

FINANCING TERM SHEET

REDEVELOPMENT AUTHORITY OF THE CITY OF MILWAUKEE REDEVELOPMENT REVENUE BONDS

MILWAUKEE WORLD FESTIVAL, INC. SOUTH END PROJECT

PURPOSE:

To provide up to \$25 million in Redevelopment Authority of the City of Milwaukee (RACM) Development Revenue Bond (Bonds) proceeds to finance the South End Project (Project) to be constructed at the Henry Maier Festival Grounds during the period 2010 through 2012 (2010-11 and 2011-12 off-seasons) and to refund or otherwise retire RACM's 2001 bond issue.

ISSUER:

The Redevelopment Authority of the City of Milwaukee (RACM).

BORROWER:

Milwaukee World Festival, Inc. (FESTIVAL) or one or more new special purpose organizations created for purposes of structuring the financing.

CREDIT ENHANCEMENT:

The City of Milwaukee (CITY) will provide a "Moral Obligation Pledge", pursuant to the terms of a Cooperation Agreement with RACM, to pay debt service on the Bonds. This pledge will be structured consistent with CITY's budget process, including a timetable for appropriation by CITY's Common Council, the reporting of events of default, and legislative action by CITY's Common Council.

This will be substantially the same structure used for RACM's \$18,545,000 Redevelopment Revenue Bonds, Series 2001 (Summerfest Project) issued in 2001 to finance FESTIVAL's Millennium Momentum Plan Capital Improvements I Project (2001 Bonds). This transaction will also utilize substantially similar documentation to the Transaction Documents (as defined in the Lease) for the 2001 Bonds, with such revisions as may be necessary to accommodate the New Markets Tax Credits structure described below. The final form of such documentation shall be subject to the approval of the CITY's comptroller and RACM's executive director.

FESTIVAL will pay to CITY a fee for credit enhancement equal to 50 basis points per annum of the New Money Portion of the Outstanding Bonds. The New Money Portion of the Outstanding Bonds means an amount equal to the principal amount of the Bonds outstanding at the time of computation multiplied by a fraction, the numerator of which is the original amount of Bond proceeds less the required debt service reserve fund for the Bonds and less the amount of 2001 Bonds to be retired, and the denominator of which is the original aggregate principal amount of the Bonds.

As a condition to the financing, FESTIVAL will be required to defease the 2001 Bonds, thereby releasing CITY from its Moral Obligation Pledge with respect to the 2001 Bonds.

AMOUNT:

The Bonds are to be issued in a principal amount not to exceed \$25,000,000 for the combination of retiring the 2001 Bonds and financing construction of the Project. This amount may include issuance costs associated with the Bonds and administrative costs incurred by RACM and CITY, and required reserves. Neither RACM nor CITY shall be liable for Project costs exceeding the net amount available from Bond proceeds.

TERM & AMORTIZATION:

Not to Exceed 20 Years without CITY approval; level debt service, semi-annual interest payments and annual principal payments. To accommodate a New Markets Tax Credit financing, there may be an initial period during which no principal is paid.

RATE:

Equal to the true interest cost rate on the Bonds (plus a one-time RACM Bond administration fee calculated as 75 basis points on the principal balance of the Bonds).

FESTIVAL COMMITMENTS:

Timetable:

FESTIVAL shall commit to complete the Project not later than June 30, 2013. Capital Improvements comprising the Project, and the budget, are subject to approval by CITY.

Required Reserves:

FESTIVAL shall be required to maintain an operating reserve of cash and investment securities at all times equal to at least \$2,500,000. FESTIVAL shall be entitled to maintain control and investment direction over such reserve in such a manner that such reserves are not “pledged funds” under section 1.148-1(c)(3) of the Income Tax Regulations.

Such portion of FESTIVAL's funds (which may be proceeds of the Bonds) as may be required to market the Bonds shall be deposited in a Reserve Fund held by the Trustee to draw upon in the event of a failure of FESTIVAL to pay debt service on the Bonds.

Disbursement of Bond Proceeds:

Disbursement of Bond proceeds will occur pursuant to a Disbursement Agreement or one or more other agreements mutually acceptable to RACM, CITY, FESTIVAL, and the trustee for the Bonds. CITY shall approve, in writing, all disbursements based on its review of invoices, site inspections and the overall completion status of the Project. The cost of administering this loan disbursement and the CITY review process will be borne by FESTIVAL.

Should the conduct of the Project or subsequent operations of FESTIVAL require any rebate of arbitrage or interest on Bond proceeds, or penalties as the result of violations of any IRS rules related to the tax exempt status of the Bonds, FESTIVAL shall be responsible for all required rebates and penalties.

Bond proceeds not disbursed on a timely basis, as defined in a Reimbursement Agreement or the Bond documents, shall be applied to call Bonds.

Financial Records & Reports:

FESTIVAL shall agree to maintain records of its construction and financial operations in a professional, timely and accurate manner. FESTIVAL further shall agree to provide CITY with specified financial reports and reasonable access to its construction, financial and operating records including an Audited Annual Financial Report on the results of operations, and fiscal year-end financial position. The costs of preparing the Annual Financial Report shall be paid by FESTIVAL. The Annual Financial Report shall include an audit opinion by an independent Certified Public Accounting firm and be submitted within 120 days following the end of the FESTIVAL fiscal year. The Annual Financial Reports shall include Management letters and other reports prepared by the independent auditors. CITY shall have the right, upon reasonable notice, to conduct its own financial audit of FESTIVAL, at CITY's sole expense.

Maintenance of Insurance:

During the term of the Bonds, FESTIVAL shall agree to maintain adequate builder's risk, property and casualty, general liability and workers' compensation and other insurance consistent with the requirements of paragraph 23 of the Lease.

Security Interest:

In consideration of the issuance of the Bonds and CITY's credit enhancement of the Bonds, FESTIVAL shall grant a general security interest in its all of its assets (subject to the following sentence) to secure either its reimbursement obligation to the City or its

obligations under the New Markets Tax Credits structure described below. The security agreement shall not require FESTIVAL to transfer possession of or control over any of its assets to the Trustee, CITY or any third party, or to pledge investment assets that would thereby become subject to yield restriction to maintain the tax exempt status of the Bonds under the Internal Revenue Code, nor shall it limit FESTIVAL's use of its assets in its business operations so long as there is no default on the Bonds.

Negative Covenants:

The Financing Documents shall include mutually acceptable covenants, generally consistent with the covenants set forth in the Reimbursement Agreement executed in conjunction with the 2001 Bonds:

- 1) Limitations on Indebtedness
- 2) Limitations on Liens and Encumbrances
- 3) Limitations on the Discount, Sale or Lease of FESTIVAL Assets

PROFESSIONAL SERVICES:

The financing team for the transaction, including bond counsel, the trustee, the lead underwriter and counsel for the transaction participants, will be substantially the same as for the 2001 Bonds, and is currently as set forth in Exhibit C attached hereto.

NEW MARKETS TAX CREDIT STRUCTURE:

To accommodate a New Markets Tax Credit (NMTC) financing, the financing may include one or more of the following elements; provided that FESTIVAL will remain the primary source of credit for the Bonds and will remain responsible (directly or as guarantor) for the Lease rentals:

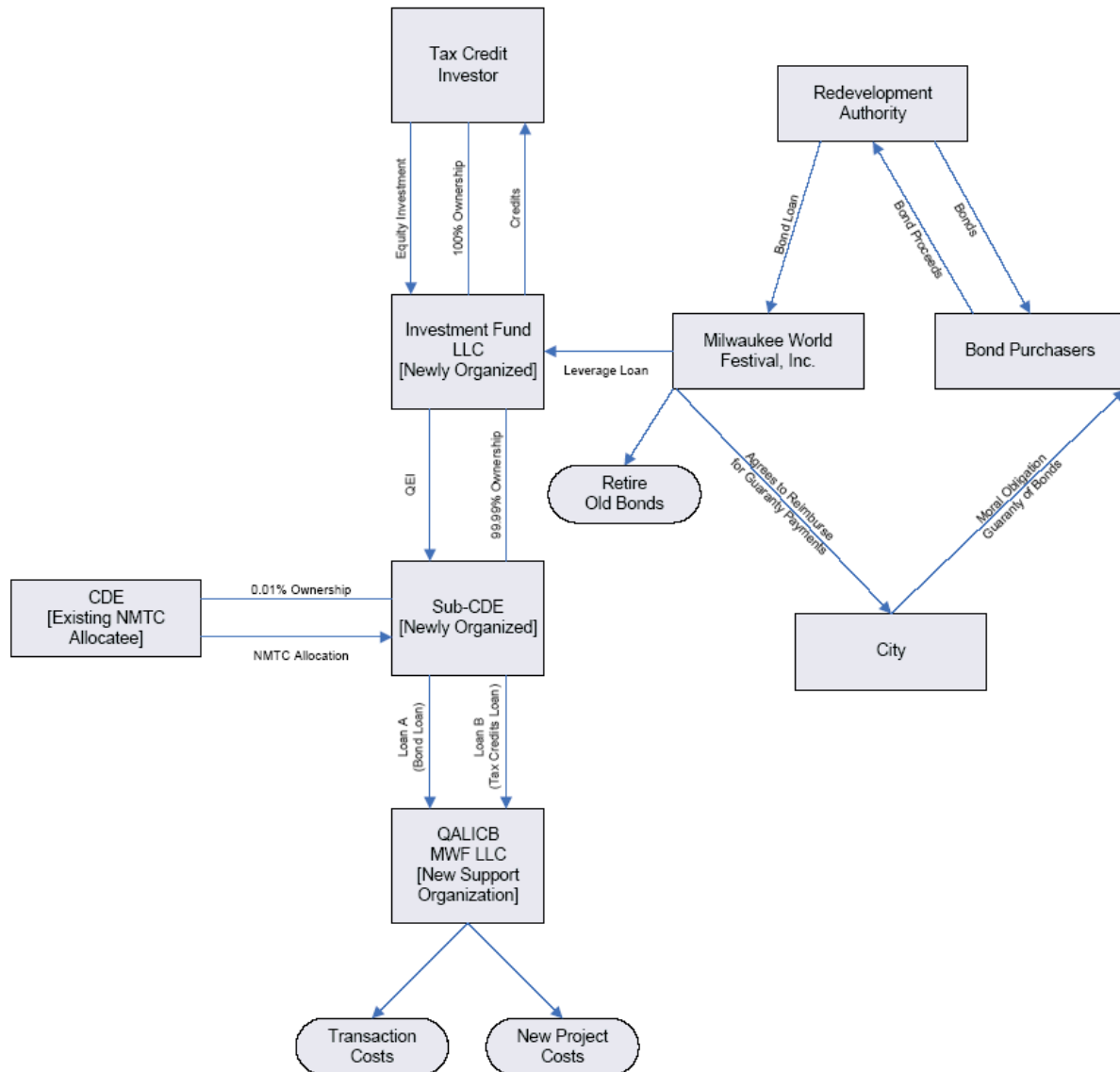
- a newly-created property holding company (support organization for FESTIVAL) to be assigned FESTIVAL's leasehold rights under the Lease.
- a newly-created limited liability company that would borrow the Bond proceeds from RACM and indirectly make the proceeds available to FESTIVAL.
- a newly-credited foundation (support organization for FESTIVAL) to which FESTIVAL would transfer a portion of its reserves.

Possible alternative structures for the NMTC/Bond financing are shown as Exhibits A and B. Under the structure shown as Exhibit B, FESTIVAL would grant the security interest in its assets to the entity that lends it the bond proceeds.

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Summerfest NMTC Bond Financing

Exhibit A

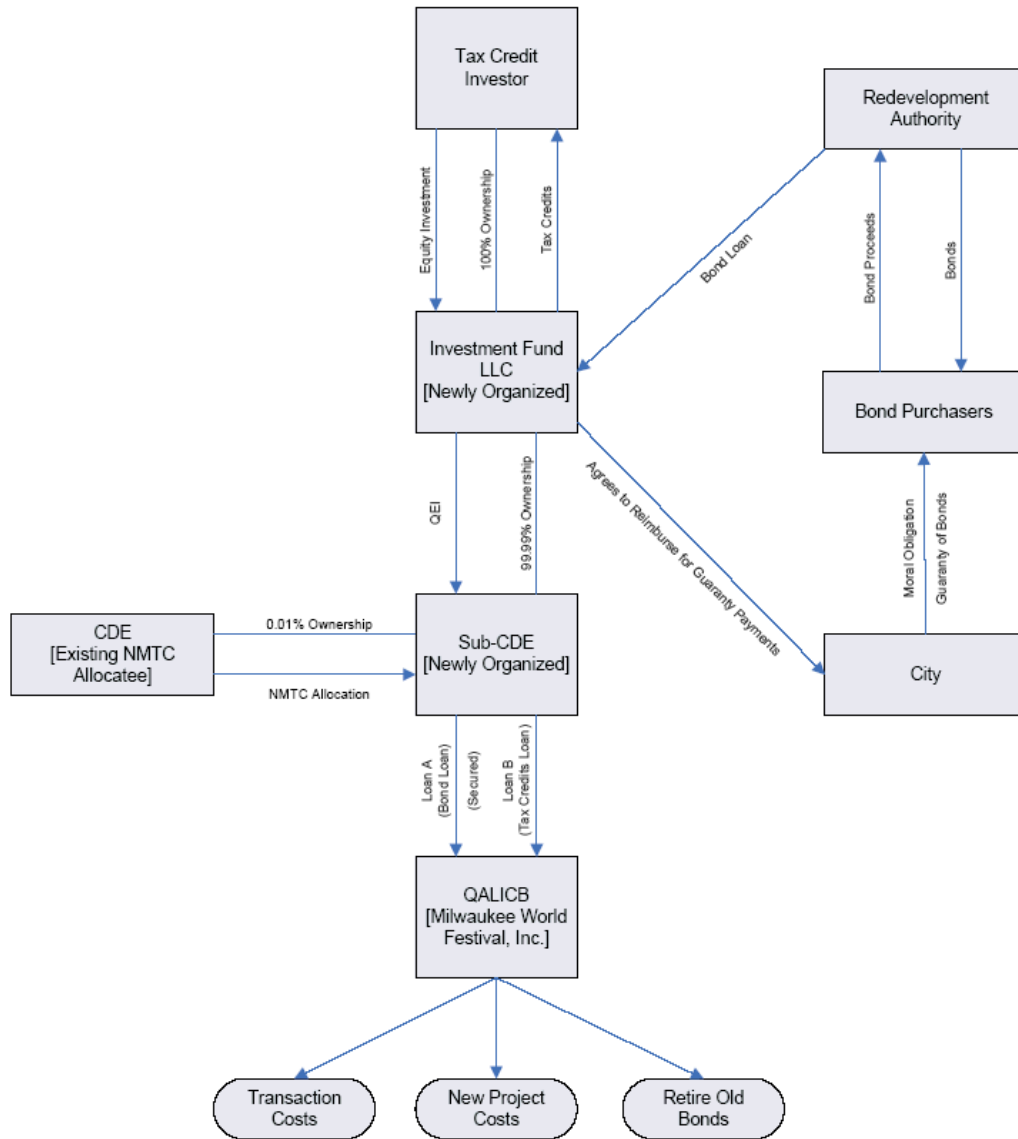


MILW_10534495.4

EXHIBIT "B"
(Summerfest NMTC Bond Financing)

Summerfest NMTC Bond Financing

Exhibit B



MILW_10534495.2

EXHIBIT "C"

(Working Group List)

REDEVELOPMENT AUTHORITY OF THE CITY OF MILWAUKEE
SUMMERFEST PROJECT

WORKING GROUP LIST
as of November 5, 2010

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SUMMERFEST PROJECT**

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