atrium Addition. As to any other permanent structures to be developed on the Premises by Museum, Museum shall bear all costs for relocation of any affected County utilities as may be reasonably required by County.

B. SEA WALL & SHORELINE. This Lease is subject to the rights of the public to use the shoreline and seawall on the eastern edge of the Premises in the location as exists from time to time (the “Shoreline Area”). The Shoreline Area may be relocated or otherwise modified from time to time upon the written agreement of County and Museum. The current Shoreline Area is identified on Exhibit F, which includes a seawall structure (including revetment and cantilevered lakewalk/walkway), flood control structures, heat tracing system, drainage outfall(s), and eyebrow island. All improvements located in the Shoreline Area are owned and maintained by County.

C. LAKEWALK. This Lease is subject to the rights of the public to use the sidewalk along the eastern edge of the Premises (the “Lakewalk”). The currently existing Lakewalk is more particularly shown on Exhibit F, a location cantilevered over the edge of the shoreline. The Lakewalk is owned and maintained by County (except the Lakewalk benches and related lighting, which are owned by Museum).

D. PUBLIC TRUST. This Lease is subject to County’s reservation of the right for all unenclosed portions of the Premises to be used by the public for the uses allowed by the public trust doctrine and the lake bed grants, as further described in Section 13.B., herein.

8. Ownership of Improvements. The Saarinen Building, Kahler Addition, Museum Improvements (once constructed) and all existing improvements in the Shoreline Area and Lakewalk (except the Lakewalk benches and related lighting, which are owned by Museum) shall continue to be owned by the County, subject to the rights of Museum and WMC pursuant to their respective leases with the County to use such improvements; except that Museum shall have an ownership interest in its leasehold improvements located upon or within the Premises, and Museum shall continue to own the Calatrava Addition and Site Improvements. Ownership of any additional improvements constructed by Museum upon the Premises shall be determined by mutual agreement of County and Museum at the time Museum seeks County approval for construction.

9. Term and Termination.

A. The initial term of this Lease shall commence on the date hereof and continue through 11:59 p.m. on September 30, 2022 (the “Initial Term”). The Initial Term shall automatically extend for three (3) additional successive periods of twenty-five (25) years each (each an “Extension Term”), unless Museum gives County written notice of termination of this Lease not less than six (6) months prior to the expiration of the then current term, in which case this Lease shall terminate upon the expiration date of the then current term. The initial term and any subsequent extensions are referred to herein as the “Term.”

B. In addition to the provisions of Section 25, this Lease may be terminated immediately and after written notice to Museum, at County's election, if Museum becomes insolvent, is adjudicated bankrupt, makes an assignment for the benefit of its creditors, makes a bankruptcy filing or is the subject of an involuntary bankruptcy filing, or is dissolved either voluntarily or involuntarily.

10. Consideration. In addition to the Recitals and the mutual covenants and promises set forth in this Lease: (a) County acknowledges that it is receiving a substantial benefit from Museum’s lease of the Premises, Museum’s cultural contributions and promotion of activities, exhibits and educational programs for the public, and Museum’s performance of, and financial contributions towards, the improvements contemplated under the Development Agreement, including the Planned Capital Improvements and the Museum Improvements, and; (b) County acknowledges it and the public have received a substantial benefit from Museum’s funding, construction, and donation of the Kahler Addition, and; (c) County acknowledges it and the public will receive a substantial benefit from Museum’s funding and construction of the Museum Improvements and donation of the East Atrium Addition, and; (d) County acknowledges the

public is receiving an additional substantial benefit from Museum's contributions pursuant to the Cooperation Agreement. There shall be no rent payable by Museum pursuant to this Lease, in consideration of the aforesaid benefits conferred upon the County and the public by Museum. Museum acknowledges that it is receiving a substantial benefit from County through County's grant of rights to Museum under this Lease and pledge of support for Museum's activities as described herein and as described in the Development Agreement. The parties hereto agree that the foregoing constitutes good, valuable and sufficient consideration and waive any contrary arguments or defenses.

11. Condition of Premises. Except as otherwise expressly provided herein, Museum takes the Premises, as existing as of the date of this Lease, in their "AS-IS, WHERE-IS" condition and acknowledges that County has made no representations or warranties of any kind or nature relating to the present physical condition or environmental condition of the Premises or any improvements or systems on the Premises or the suitability of the Premises for the operations to be conducted by Museum, as existing as of the date of this Lease. County does, however, represent and warrant that all improvements, additions, repairs, or replacements performed by or on behalf of County to the Premises after the date of this Lease, including those contemplated in the Development Agreement, shall be performed in a good and workmanlike manner, in accordance with all applicable governmental rules, ordinances and regulations, as well as sound engineering practices, and shall be suitable in all respects for the conduct of Museum's operations at the Premises, in a manner consistent with Museum accreditation authorities and the expectations of Milwaukee County residents.

12. Payment of Utilities. Subject to County providing the funding required pursuant to Section 14.C.i., below, Museum shall be responsible for all charges for gas, electricity, steam, water, and sewer used or consumed on the Premises. Beginning January 1, 2024, Museum shall be responsible for all charges for gas, electricity, steam, water, and sewer used or consumed on the Premises in accordance with an agreement to be determined between Museum and WMC for allocation of such charges where jointly metered.

13. Permitted Use.

A. **PERMITTED USES.** Museum shall use the Premises for exhibition space, storage space, performance space, theater space, meeting rooms, classroom space, multimedia displays, special events, Museum related office space, art education, the placement of art installations, a museum shop, and ancillary uses thereto. An auxiliary non-destination restaurant with food and beverage service, including the service and sale of alcoholic beverages in connection with Museum is also a permitted use (including securing a liquor license). The uses stated above have been determined by the parties to be recreational uses which enhance the enjoyment of the natural scenic beauty of the lakefront, by the general public including those persons who use the Museum. The Museum shall be open to the public, subject to such reasonable rules and regulations as the Museum may prescribe from time to time. Museum agrees to operate the Museum, including any restaurant in the Museum, in compliance with the Public Trust doctrine. Museum further agrees to supply to County, upon demand, evidence of the hours of operation, fees, eligible users, and other usage conditions of any restaurant in the Museum to confirm they comply with the Public Trust doctrine. Museum agrees to operate any restaurant in the Museum consistent with the Wisconsin Department of Natural Resources'

general Guidelines for Food Service in Lakebed Areas existing on the Effective Date of this Lease or such other guidelines which the WDNR shall put in writing for this specific site and use which govern this Lease.

B. PUBLIC TRUST. The Museum's use of the Premises is subject to the County's reservation of the right for all unenclosed portions of the Premises to be used by the public for the uses allowed by the public trust doctrine and the lake bed grants, and subject to reasonable rules and regulations of Museum. Notwithstanding the foregoing, Museum shall have the right to exclude the public from the unenclosed portions of the Premises no more than twenty (20) days per year for limited special events, upon notice reasonably provided to County, and during such periods when, and only when, construction activity would pose a risk to the public, and for other special events, upon securing a permit from the County, except that the bike path and Lakewalk must remain open at all times to the public. The County may by permit grant Museum more days per year to exclude the public for special events. All such public uses shall be subject to reasonable rules and regulations and shall be in addition to the rights of the public to use and enjoy facilities located on the Premises at such times as those facilities are open for business, during announced special events, for publicly available tours, for special classes and educational events made available to County and area residents, for public dining in any restaurant which will be part of the Premises, for public access to the scenery of the lakefront during inclement weather, for access to the lakefront by those with physical disabilities, and similar purposes, and which access rights are subject to reasonable rules and regulations of Museum, to protect the safety of visitors to the Premises, to protect the art collection, and to allow for proper sharing of uses.

14. Management, Maintenance, and Repair.

A. COUNTY RESPONSIBILITY. Except for obligations expressly assumed by Museum pursuant to Section 14.B., County shall, at its expense, keep the Premises, Lakewalk, and the Shoreline Area in good condition and repair during the term of this Lease, including without limitation, major maintenance and repair and replacement of a capital nature (as opposed to routine maintenance and repair) of the foundation, building envelope, load-bearing walls, windows, roof, utility infrastructure servicing the Premises, plumbing and mechanical facilities servicing the Premises, and all other structural elements of the Premises. The County shall continue to provide maintenance and repair of the improvements in, on and under the Shoreline Area (including, without limitation, the associated Lakewalk and seawall, but excluding the responsibilities assumed by the Museum to maintain the Lakewalk benches and related lighting in Section 14.B.) to the extent needed to prevent and forestall loss of land as a result of erosion, wave action or other natural forces, and shall restore all loss of such land and repair all damage in the Shoreline Area that may be caused by such forces. In addition, County shall be responsible for the implementation, maintenance and repair of the Planned Capital Improvements as set forth in the Development Agreement. The foregoing maintenance and repair work shall be conducted in a good and workmanlike manner to ensure compliance with applicable codes and ordinances as well as the quiet enjoyment and safety of Museum and its invitees.

The County expressly disclaims any responsibility for the following maintenance and repair matters: litter and debris collection from the Premises; Lakewalk

benches and related lighting; removal and re-installation of Museum's equipment or Site Improvements to allow County to perform major maintenance or repair when scheduled; maintenance of vegetation on Premises; and snow removal on Premises. County shall not be obligated to perform the following in any event, but Museum may perform such maintenance and repair of the grounds, sidewalks and driveways located on the Premises as the Museum shall choose to undertake, including without limitation, removal of graffiti from the Premises, and litter and debris collection from the Premises.

B. MUSEUM RESPONSIBILITY.

i. Museum shall be responsible for maintaining and repairing, at Museum's expense: (i) all leasehold improvements owned by Museum on or within the Premises; (ii) all art installations made by Museum on or within the Premises; (iii) maintenance and repair of Lakewalk benches and related lighting; and (iv) removal and re-installation of Museum equipment, materials or Site Improvements to allow County to perform major maintenance or capital improvements when scheduled. Museum shall also be responsible for maintenance of vegetation on Premises such as trees, shrubs, turf, flowers, and snow removal on Premises.

ii. Subject to County providing the funding required pursuant to Section 14.C.i., below, Museum shall be responsible for all routine maintenance and repair of the Premises for the calendar years 2014 – 2023. Beginning January 1, 2024, Museum shall be responsible for all routine maintenance and repair of the Premises.

iii. Museum shall not be responsible for maintenance or repairs of improvements located on the North Tract, snow removal or maintenance of vegetation located on the North Tract, or for any premises leased by WMC, such matters being the responsibility of WMC or County pursuant to the North Tract Agreement.

iv. Any damage caused by Museum or Museum's employees, agents, servants, contractors or invitees to the Premises shall be promptly repaired at Museum's sole expense, normal wear and tear excepted.

C. COUNTY FUNDING.

i. For the calendar years 2014 – 2023, County agrees to provide funding to Museum on an annual basis in the total annual amount of \$1,100,000 per year, payable on a quarterly basis.

ii. For the calendar year 2024, and for each year thereafter for the term of this Agreement, Museum shall, on or before May 1st of each year (beginning May 1, 2023), prepare and submit to County for County's consideration a proposed annual budget with respect to programming support, routine maintenance and repair of the Premises, and estimated Museum utility costs for the Premises, which shall set forth in reasonable detail the costs and expenses estimated to be incurred during the following calendar year.

iii. For the calendar year 2013, Museum and County will agree on a transition date for routine maintenance and repair of the Premises to be used for reallocating

previously appropriated funds in a manner that recognizes the responsibility of Museum under the Hybrid Engineering and Space Allocation Model.

15. Alterations. Museum may, from time to time and at its expense make such alterations or improvements to the Premises as may be necessary or proper for the conduct of its operations provided such alterations or improvements will not jeopardize the structural integrity or soundness of the Kahler Addition or Saarinen Building or materially interfere with the use and enjoyment of the Saarinen Building by WMC. Museum shall provide County with all plans and specifications for such work and reasonable notice and opportunity to comment on the plans and specifications prior to commencement of the work. Notwithstanding the foregoing, the Planned Capital Improvements and the Museum Improvements shall be approved pursuant to the terms the Development Agreement.

16. County's Access. County or its agents shall have reasonable access to the Premises to make alterations, repairs, or improvements and to inspect the condition of the Premises. County shall provide reasonable advance notice of any such access except in the event of an emergency.

17. Museum Sublease and Assignment. Museum shall not assign this Lease or in any manner transfer this Lease without County's consent. Museum shall not sublet the Premises or any part thereof or permit the use or occupancy of the Premises or any part thereof by any person or entity other than Museum without County's consent; provided, however, Museum may enter into subleases or other use agreements for vending contracts, art exhibitions and installations, education, research, special events, restaurant operations, kitchen use, gift shop or similar secondary uses within the Premises without the County consent. Any assignment or subletting, even with the consent of County, shall not relieve Museum from the obligation to perform and be bound by the terms, conditions and covenants of this Lease. An assignment for the benefit of creditors or by operation of law shall not be effective to transfer any rights to assignee without the consent of County first having been obtained. Museum and County may not assign to any other party its responsibilities hereunder, without the prior consent of the other party.

18. Liens and Encumbrances. Museum warrants that it has not encumbered and will not encumber County's right, title or interest in and to the Premises or any improvements located thereon nor has Museum pledged in a manner as security its right, title or interest in any portion of the Premises or any improvements constructed thereon, except buildings, equipment and leasehold improvements owned by Museum. Any claim to, or lien upon, the Premises (or any part thereof) arising from any act or omission of Museum shall accrue only against the leasehold estate of Museum and shall be subject and subordinate to the paramount title and rights of County in and to the Premises. Museum must remove any lien placed upon County interests, arising out of Museum actions. County represents and warrants that as of the date of this Lease, (i) there is no mortgage or ground lease upon or affecting the Premises or the land on which the Premises are located; and (ii) title to the Premises is free and clear of all liens and encumbrances except for municipal and zoning ordinances, the reservations referenced in this Lease and the lakebed grant rights.

19. Insurance/Limitation of Liability.

A. **LIMITATION OF LIABILITY.** The County’s liability shall be limited in accordance with Wisconsin Statutes Section 345.05(3), Municipal Liability for Motor Vehicle Accidents, Wisconsin Statutes Section 893.80(3) and 893.80(4), Claims Against Governmental Bodies or Officers, Agents or Employees; Notice of Injury; Limitation of Damages and Suits, and Section 895.04(4), Plaintiff in Wrongful Death Action.

B. **MUSEUM INSURANCE.** Museum shall purchase and maintain policies of insurance to cover liabilities and costs as may arise from claims of tort, statutes, and benefits under Workers' Compensation laws, as respects damage to persons or property and third parties in such reasonable coverages and amounts as required and approved by the County Director of Risk Management and Insurance (the “Risk Manager”). A thirty (30) day written notice of cancellation, non-renewal or material change shall be afforded to the County. Acceptable proof of such coverages shall be furnished to the Risk Manager prior to the effective date of this Lease.

Museum shall provide evidence of such minimum coverages minimum amounts, as follows:

<u>Type of Coverage</u>	<u>Minimum Limits</u>
Wisconsin Workers Compensation	Statutory (with waiver of subrogation)
Commercial/Comprehensive General Liability	
General Aggregate	\$2,000,000
per occurrence	
Bodily injury/Property Damage	\$1,000,000
per occurrence	
Personal Injury	\$1,000,000 per occurrence
Contractual Liability	\$1,000,000 per occurrence
Automobile Liability	
Bodily Injury & Property Damage	\$1,000,000
per accident	
All Autos – owned and non owned and/or hired	
Uninsured Motorist	per WI requirements

Milwaukee County, as its interests may appear, shall be named as an additional insured for general liability and automobile coverage. Disclosure must be made of any non standard or restrictive additional insured endorsement, and any use of non standard or restrictive additional insured endorsement will not be acceptable. Any deviations or waiver of required coverages or minimums shall be submitted in writing and approved by the Risk Manager. Waivers may be granted when surplus lines and specialty carriers are used.

The insurance specified above shall be placed with at least an A-/VIII rated carrier per Best's Rating Guide approved to do business in the State of Wisconsin. A Certificate of Insurance shall be submitted for review to the Risk Manager on request for each successive period of coverage for the duration of this Lease.

C. **COUNTY INSURANCE.** County shall purchase and maintain policies of insurance to cover liabilities and costs as may arise from claims of tort, statutes, and benefits

under Workers' Compensation laws, as respects damage to persons or property, and providing all-risks, fire and extended coverage on the Saarinen Building, Kahler Addition, and all other improvements owned by County which are located on the Premises. Such coverage shall be in an amount equal to the full replacement value of all such improvements. A thirty (30) day written notice of cancellation, non-renewal or material change shall be afforded to Museum. The insurance shall be placed with an A-rated carrier per Best's Rating Guide approved to do business in the State of Wisconsin. Any deviations or waiver of required coverages or minimums shall be submitted in writing approved by Museum. A certificate of insurance shall be submitted for review on request to Museum for each successive period of coverage for the duration of this Lease.

20. Environmental Compliance and Obligations.

A. NO LIABILITY FOR PREEXISTING ENVIRONMENTAL CONDITIONS. Notwithstanding anything contained in this Lease to the contrary, Museum shall not be liable for any investigation or remediation, or orders relating to the same, for any hazardous substances, pollutants or other environmental condition existing on, over or beneath the Premises as of November 11, 1997 ("Pre-existing Environmental Conditions"). County shall fully comply, or cause compliance by any responsible party, with all Environmental Laws with respect to the Premises. County hereby indemnifies Museum against any damages, loss, expense and liability suffered by Museum and arising out of Pre-existing Environmental Conditions or the existence or discharge of pollutants or hazardous substances on, over, or beneath the Premises not caused by Museum. Museum shall not be obligated to undertake any actions with respect to the discharge of such pollutants or hazardous substances not caused by Museum.

B. COMPLIANCE WITH ENVIRONMENTAL LAWS. Museum shall fully comply with 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 ("Environmental Laws"), subject to the limitations contained herein. Museum shall, at its sole cost and expense, promptly take all actions to investigate and remediate any discharge of pollutants or hazardous substances caused by Museum on the Premises as may be required by any federal, state or local governmental agency or political subdivision. Museum hereby indemnifies County against any damages, loss, expense and liability suffered by County and arising out of a violation of this Section 20.B. by Museum.

C. INVESTIGATION/REMEDICATION. Museum shall require no investigation, remediation, or excavation of the Premises by County except and to the extent such Pre-existing Environmental Conditions (i) materially interfere with Museum's operations on the Premises, including materially increasing the costs of operating the Museum, (ii) Museum is under order from a governmental agency or court to perform such investigation or remediation in the absence of County's doing so, or (iii) such investigation, remediation or excavation is reasonably necessary in connection with construction of the East Atrium Addition. Any investigation or remediation activity conducted by County must be accomplished in a manner and at times which disturb, to the least extent possible, the activities of Museum on the Premises. Museum will not undertake activities that will involve excavation of soils on the Premises without the County's prior written consent, which consent will not be unreasonably withheld;

provided, however, such activities undertaken in connection with the Planned Capital Improvements and the Museum Improvements shall not require prior written consent of County. With regard to any such activities, any materials excavated by Museum will be managed in accordance with applicable law and the Development Agreement at County's expense.

21. Indemnification. To the extent permitted by law, Museum and County shall each be liable for their own negligent acts and omissions and each agrees to indemnify and hold the other harmless for any losses, damages, costs and expenses resulting therefrom. Without limiting the foregoing, Museum shall indemnify County for, and hold it harmless from, all liability, claims and demands on account of personal injuries, property damage and loss of any kind whatsoever (including workers' compensation claims) which arise out of or are in any manner connected with the performance of this Lease, based on any injury, damage or loss being caused by the negligence of the Museum, its contractors, subcontractors, agents, invitees or employees. County shall indemnify Museum for, and hold it harmless from, all liability, claims and demands on account of personal injuries, property damage and loss of any kind whatsoever (including workers' compensation claims) which arise out of or are in any manner connected with the performance of this Lease, based on any injury, damage or loss being caused by the negligence of the County, its contractors, subcontractors, agents, invitees or employees, or on account of any Pre-existing Environmental Conditions. Notwithstanding the above, because the County has reserved certain rights for the public to have access to the Premises, Museum shall not be responsible for policing or monitoring the acts of the public, nor shall Museum be liable for the acts of the public on or about the Premises.

22. Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given if delivered or mailed, by registered or certified mail, first-class postage paid, return receipt requested, or any other delivery service with proof of delivery:

If to the County: Milwaukee County Department of Public Works
Attn: Director
901 North Ninth Street
Courthouse, Room 303
Milwaukee, WI 53233

With a copy to: Milwaukee County
Office of the Corporation Counsel
Attn: Corporation Counsel
901 North Ninth Street
Courthouse, Room 303
Milwaukee, WI 53233

If to Museum: Director
Milwaukee Art Museum
700 N. Art Museum Drive
Milwaukee, WI 53202

President
Milwaukee Art Museum
700 N. Art Museum Drive
Milwaukee, WI 53202

With a copy to: Raymond R. Krueger, Esq.
Michael Best & Friedrich
100 East Wisconsin Avenue, Suite 3300
Milwaukee, WI 53201-4108

Any party may change the person or address to whom or which notices are given hereunder; provided, however, that any such modification shall be deemed to have been given hereunder only when actually received by the party to which it is addressed. Each party shall be entitled to rely on all communications which purport to be given on behalf of any other party hereto and purport to be signed by an authorized signatory of such party or their above indicated attorneys.

23. Damage or Destruction. If the Premises are damaged or destroyed in whole or in part by fire or any other cause whatsoever during the term of this Lease, this Lease shall continue in full force and effect and County shall take all insurance proceeds and, with all reasonable dispatch and diligence, rebuild, restore and/or repair the Premises to substantially the same condition that existed just prior to its damage or destruction; provided, however, the County's obligation to rebuild, restore and/or repair the Premises shall be limited by the insurance proceeds available to County as a result of such fire, casualty or other cause. If the costs to rebuild, restore and/or repair the Premises exceed insurance proceeds available to County, then County and Museum will negotiate in good faith regarding the manner in which the balance of such costs will be funded.

24. Condemnation. If all or part of the Premises, or other areas to which Museum is granted rights pursuant to this Lease or the North Tract Agreement shall be condemned by any governmental agency or political subdivision, then all proceeds of the award shall be allocated as follows: (a) all proceeds attributable to the land shall belong to County; (b) all proceeds relating to the Saarinen Building, Kahler Addition and East Atrium Addition shall belong to the County other than proceeds allocable to the Premises leasehold improvements which shall belong to Museum; and (c) all proceeds allocable to the Calatrava Addition and Museum's leasehold interest shall belong to Museum. County agrees it will not cause or endorse the condemnation of the Premises in whole or in part.

25. Default. The failure of either party to perform any of its material obligations hereunder shall constitute a default if such material failure continues for more than one hundred twenty (120) days after written notice from the non-defaulting party describing the material failure. If either party fails to perform any of its material obligations hereunder and such material failure continues for a period of one hundred twenty (120) days after receipt of written notice from the non-defaulting party (provided, however, such one hundred twenty (120) day period shall be extended for such additional time as may be necessary (not to exceed one hundred twenty (120) days) so long as the defaulting party is diligently pursuing the cure of the

default in good faith), the non-defaulting party may elect to (a) cure the default, in which case the defaulting party shall reimburse the non-defaulting party all costs and expenses incurred in doing so within thirty (30) days after demand therefor, (b) terminate this Lease by providing written notice to the defaulting party, or (c) pursue any other remedy available at law or in equity. Any act or thing done by either party pursuant to the provisions of this Section shall not be construed as a waiver of any covenant, term or condition contained in this Lease.

26. County's Right to Audit.

A. Book of Accounts; Fiscal Year. Museum shall maintain adequate books and records for those portions of the Premises, the entries of which shall be supported by sufficient documentation to ascertain that said entries are properly and accurately recorded. Accounting records for the Premises shall be maintained based upon Museum's fiscal year. Upon request of County, Museum shall provide to County financial statements prepared in accordance with generally accepted accounting principles.

B. Annual Report. On an annual basis, Museum shall provide County with a copy of Museum's most recent annual audit and, if requested, underlying documentation necessary to support the annual audit, including financial statements prepared in accordance with generally accepted accounting principles if requested by County.

C. Quarterly Financials. Within sixty (60) days following the close of each fiscal quarter of Museum, the Museum shall provide unaudited statements of revenues, expenses, cash flows and a balance sheet of Museum for such quarter, certified by the chief financial officer of Museum, subject to annual audit adjustments, to be true, correct and in accordance with generally accepted accounting principles.

D. County's Right to Audit. Upon reasonable notice to Museum, County reserves the right for County's employees, or others appointed by County, to conduct an examination and make copies of the books and records maintained for by Museum with respect to maintenance and repairs of the Premises.

E. Discrepancies. Should County's employees or appointees discover (i) weaknesses in internal control, (ii) errors in recordkeeping or (iii) errors in payments, Museum shall correct such discrepancies promptly upon discovery. Museum shall inform County in writing of any action taken to correct such audit discrepancies. Any and all such audits conducted either by County's employees or appointees will be the sole expense of County.

27. Force Majeure. If either party hereto is prevented from performing an obligation imposed upon it hereunder within the time specified, and such delay is for reasons which were not such party's fault or which were beyond such party's reasonable control, including, but not limited to, acts of God, war, insurrection, weather, strikes, or civil disturbances, but expressly excluding delays resulting from failure to appropriate or expend funding necessary for the performance of an obligation, then the time within which such party was to perform shall be extended for a period equal to the delay.

28. Provisions Severable. If any provision of this Lease shall be held or declared to be invalid, illegal, or unenforceable under any law applicable thereto, such provision shall be

deemed deleted from this Lease without impairing or prejudicing the validity, legality, and enforceability of the remaining provisions hereof.

29. Applicable Law. This Lease shall be governed by and construed under the laws of the State of Wisconsin.

30. Independent Review/Neutral Construction. Each Party has had the opportunity to consult independent counsel regarding this Lease. The language used in this Lease shall be deemed to be the language chosen by all of the parties to express their mutual intent and no rule of strict construction shall apply against any party by virtue of their role in drafting the documentation.

31. Captions. The section headings in this Lease are for convenience of reference only and shall not be deemed to alter or affect the meaning or interpretation of any provision of this Lease.

32. No Waiver of Rights. The failure of any party to insist, in any one or more instances, upon performance of the terms or conditions of this Lease shall not be construed as a waiver or relinquishment of any right granted hereunder or of the future performance of any such term, covenant or condition.

33. Entire Agreement. This Lease constitutes the entire agreement of the parties with respect to the subject matter hereof and any and all prior negotiations and/or understandings are superseded hereby, and the terms of this Lease are contractually binding upon all parties, their successors and assigns.

34. Counterparts. This Lease may be executed in counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same instrument.

35. Authorization. Each party to this Lease represents and warrants to the other party hereto that the execution and delivery of this Lease by the signatory signing below has been duly authorized by all appropriate action and is sufficient to legally bind the signing party without joinder or approval on any other party.

36. Amendments. This Lease may not be amended, changed, altered or modified except in writing signed by all of the parties.

37. Recordation. The parties hereto agree that a memorandum of this document shall be recorded with the Register of Deeds Office for Milwaukee County, State of Wisconsin.

Signatures Appear on Following Page

This Lease has been executed by the parties as of the date first written above.

COUNTY:
Milwaukee County

Chris Abele, County Executive

Approved for execution:

Kimberly Walker, Corporation Counsel

MUSEUM:
Milwaukee Art Museum

Kenneth C. Krei, President

Daniel Keegan, Director

Raymond R. Krueger, Chairman of the Board of Trustees

EXHIBIT LIST

A – LAND

B – HYBRID ENGINEERING AND SPACE ALLOCATION MODEL

C – EAST ATRIUM ADDITION

D – AIR RIGHTS PARCEL & WEST BRIDGE BASE PARCEL

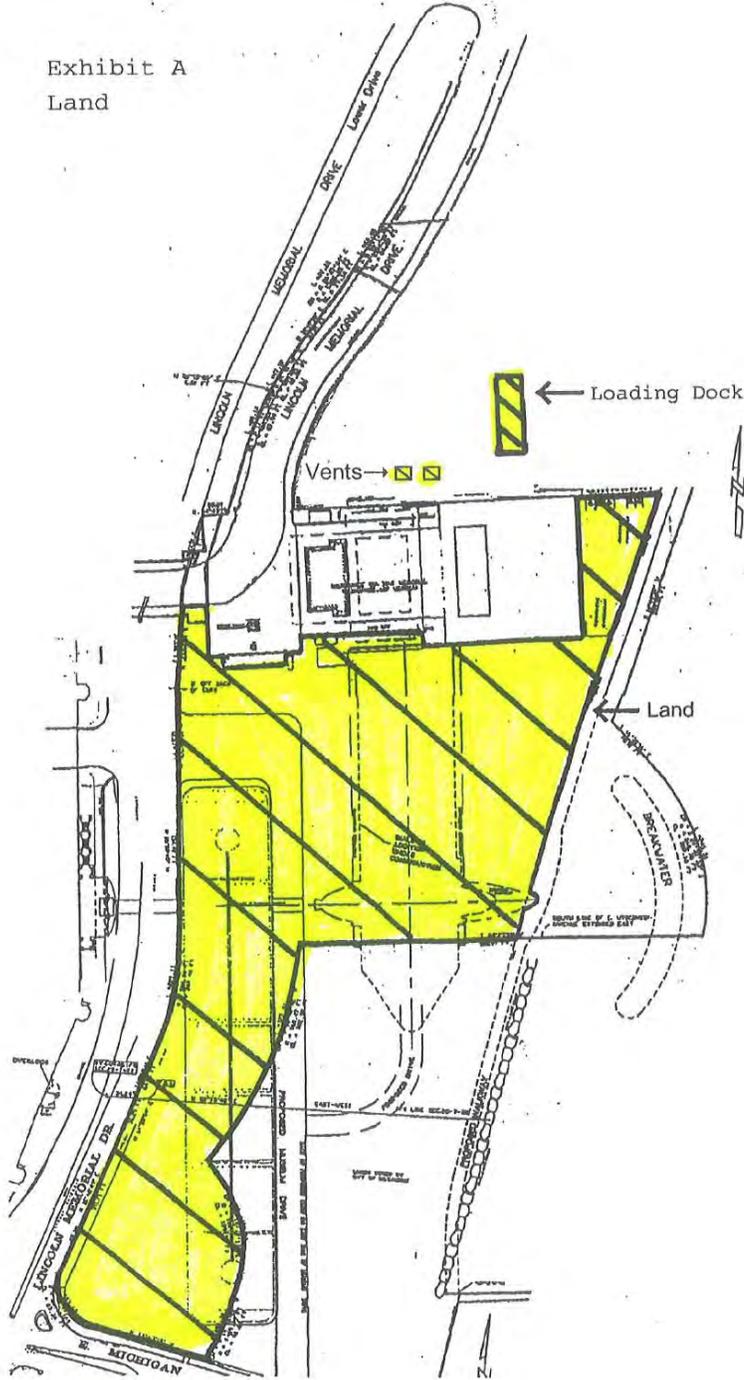
E- UTILITY MAP

F- SHORELINE AREA

EXHIBIT A

LAND

Exhibit A
Land



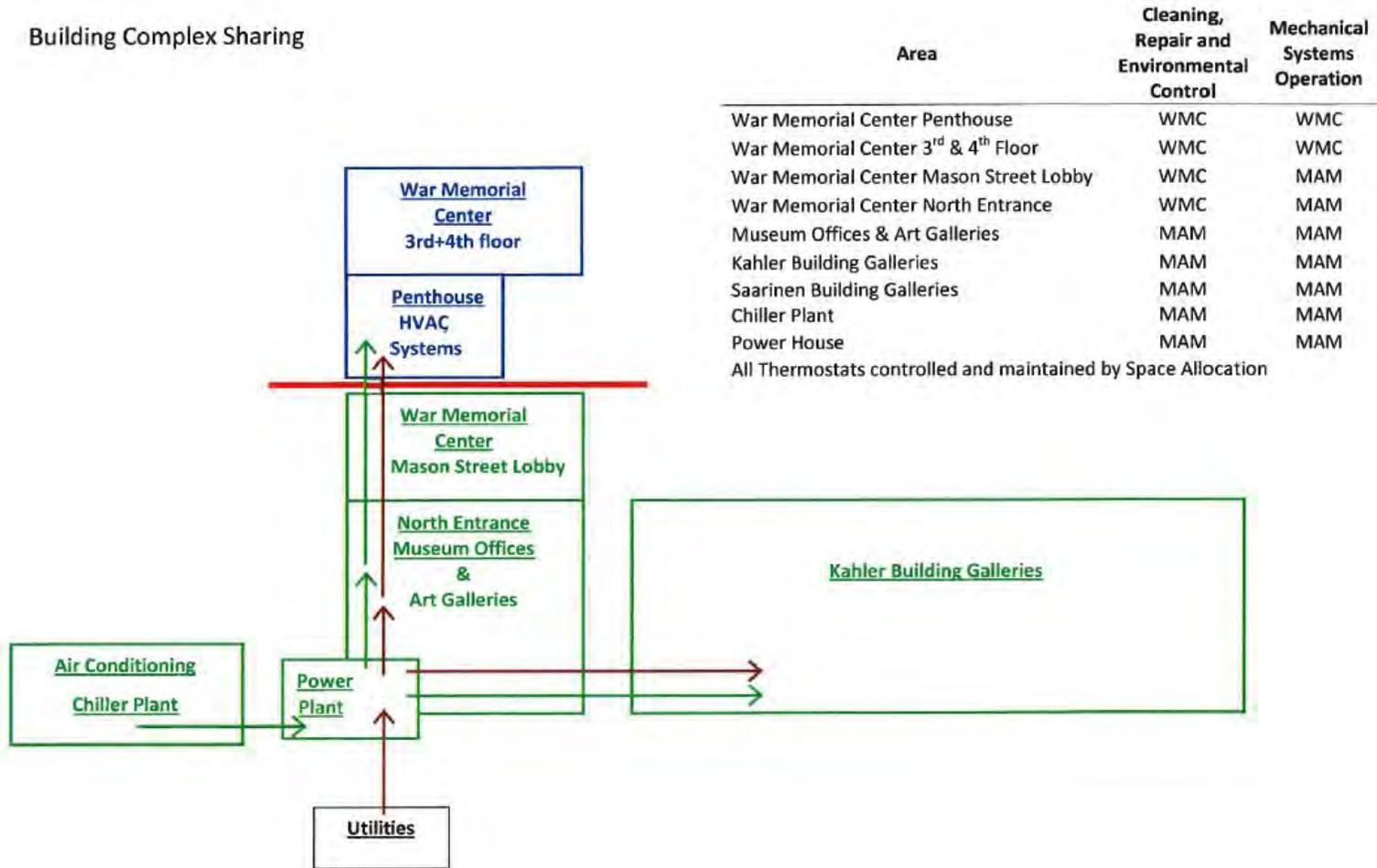
(Loading Dock and Vents
part of Land leased to
Museum)

EXHIBIT B

Hybrid Engineering and Space Allocation Model

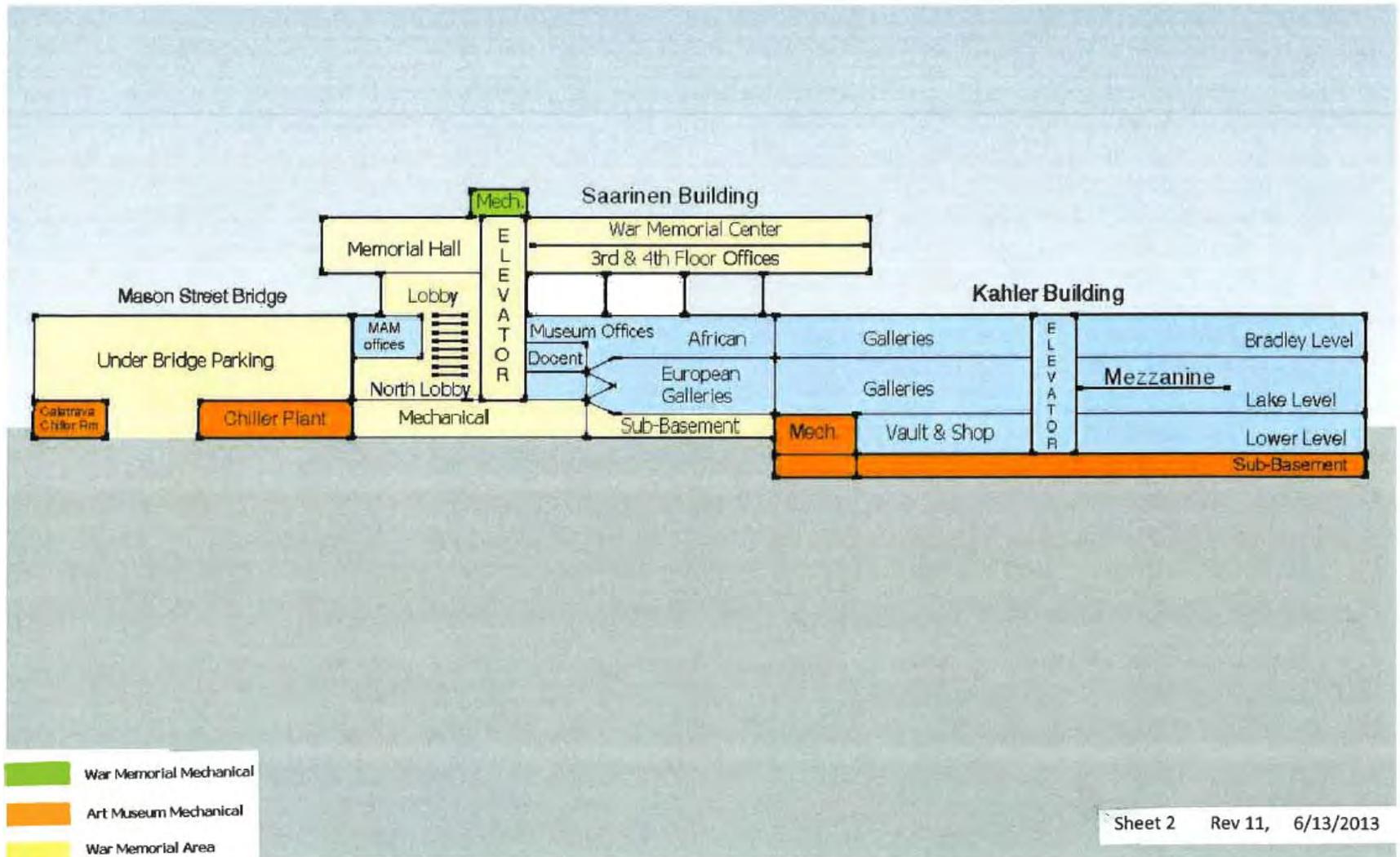
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Building Complex Sharing

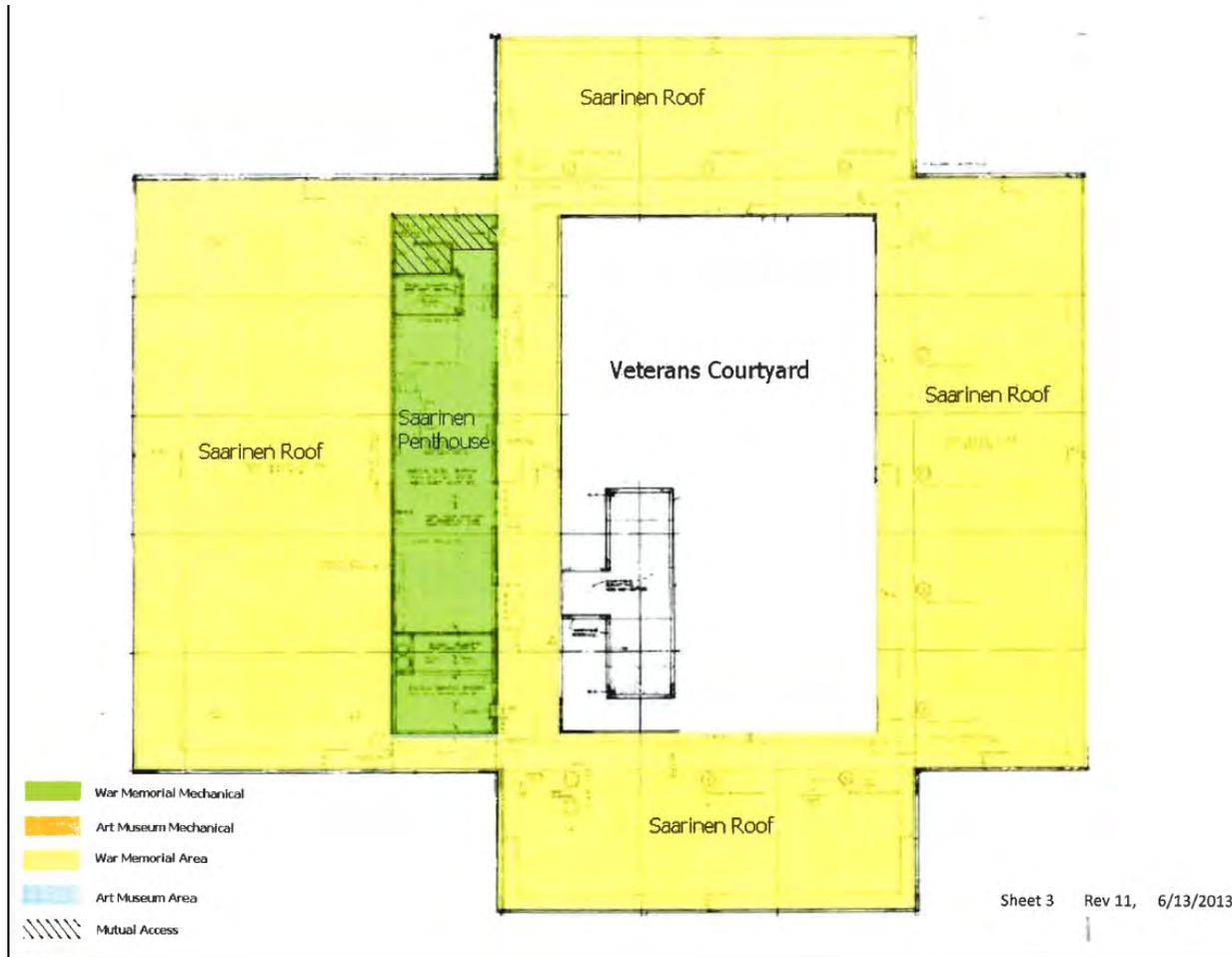


Area	Cleaning, Repair and Environmental Control	Mechanical Systems Operation
War Memorial Center Penthouse	WMC	WMC
War Memorial Center 3 rd & 4 th Floor	WMC	WMC
War Memorial Center Mason Street Lobby	WMC	MAM
War Memorial Center North Entrance	WMC	MAM
Museum Offices & Art Galleries	MAM	MAM
Kahler Building Galleries	MAM	MAM
Saarinen Building Galleries	MAM	MAM
Chiller Plant	MAM	MAM
Power House	MAM	MAM
All Thermostats controlled and maintained by Space Allocation		

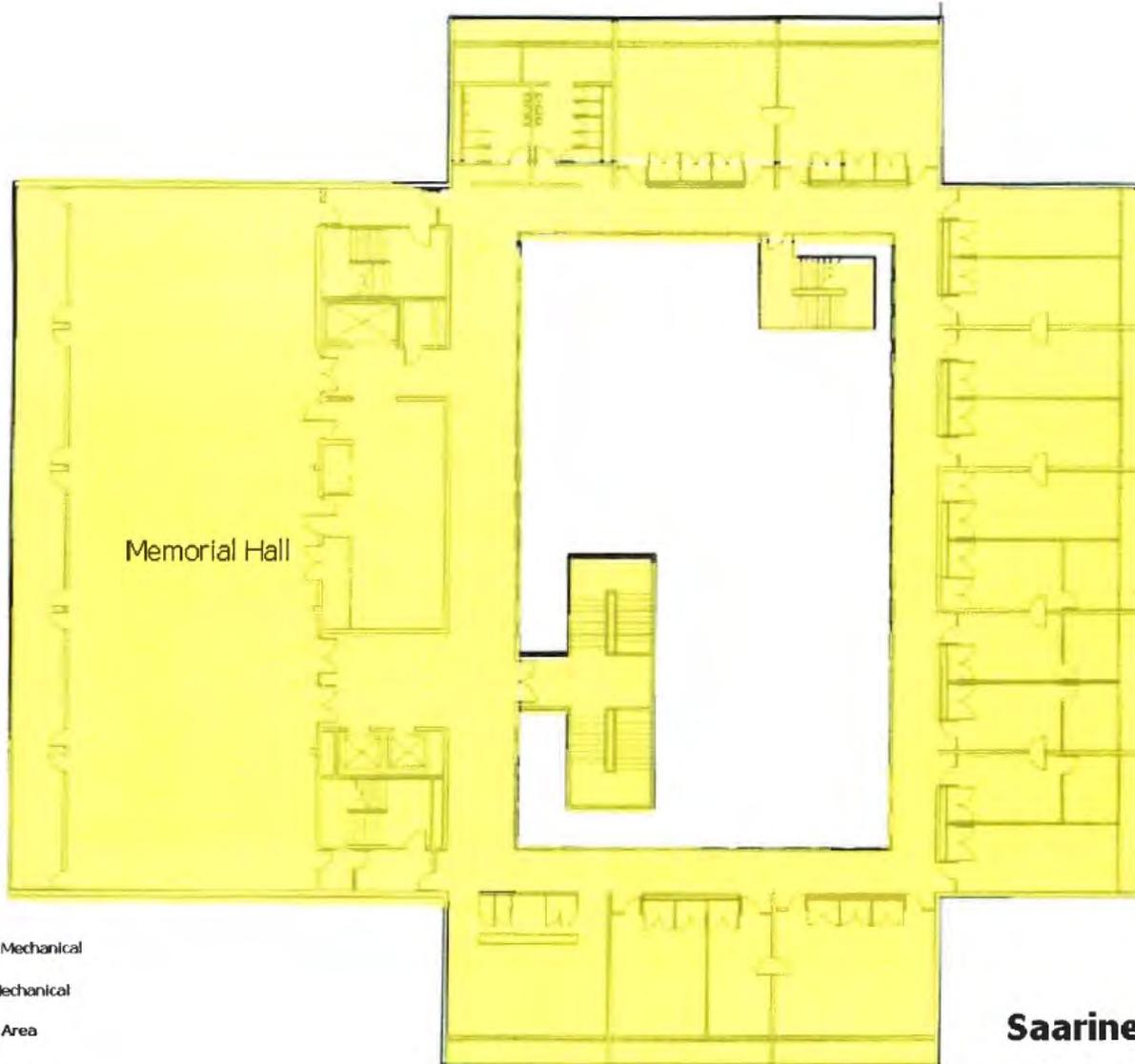
— Air Conditioning
 — Steam, Water systems, Electricity



- War Memorial Mechanical
- Art Museum Mechanical
- War Memorial Area
- Art Museum Area
- Mutual Access



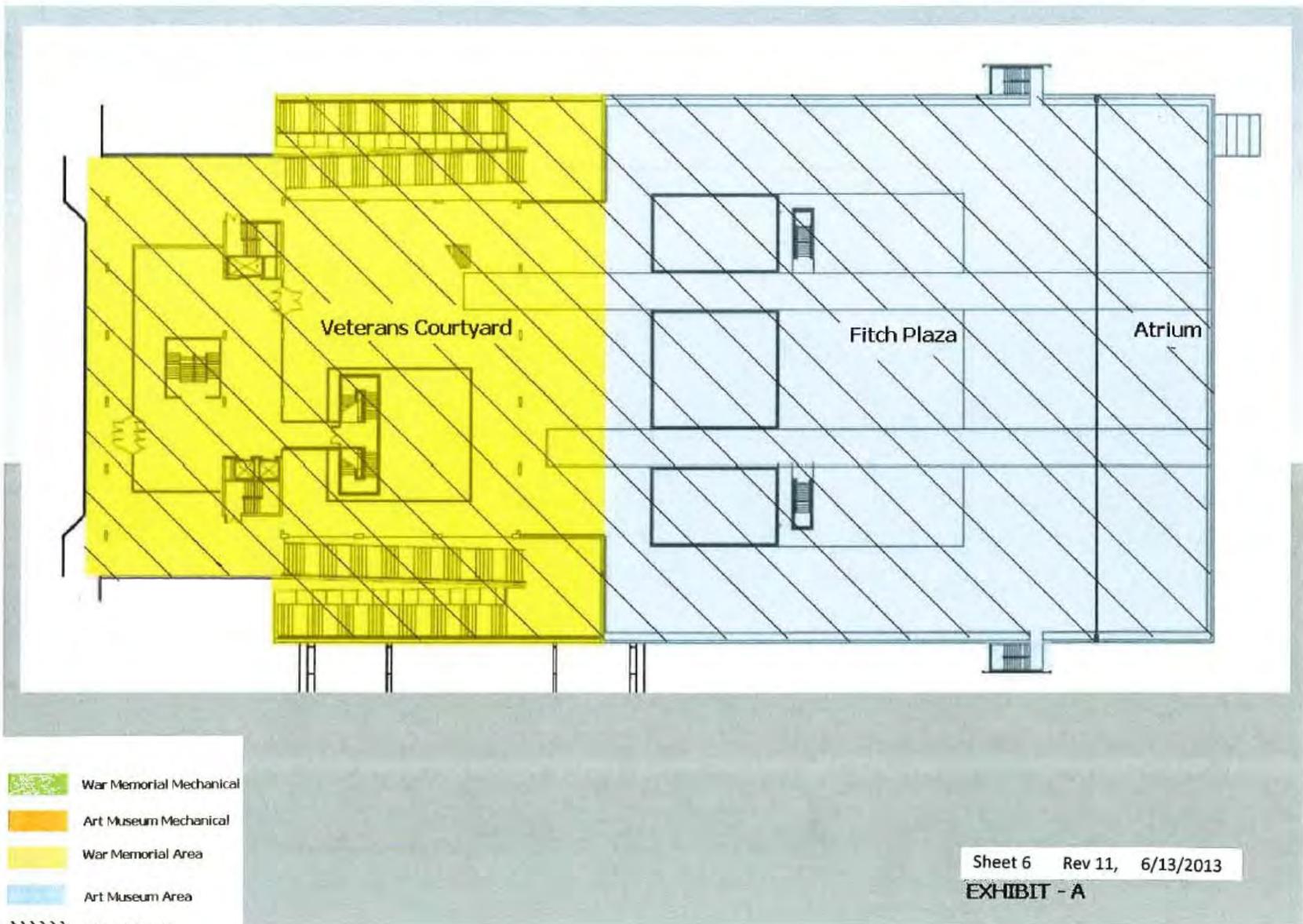


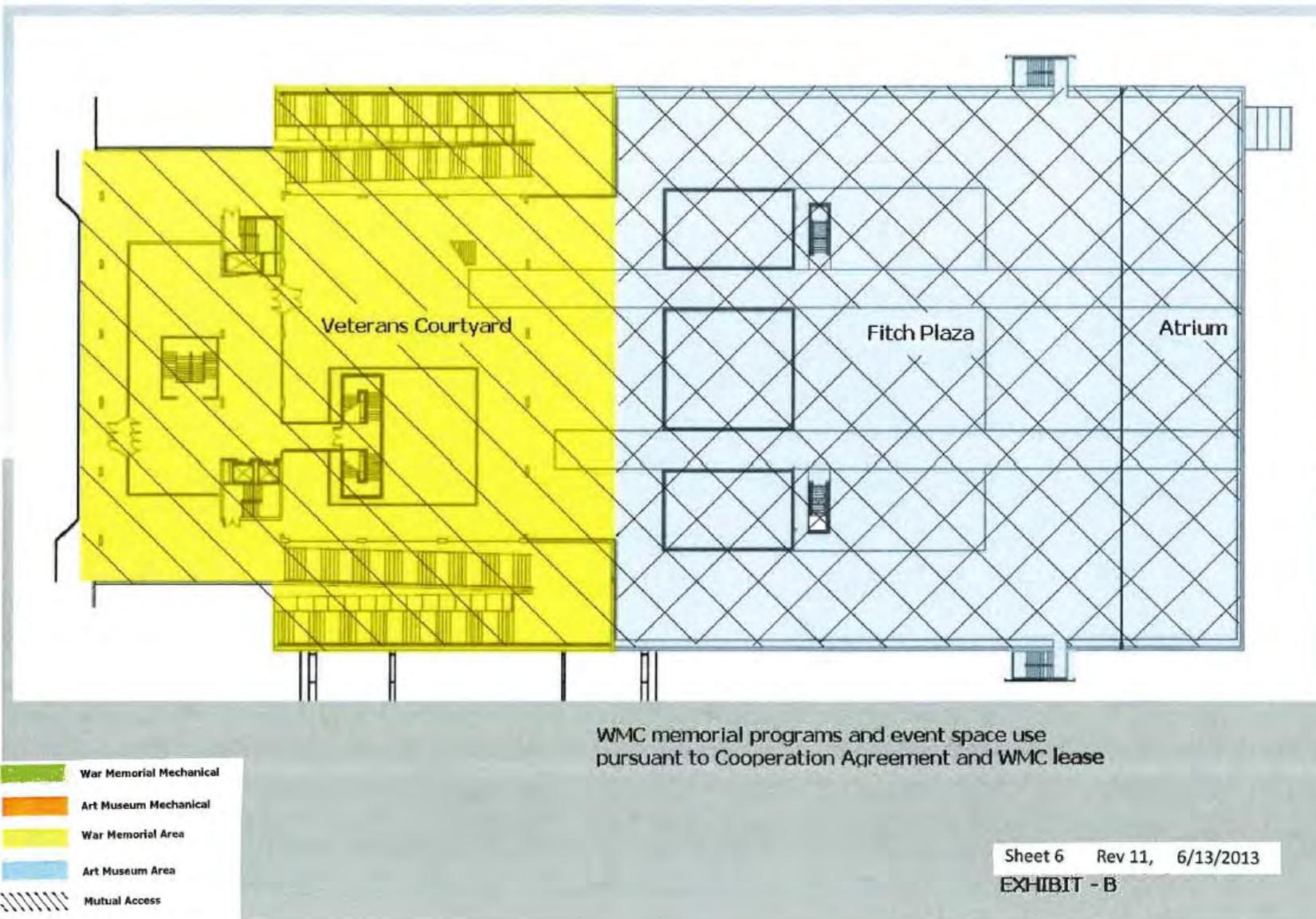


-  War Memorial Mechanical
-  Art Museum Mechanical
-  War Memorial Area
-  Art Museum Area
-  Mutual Access

Saarinen 3rd Floor

Sheet 5 Rev 11, 6/13/2013

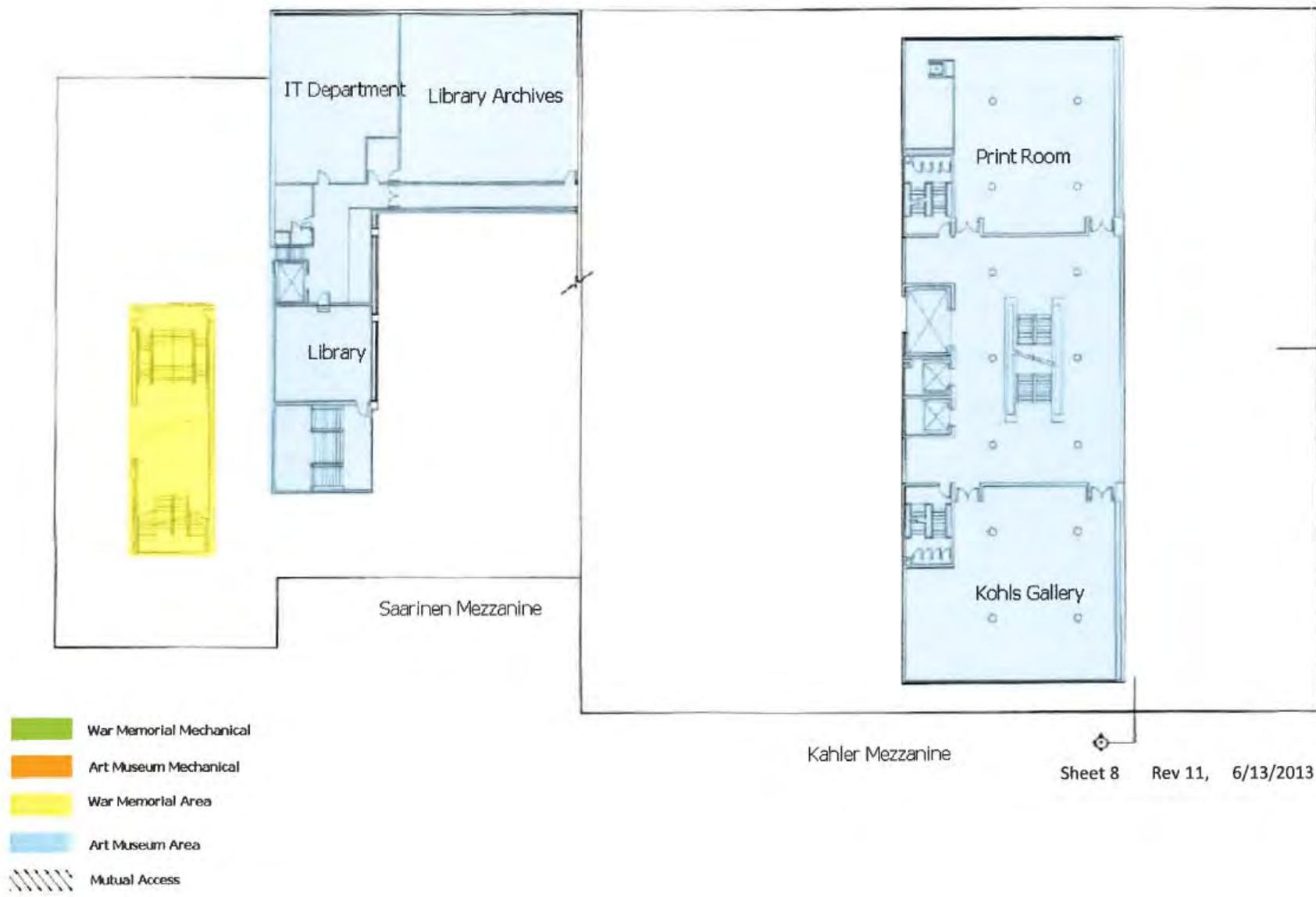


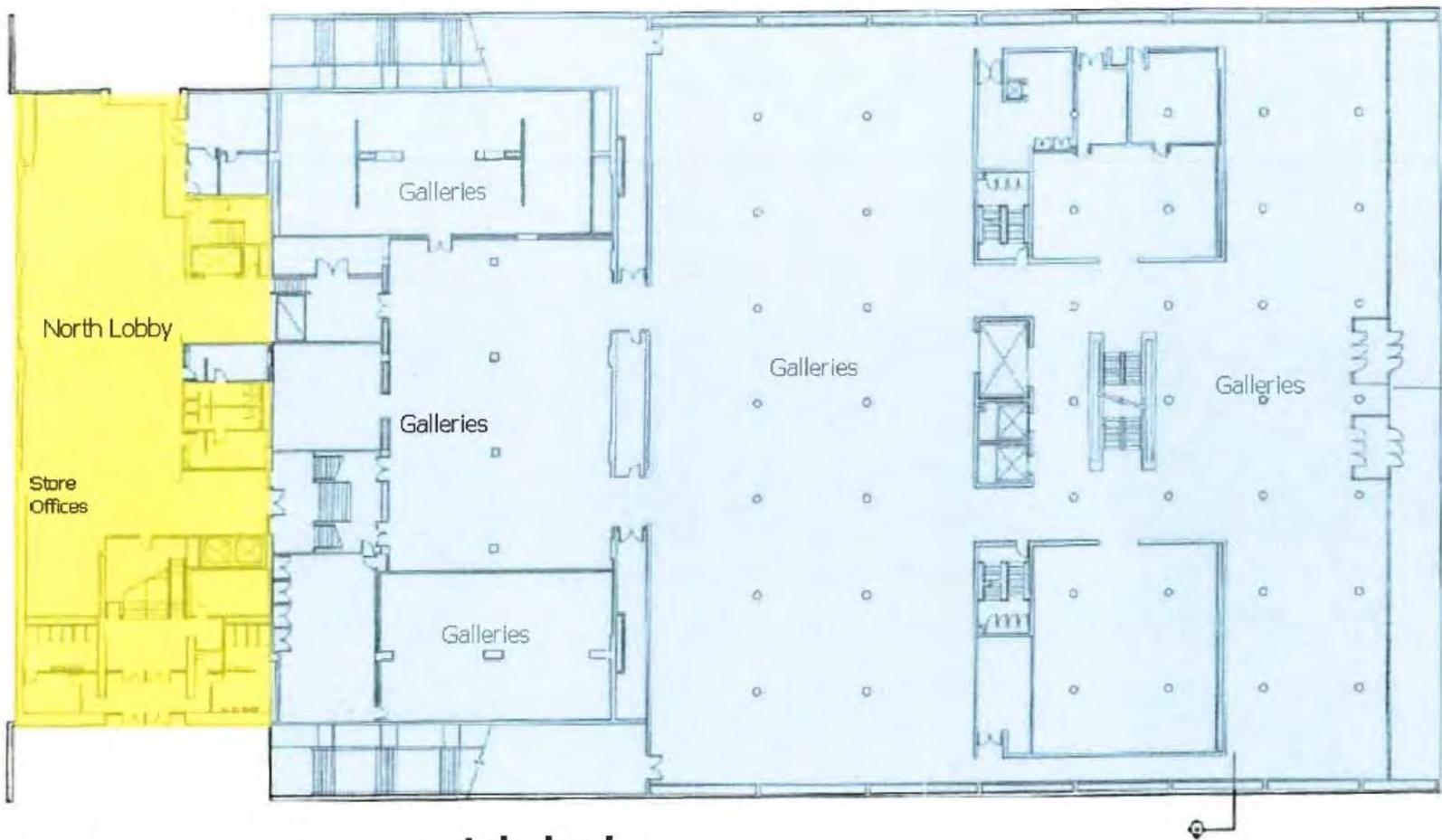




Bradley Level

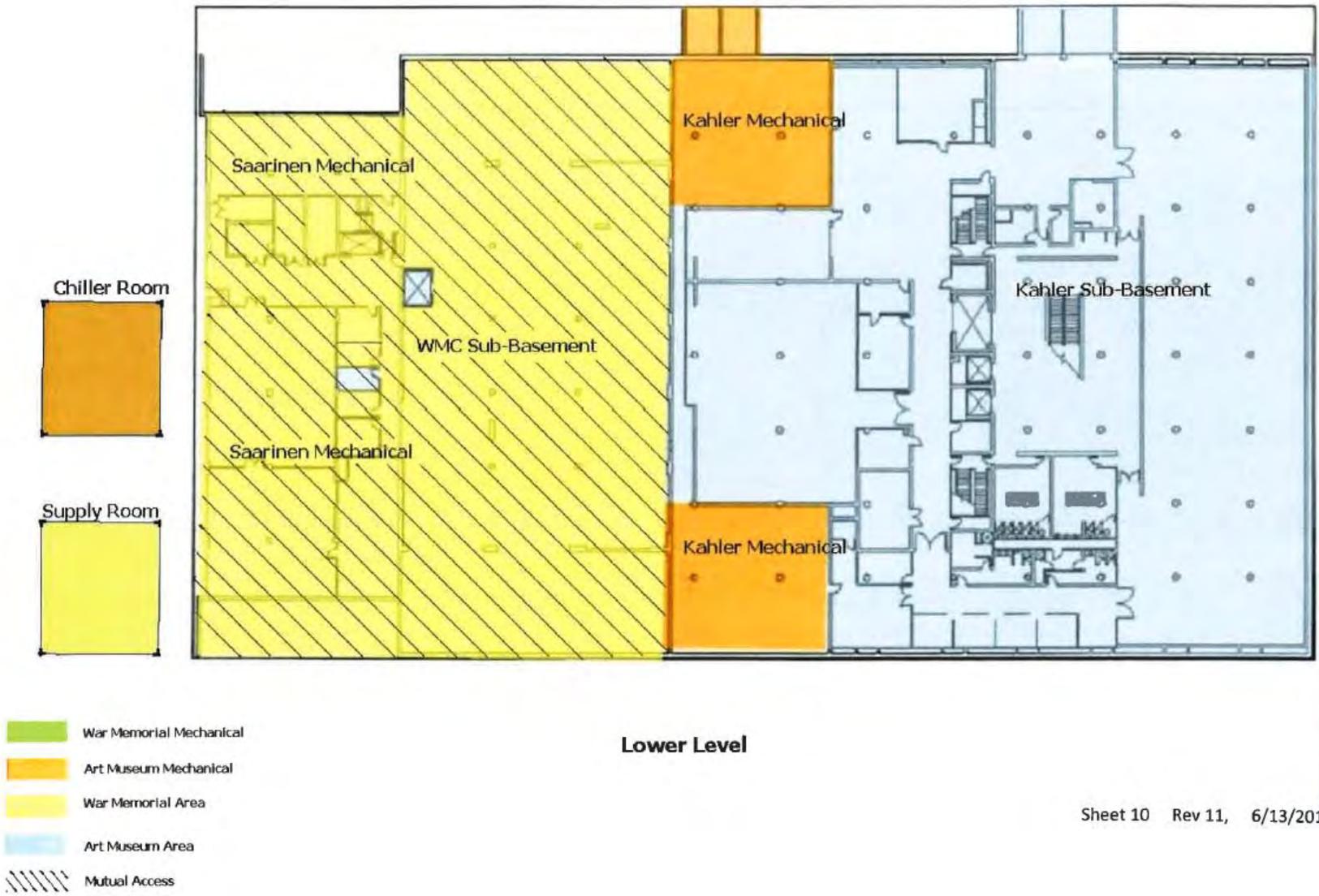
- War Memorial Mechanical
- Art Museum Mechanical
- War Memorial Area
- Art Museum Area
- Mutual Access



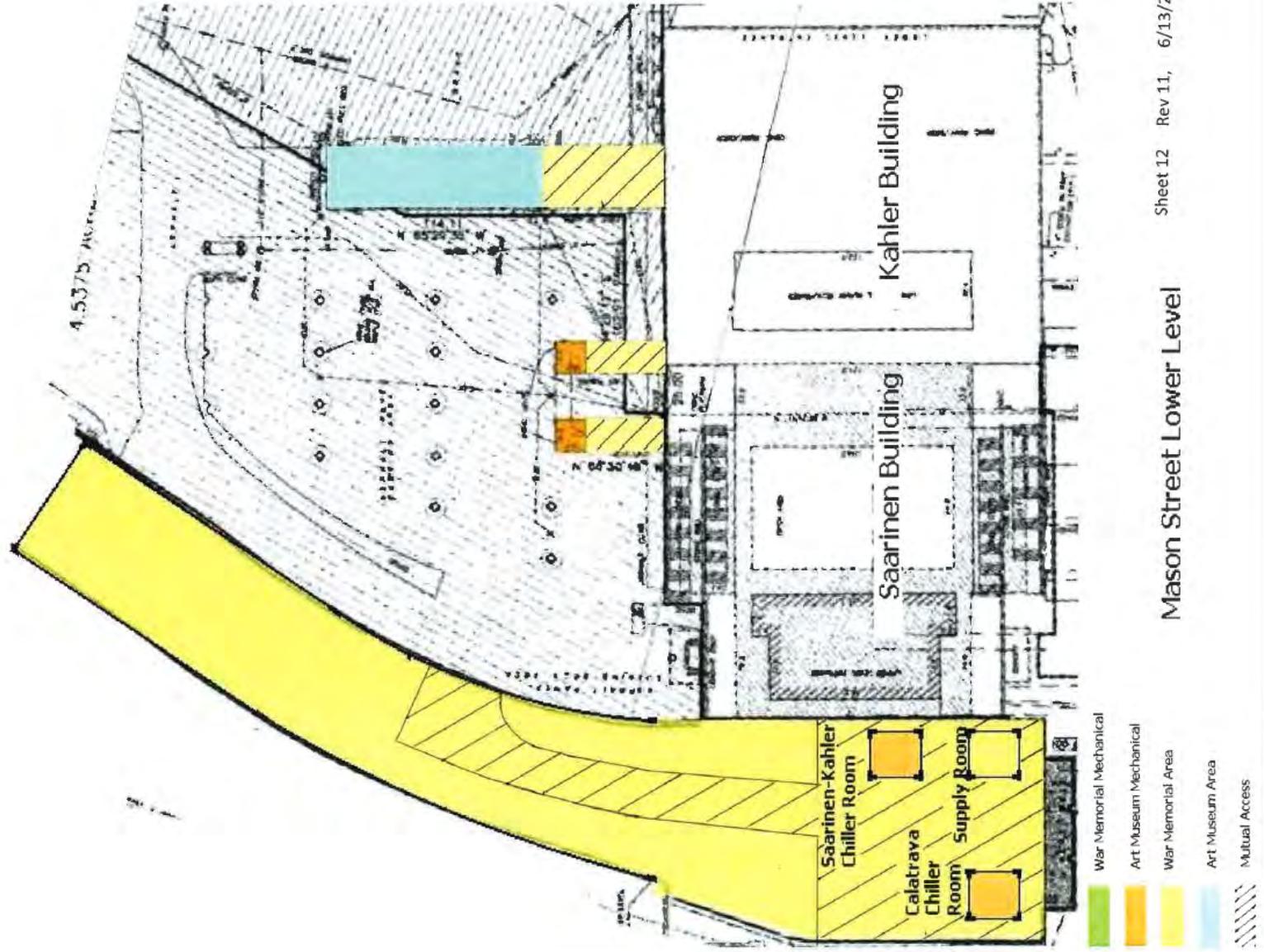


Lake level

-  War Memorial Mechanical
-  Art Museum Mechanical
-  War Memorial Area
-  Art Museum Area
-  Mutual Access







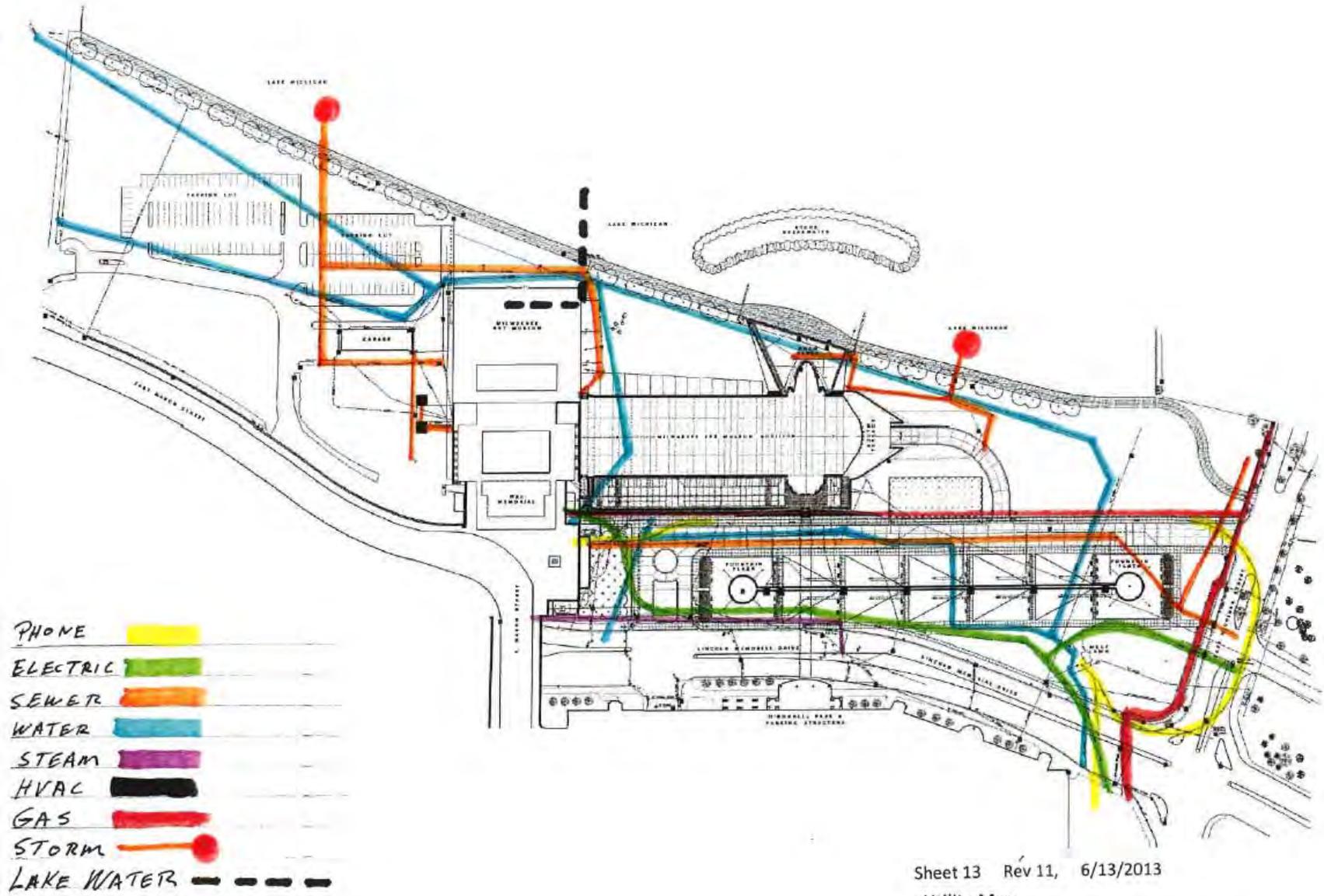


EXHIBIT C

East Atrium Addition



EXHIBIT D

Air Rights Parcel and West Bridge Base Parcel

[Attached]

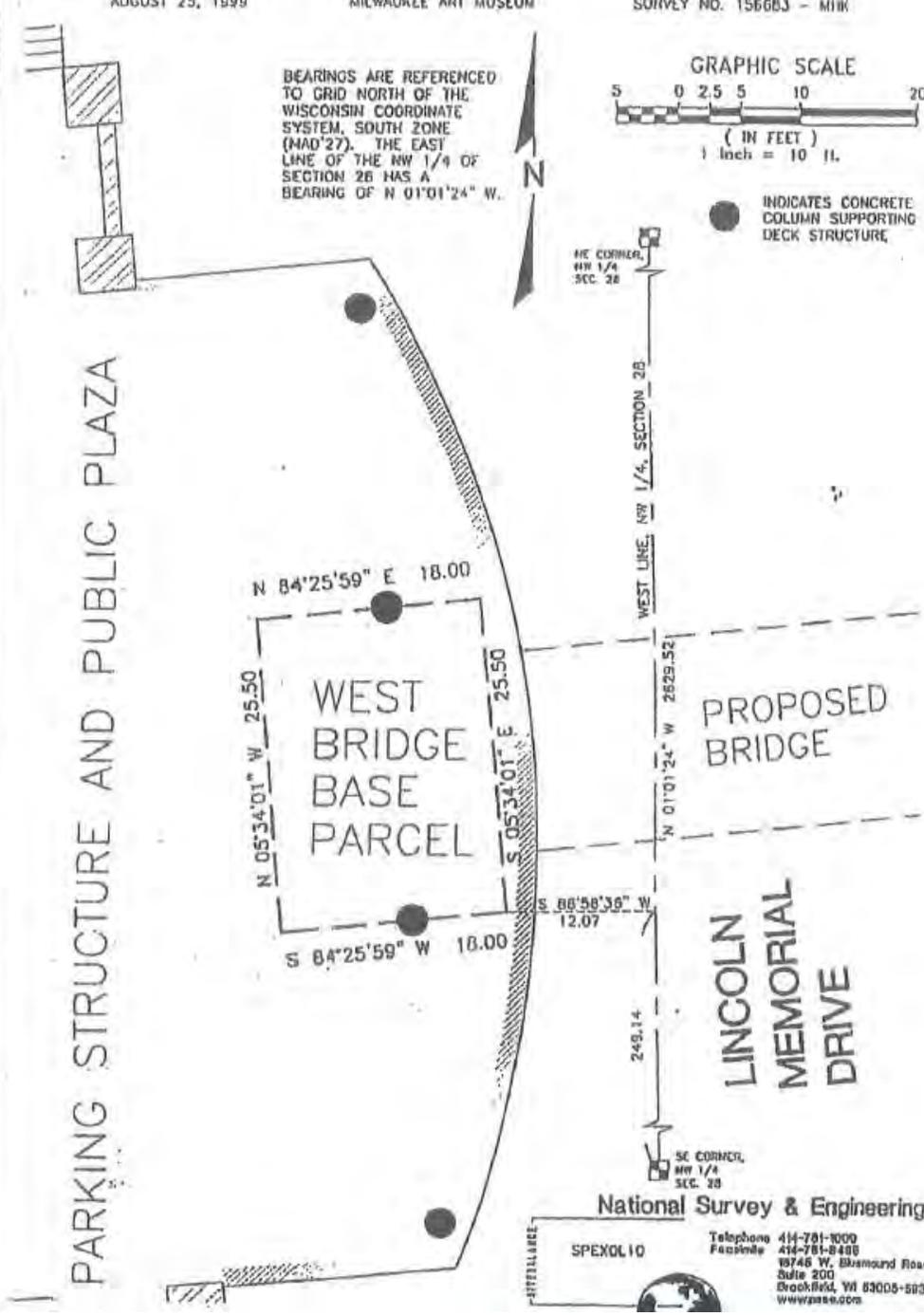
EXHIBIT D
West Bridge Base Parcel

SITUATED ON LINCOLN MEMORIAL DRIVE IN THE CITY OF MILWAUKEE, MILWAUKEE COUNTY, WISCONSIN A PARCEL OF LAND LOCATED IN THE SOUTHEAST 1/4 OF THE NORTHWEST 1/4 OF SECTION 26, TOWNSHIP 7 NORTH, RANGE 22 EAST, IN THE CITY OF MILWAUKEE, MILWAUKEE COUNTY, WISCONSIN BOUNDED AND DESCRIBED AS FOLLOWS:
COMMENCING AT THE SOUTHEAST CORNER OF SAID NORTHWEST 1/4 SECTION; THENCE NORTH 01°01'24" WEST ALONG THE EAST LINE OF SAID NORTHWEST 1/4 SECTION 249.14 FEET TO A POINT; THENCE SOUTH 88°58'39" WEST TO 12.07 FEET TO THE POINT OF BEGINNING OF THE LANDS TO BE DESCRIBED; THENCE SOUTH 84°25'59" WEST 18.00 FEET TO A POINT; THENCE NORTH 05°34'01" WEST 25.50 FEET TO A POINT; THENCE NORTH 84°25'59" EAST 18.00 FEET TO A POINT; THENCE SOUTH 05°34'10" EAST 25.50 FEET TO THE POINT OF BEGINNING. SAID PARCEL CONTAINS 458 SQUARE FEET.

AUGUST 25, 1999

MILWAUKEE ART MUSEUM

SURVEY NO. 1566B3 - MIW



National Survey & Engineering

SPEXOLIO
Telephone 414-781-8000
Fax 414-781-8400
18746 W. Edmund Road
Suite 200
Brookfield, WI 53005-5836
www.nse.com

EXHIBIT E

Utility Map

[Attached]

EXHIBIT F

Shoreline Area

Exhibit F
Shoreline Area

