

## COOPERATION AND DEVELOPMENT AGREEMENT

**THIS COOPERATION AGREEMENT** (“Agreement”) is entered into as of \_\_\_\_\_, 2007, by and between the City of Milwaukee, Wisconsin, a Wisconsin municipal corporation (“City”) and the Milwaukee Economic Development Corp., a Wisconsin not-for-profit corporation (“MEDC”).

### WITNESSETH THAT:

**WHEREAS**, Astronautics Corporation of America is headquartered at 4115 N. Teutonia Ave., and has its main production facility at 1412 W. National Ave., in the City of Milwaukee. Astronautics was established in 1959 and is a world leader in the design, development and manufacture of military and commercial electronics for air, space, land, and sea applications. Its products are used throughout the world and more than 100,000 aircraft use Astronautics flight instruments, displays, computers, and components; and

**WHEREAS**, Astronautics major product lines are aircraft cockpit avionics systems, navigational systems, flight instruments, flat panel displays, mission and display processors, and numerous other products. The company has a wholly owned subsidiary headquartered in New Jersey with an additional facility in North Carolina, which designs and manufactures guidance and navigation systems, as well as high precision components and actuators; and

**WHEREAS**, Astronautics currently employs approximately 550 people at its Teutonia Ave. headquarters and at its National Ave. facility, not including part-time employees and contract employees at those locations; and

**WHEREAS**, Astronautics has secured contracts to provide a pilot information display for the new Boeing 787 ‘Dreamliner’ aircraft and other Boeing aircraft, and is recruiting over 70 engineering and production positions for these contracts and for other contracts secured by the company over the past few years; and

**WHEREAS**, in order to assist the company in its recruitment efforts, the City desires to provide funding, in the form of a forgivable loan, to upgrade the building and parking lot security systems in and around its facilities, including installing security cameras, installing electronic card access systems, installing burglar alarm systems, upgrading lighting in its parking lots, and other exterior improvements designed to increase security for its professional, engineering, and hourly employees; and

**WHEREAS**, In order to assist Astronautics with its security project, the Common Council adopted Resolution File No. \_\_\_\_\_ authorizing the execution of this Cooperation

Agreement and the funding of a grant to MEDC to fund the origination of a forgivable loan in accordance with the Term Sheet attached as **Exhibit “A”**; and

**NOW, THEREFORE**, The parties hereto mutually agree as follows:

1. Loan Origination. MEDC agrees to implement and to carry out the origination of the Loan, as set forth in the Term Sheet, contingent upon MEDC receiving adequate funding from the City. The City agrees to provide MEDC with the funds necessary to originate the Loan.

2. Establishment of Fund Account. The City will provide to MEDC, from the Development Fund Acct. No. UR03390000, or from any other source as determined by the Common Council, funds in the presently estimated amount of \$100,000.00 for the Project.

3. Administration of the Fund Account. The City Comptroller shall review and approve the accounting and financial reporting systems necessary to administer the Fund Account.

4. Use of Fund Account. Funds granted by the City to MEDC shall be utilized solely for the purpose of originating the Loan.

5. Verification by Comptroller. The City Comptroller shall, from time to time as in the Comptroller's judgment is appropriate, review the receipts and expenditures of MEDC, or of management operations in relation to the Loan. The Comptroller shall have full power to conduct an audit or to have such an audit conducted as is necessary in the Comptroller's judgment to provide a full accounting to the City. The results of such audit shall be reported to the Common Council. Upon retirement of the Loan, MEDC shall make a full accounting to the City of income received and amounts expended and shall return to the City all unused and unneeded funds. In addition, MEDC shall transfer to the City all Loan repayments received by it.

6. Interest Payments. Any sums payable hereunder by either party to the other shall not bear any interest, but any interest earned on such sums shall be transferred to the City.

7. Loan Administration. The President of MEDC shall administer the Loan originated pursuant to this Agreement and shall have the authority to grant waivers and consents under the

Loan documentation, to approve the execution of estoppel certificates and subordination agreements, and to take all actions necessary to coordinate the administration of the Loan and security interests relative to the Loan with other financings undertaken by the borrower.

**IN WITNESS WHEREOF**, The parties have executed this Agreement the day and year as hereinafter set forth.

CITY OF MILWAUKEE

MILWAUKEE ECONOMIC  
DEVELOPMENT CORP.

\_\_\_\_\_  
Tom D. Barrett, Mayor

By: \_\_\_\_\_  
Patrick G. Walsh, Pres.

Date: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
City Clerk

By: \_\_\_\_\_  
James Scherer, Vice Pres.

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**COUNTERSIGNED:**

\_\_\_\_\_  
City Comptroller

Date: \_\_\_\_\_

Approved as to form, execution, and  
content this \_\_\_\_ day of \_\_\_\_\_, 2007.

\_\_\_\_\_  
THOMAS O. GARTNER  
Assistant City Attorney

This instrument was drafted by the  
Office of the City Attorney

TOG/kg:  
1050-2003-434:63758

## **EXHIBIT A**

### **Term Sheet For Loan To:**

#### **Astronautics Corp. of America, Inc. project**

- Borrower: Astronautics Corp. of America, Inc., 4115 N. Teutonia Ave., Milwaukee, WI 53209
- Lender: Milwaukee Economic Development Corp. (MEDC)
- Loan Amount: \$100,000
- Use of Funds: Purchase, and installation of security equipment and security related services at Teutonia Ave. facility
- Interest Rate: 5%
- Term: 10 years
- Principal Amortization: \$10,000 per year
- Payments: Annual payments of principal and accrued interest.
- Loan Forgiveness: Payments shall be forgiven in each year Borrower maintains employment, at the Teutonia Ave. and National Ave. facilities, combined, of not less than 525 full-time positions, commencing twelve (12) months from the date of the Note.
- Due on Sale: Any unpaid loan balance and accrued interest thereon shall be due and payable upon sale of the Facility.
- Emerging Business Enterprise: Borrower shall use its best efforts to utilize Emerging Business Enterprises for 18% of the cost of the Project.

**Project Budget  
Astronautics Corp. of America**

**Astronautics Corporation of America**

**Security-Related Expenditures for Cooperation and Development Agreement**

**1426 W. National Avenue**

Burglar alarm system, electronic card access system, outdoor video surveillance system	\$51,400
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**4115 N. Teutonia Avenue**

Improve fencing, add pedestrian access at major thoroughfare, and reconfigure parking lots to increase capacity so more employees can park in lots instead of on the street	\$87,180
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**4115 N. Teutonia Avenue**

Electronic card access system, outdoor video surveillance system	\$54,000
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**\$192,580**