

TERM SHEET
January 16, 2003

GRANVILLE STATION (*formerly Northridge Mall*)
REDEVELOPMENT PROJECT - PHASE I

PROJECT:

Phase I of Granville Station (*formerly Northridge Mall*) shall consist of the total redevelopment and reconstruction of approximately 28 acres. The former Northridge Mall, together with the contiguous department stores, consists of approximately 104 acres ("Total Property"); of which only the Boston Store remains open and operational, at this time. Phase I of the project at Granville Station will include: the demolition of the former Sears Department Store buildings; associated environmental remediation; clearing, re-grading, and compacting of approximately 28 acres of the site to create sufficient area for the development of 161,640 square foot Menards, plus an outdoor Sales Area, a 61,000 square foot Pick N'Save, with a possible 15,000 square foot expansion area, to be operated by Pewaukee-based supermarket operator Roundy's, Inc., plus an additional 8,000 square foot outlot; haul away and disposal of excavated material (except as reasonably contemplated for balancing the Total Property, or portions thereof, for future phases); the construction of the aforereferenced Menards and outdoor Sales Area and Pick N'Save along with associated parking for those facilities; and the construction of additional infrastructure (the "Phase I Project Work").

DEVELOPER:

TDC Milwaukee, LLC ("TDC Milwaukee") an Illinois Limited Liability Company, is currently the owner of the former Northridge Mall, consisting of approximately 32 acres ("Mall Parcel"), which does not include the contiguous department stores. TDC Milwaukee will also acquire title to the former Sears Department Store Parcel ("Sears Parcel"). The Sears Parcel, together with a portion of the Mall Parcel (about 3 acres of Mall parking, more or less) will be utilized for Phase I of the development. **Tucker Development Corporation**, an Illinois Corporation ("Developer") is the manager of TDC Milwaukee and will undertake the Phase I Project Work (except that Menards will undertake Menards construction).

PHASED

It is anticipated that all or portions of the Total Property

DEVELOPMENT:

will be developed. At this time, the Project only consists of Phase I, as aforesaid (the Phase I Project Work) and will include the acquisition of the Sears Parcel. Phase I is depicted on Exhibit A attached hereto and incorporated herein.

DEVELOPMENT

Developer and TDC Milwaukee are scheduled to close on the acquisition of the Sears Parcel on or about February 15, 2003.

SCHEDULE:

Within thirty (30) days after said acquisition by TDC Milwaukee: (a) Developer anticipates commencing the demolition of the existing structures, remediation of known environmental conditions, clearing, re-grading and compacting the site and construction of the Pick N'Save; and (b) Developer and TDC Milwaukee anticipate TDC Milwaukee conveying approximately 13.5 acres to Menards. Contemporaneously with the construction of the Pick N'Save, it is anticipated that Menards will commence construction of its facility. Said Phase I (including all Phase I Project Work) to be completed by September 1, 2004. Subsequent phases to be developed on all or portions of the Total Property will commence (either before or after completion of Phase I) in accordance with leasing activity and economic feasibility.

CITY CONTRIBUTION AND CITY REVIEW:

The City of Milwaukee ("City") will provide the Developer with a grant in the amount of up to a maximum of \$4.4 million (the amount of the grant provided to Developer is herein called the "City Contribution") toward: the cost of Phase I Project Work; and \$328,007 of TDC Milwaukee's \$3.5 million cost to acquire the Mall Parcel.

Said grant shall be subject to reduction in accordance with the "Cost Sharing" Section below, and, also subject to reduction based on the Commissioner of the City's Department of City Development's ("Commissioner") review of the final approved construction budget and the Commissioner's determination that the Developer and/or TDC Milwaukee have obtained the maximum feasible first bank mortgage financing for their share of the Phase I Project Work. If Commissioner determines that Developer and/or TDC Milwaukee could have obtained additional first bank mortgage financing, the City Contribution shall be reduced by the amount which is determined by Commissioner first determining the amount of financing that Commissioner reasonably determines was available and then subtracting therefrom the amount of actual

financing that Developer and/or TDC Milwaukee secure for Developer's share of the Phase I Project Work.

In any event, the City Contribution shall be paid to Developer only upon:

- A. Determination by the Commissioner of the substantial completion of the Phase I Project Work (including substantial completion of the Pick N'Save and Menards buildings);
- B. TDC Milwaukee and Developer securing all necessary permits, licenses, consents, and approvals ("Approvals") for the Phase I Project Work to be done by Developer and Menards securing all necessary Approvals for the construction work to be done by Menards (including, but not limited to, any Approval for signage, demolition, and construction, and – if necessary - any release, waiver, consent, or approval that may be required under, or as a result of, that certain December 29, 1969 Operating Agreement affecting the Total Property, or under any exhibit or amendment thereto (the Operating Agreement, together with any exhibit or amendment thereto is herein called the "REA");
- C. Commissioner review and approval of the purchase and sale agreement (and any amendment thereto) between TDC Milwaukee and Sears regarding the Sears Parcel;
- D. TDC Milwaukee acquiring the Sears Parcel;
- E. Commissioner review and approval of the purchase and sale agreement and operating agreement (and any amendments thereto) between TDC Milwaukee and Menards;
- F. TDC Milwaukee conveying approximately 13.5 acres to Menards;
- G. TDC Milwaukee securing all requisite Approvals associated with its conveyance to Menards (including, if necessary, all Approvals that may be required under the REA, and also any Approvals that may be required under any law (including Wisconsin Statutes or local ordinance) regarding land division or land splits);
- H. Commissioner review and approval of all plans and specifications for, and the development budget for, all Phase I Project Work (including plans and specifications for Phase I Project Work to be done by Menards);
- I. Commissioner review and approval of the lease and operating agreement between TDC Milwaukee and Roundy's Inc. (and any amendment thereto) for the Pick N'Save; and

- J. Commissioner review and approval of mortgage financing terms, conditions, and documents (including, but not limited to, loan applications and loan commitment letters that Commissioner may request, loan agreements, and such other documents and data that Commissioner may request to ascertain maximum feasible first bank mortgage financing available to Developer and/or TDC Milwaukee) relating to the financing that Developer and/or TDC Milwaukee obtain or seek to obtain with respect to the Phase I Project Work to be done by Developer; and
- K. Compliance with such other terms and conditions that may be set forth in a Development Agreement to be entered into among City, TDC Milwaukee and Developer (the "Development Agreement").

**HUMAN RESOURCE
REQUIREMENTS:**

In fulfilling its obligations under the Development Agreement, Developer will agree to perform the Residence Preference Program Provisions set forth on Exhibit B attached hereto and the Emerging Business Enterprise Provisions set forth on Exhibit C attached hereto. Developer will also request that all tenants of the Project (including Roundy's Inc.) enter into a First Source recruitment agreement with an appropriate agency.

**LABOR AND
RELOCATION
STANDARDS:**

In fulfilling its obligations under the Development Agreement, Developer will comply with all applicable labor standards.

COST SHARING:

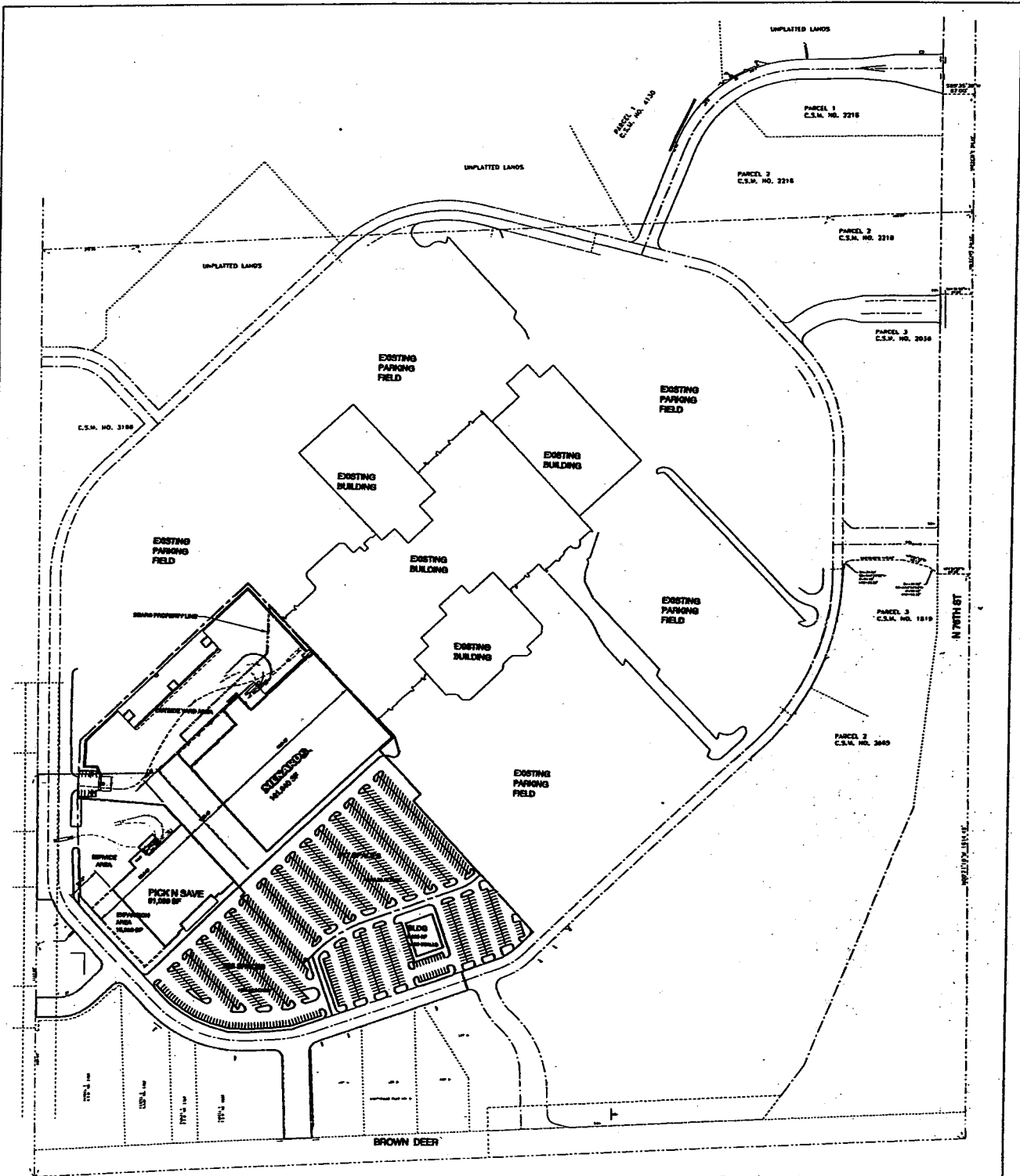
With regard to cost savings available from Phase I of Granville Station, the City will receive 50% of any net savings to TDC Milwaukee in the construction of the following: site work preparation for the Menard's pad; the parking lot and pad for Roundy's Pick N'Save; and the construction of the Roundy's Pick N'Save building. These savings to City (the "City-Savings") will be on a net basis after any and all savings have been: shared with appropriate contractors, subcontractors and other potential providers of services in conjunction with the development; and also shared in accordance with the Pick N'Save lease with Roundy's, Inc., and/or Jondex Corp. A mutually agreed-upon estimate of any such City-Savings shall be determined prior to City making the City Contribution to Developer, and, the City Contribution shall be reduced by the agreed-upon estimated City-Savings. The net amount of the City Contribution (i.e. City

Contribution less estimated City-Savings) shall be disbursed to Developer after the conditions in the "City Contribution and City Review" Section above have been met. Then, upon final completion of the Phase I Project Work, the actual City-Savings shall be calculated, and the mutually agreed-upon actual amount shall then be compared to the estimated City-Savings. If the estimated City-Savings exceed the actual City-Savings, City shall disburse to Developer the difference. If, however, the actual City-Savings exceed the estimated City-Savings, Developer shall pay to City the difference.

doc no 62503

1050-2002-3868

EXHIBIT A



Lot Areas:

Menards -	±13.82 Acres
Pick N Save -	±6.42 Acres
Outlots -	±2.95 Acres
Ring Road -	±2.90 Acres

Development Site Plan - Phase 1



Granville Station

12-08-00
Job No. 02001

HKM ARCHITECTS + PLANNERS, INC.

8 SOUTH WILSON AVENUE, ALABAMA HEIGHTS, TAMPA, FL 33609

SCHEDULE B

DEPARTMENT OF CITY DEVELOPMENT RESIDENTS PREFERENCE PROGRAM PROVISIONS

I. General

- A. The Developer is required to show that a minimum 21% of worker hours will be performed by unemployed residents of the CDBG area.
- B. The Developer shall prepare or cause to be prepared and submit or cause to be submitted accurate and timely resident utilization forms and reports as hereinafter set forth.
- C. During the performance of this contract, the City reserves the right to conduct compliance reviews. If the Developer or its contractor is not in compliance with the specifications, the City will notify the Developer or its contractor in writing of the corrective action that will bring the Developer or its contractor into compliance. If the Developer or its contractor fails or refuses to take corrective action as directed, or if the Developer or its contractor, prime or sub, submits any documents which contain any false, misleading or fraudulent information, or if the Developer or its contractor or subcontractor fail to comply with this exhibit, the City may take one or more of the actions listed below:
1. Withhold payments on this Agreement.
 2. Terminate or cancel this Agreement, in whole or in part.
 3. Any other remedy available to the City at law or in equity.
- D. The penalty for any person, firm or corporation knowingly engaging in fraud, misrepresentation, or in any attempt directly or indirectly, to evade the provisions of this ordinance by providing false, misleading or fraudulent information shall, upon conviction, forfeit not less than \$1,000 or more than \$5,000 together with the costs of prosecution and, upon default of payment, shall be imprisoned in the county jail or house of correction not to exceed 90 days, or until the forfeiture costs are paid.

II. Definitions

- A. RESIDENT – A person who maintains his or her place of permanent abode in the CDBG area within the City of Milwaukee. Domiciliary intent is required to establish that a person is maintaining his or her place of permanent abode in the CDBG area. Mere ownership of property is not sufficient to establish domiciliary intent. Evidence of domiciliary intent includes, without limitations, the location where a person votes, pays personal income taxes or obtains a driver's license.

B. **COMMUNITY DEVELOPMENT BLOCK GRANT AREA OR CDBG AREA** – That portion of the City of Milwaukee designated as such by the Common Council which is identified by census tracts on maps maintained at the offices of the City Clerk and the Commissioner of City Development (map attached).

C. **UNEMPLOYED** – A resident that has worked less than 1,200 hours in the preceding 12 months or has not worked in the preceding 30 days or has qualified since the inception of the Residence Preference Program. An individual will continue to qualify as a CDBG resident and as unemployed for at least three (3) years from the date he or she first participates in a contract entered into under the Development Agreement for the redevelopment of the Grand Avenue Project.

D. **Residency Utilization Requirements**

A. The Developer or its contractor shall utilize unemployed residents of the CDBG area in a minimum amount equal to the percentage of the worker hours stated in paragraph I.A. above. Worker hours, as specified herein, shall include work performed by persons filling apprenticeship and on-the-job training programs.

B. The contractor must submit with their bid the Proposed CDBG Resident Utilization Report (Form A). This report itemizes by job classification the proposed total worker hours, proposed number of CDBG resident worker hours and proposed number of non-CDBG worker hours the contractor plans to utilize to complete the contract.

C. An affidavit of compliance (Form B) must be submitted by the contractor with the bid which certifies that the contractor understands the provisions of the residents Preference Program described in this Exhibit.

D. The Developer or its contractor must submit an Employee Affidavit (Form C) prior to commencing work. The Employee Affidavit certifies that the employee utilized to meet the residency requirements is both unemployed and a resident of the CDBG area, as defined in Section II.A. and C.

E. The Developer or its contractor must submit biweekly the CDBG Resident Utilization Report (Form D). This report lists the name, address, race, gender, job classification and hours worked of all employees utilized on the contract.

F. The Developer or its contractor shall maintain personnel records listing the names, addresses, race and gender of its employees utilized for this contract and any records demonstrating that the employees utilized by the contractor in meeting the residency requirements are actual residents of the CDBG area. These records shall be maintained for three (3) years after the Developer or its contractor has received final payment under the contract and shall be made available to the Commissioner of City Development upon reasonable notice.

G. Modifications or waivers of the residents preference program requirement set forth herein shall only be effective if agreed to by the City's - Emerging Business Enterprise Program Manager and the Developer in writing. Any modifications or

waiver shall only be made on the basis of verified information that existing, qualified and available, unemployed residents of the CDBG area are insufficient to achieve the required participation.

SCHEDULE C
EMERGING BUSINESS ENTERPRISE AGREEMENT

- A. The Developer shall utilize, or cause to be utilized, Emerging Business Enterprises (“EBEs”), as defined in Chapter 360, Milwaukee Code of Ordinances, for a minimum of 18% of the total dollars necessary for the construction of the Project.
It is important to note that those businesses that were certified under the old name - Disadvantaged Business Enterprise (DBE) will continue to qualify for the program.
- B. The Developer agrees to report to the City’s - Emerging Business Enterprise Program (“EBEP”) Manager (“Manager”) on the Developer’s utilization of EBEs in its contracting activities of the Project, pursuant to Chapter 360 of the Milwaukee Code of Ordinances. In order to monitor the Project’s EBE participation, the City requests, and the Developer agrees to take the following steps:
1. Provide a list of all categories of work on the above-described Project with budget allowances, for which bids will be solicited and highlight those categories, based upon the Developer’s knowledge and experience, which are conducive to EBE participation prior to any bids being solicited or awarded. (Example 1.)
 2. Submit EBE Participation Form A (Exhibit ?) to the EBEP. This form must be submitted with the prime contractor’s bid.
 3. Provide the Manager with documentation supporting efforts extended to solicit bids from EBEs. Upon request, the Developer shall make information related to EBE bids available to the Manager.
 4. Submit an EBE Monthly Report – Form D to the Manager on the form attached as Attachment 1 and submit EBE Subcontractor Payment Form - E (Exhibit ?) with the final Form D on the form attached as Attachment 2.
- C. Only businesses that have been EBE or DBE certified by the City of Milwaukee - Emerging Business Enterprise Program shall be listed on the EBE monthly Report and counted towards the percentage requirements of this project. A listing of the current City certified firms can be found at the following website address:
www.ci.mil.wi.us/citygov/doa/sp/ebep/ebedirectory.htm
- D. Modifications or waivers of the EBE participation requirement set forth herein shall only be effective if agreed to by the Manager and the Developer in writing. Any such modification or waiver shall be made only on the basis of verified information that the existing, available, certified EBEs in any particular trade area or tier level are insufficient to achieve the required participation.
- E. This Agreement shall be deemed a City contract for purposes of empowering the City to impose any or all of the sanctions set forth in sec. 360-08, Milwaukee Code of Ordinances. In addition, as liquidated damages, the Developer may be liable to the City of that percentage of the total dollars necessary for the construction of the Project which represents the difference between the EBE participation required hereunder and the actual EBE participation attained.

EXAMPLE 1 CATEGORIES OF WORK

Project Name: ALBKMK REDEVELOPMENT PROJECT

EBE CONSTRUCTION/PROFESSIONAL SERVICE OPPORTUNITIES

Note: Include all costs associated with the project

<u>PROFESSIONAL SERVICES & TRADE AREA</u>	<u>BUDGET</u>	<u>EBE PERCENTAGE</u>	<u>EBE PARTICIPATION</u>
DEMOLITION	\$35,000	15%	\$5,250
PLUMBING	100,000	31%	31,000
ELECTRICAL	165,000	10%	16,500
DRYWALL	55,000	10%	5,500
HVAC EQUIPMENT**	45,000	25%	11,250
APPLIANCES	40,000	20%	8,000
LEGAL SERVICES	5,000	100%	5,000
PAINTING	30,000	10%	3,000
TOTAL	\$475,000	18%	\$85,500

EBE Minimum Requirement: \$475,000 x 18% = \$85,500

****Acceptable EBE Supplier Amount: \$85,500 x 20% = \$17,100**

CITY OF MILWAUKEE - DEPARTMENT OF ADMINISTRATION
 EMERGING BUSINESS ENTERPRISE PROGRAM
 EBE PARTICIPATION FOR SUBCONTRACTORS AND/OR MATERIAL SUPPLIERS

PRIME CONTRACTOR'S NAME: _____ CONTRACT NAME OR NUMBER: _____

START DATE: _____ TOTAL BID AMOUNT: _____ TOTAL EBE AMOUNT: _____

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

EBE FIRM(S) NAME ADDRESS/CONTACT PERSON AND PHONE NUMBER	% OF BID	SUB-CONTRACTOR/OR SUPPLIER	WORK PERFORMED/ MATERIAL SUPPLIED	AMOUNT	OWNER/REPRESENTATIVE SIGNATURE OF AUTHORIZED EBE(S) ACKNOWLEDGMENT
1. _____					

2. _____					

3. _____					

4. _____					

Authorized Signature: _____ Print Name & Title: _____

RETURN THIS FORM TO DOA-EMERGING BUSINESS ENTERPRISE PROGRAM
THIS FORM MUST BE SUBMITTED WITH THE PRIME CONTRACTORS BID.

Reviewed By: _____ PROJECT MANAGER _____ Date: _____
 TITLE

Reviewed By: _____ BUSINESS ANALYST SENIOR (DOA) - EBE Program _____ Date: _____

DIRECTIONS FOR EBE MONTHLY REPORT (FORM D)

1. List the month that the report is being submitted. **Note: If this is the final report, check yes and submit Form E Subcontractor Payment Certification Form.**
2. Prime contractor's or firm's registered company name.
3. List full registered business address to include city/state, zip code and telephone number.
4. Brief description service performed and/or material supplied on this contract.
5. List the official Purchase Order or Contract Number, as represented on the contract or purchase order.
6. List the project number as represented on the front page of the contract.
7. List the start date of the project.
8. List the total dollars awarded to the prime contractor.
9. List the completion date of the project.
10. Prime contractor's total dollar amount paid to each EBE firm(s), for the month being reported, for service performed and/or materials supplied.
11. List the EBE percentage goal on this project and the dollar amount.
12. List the name of the name, title and phone number of the individual who prepared the report.
13. Provide the authorized signature and title of the individual who approves the report.
14. List the date that the report is completed.

**THIS REPORT IS DUE THE 20TH OF EVERY MONTH FOR THE PREVIOUS MONTH'S ACTIVITY.
FAILURE TO RETURN THIS FORM BY THE SPECIFIED TIME MAY CAUSE A DELAY IN PAYMENTS.**

**CITY OF MILWAUKEE – DEPARTMENT OF ADMINISTRATION
EMERGING BUSINESS ENTERPRISE PROGRAM**

EBE SUBCONTRACTOR PAYMENT CERTIFICATION

EBE Subcontractor's Firm Name: _____

Prime Contractor Name: _____

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

This certificate is to be signed by the EBE subcontractor firm that was utilized in connection with the above contract, either for service performed, and/or as a supplier. Attach this form to the Prime Contractor's final **FORM D** (EBE Monthly Report) and return to:

Department of Administration
Emerging Business Enterprise Program
City Hall – Room 606
200 East Wells St
Milwaukee, W 53202
(or fax to 414-286-8752)

**FAILURE TO ATTACH THIS FORM WITH DBE MONTHLY REPORT (FORM D) CAN SLOW
THE PAYMENT PROCESS.**

I _____ hereby certify that our firm has received
(PLEASE PRINT NAME)
\$ _____ from _____
(PRIME CONTRACTORS NAME)
for subcontract work performed and/or material supplied on the above contract.

Signature & Title _____ Date: _____
Subcontractor
Signature & Title _____ Date: _____
Prime Contractor

**NOTE: THIS FORM MUST BE ATTACHED TO PRIME CONTRACTORS FINAL FORM D
(EBE MONTHLY REPORT)**