

RACM/HSI DEVELOPMENT PARTNERS, LLC
TERM SHEET
FOR ACQUISITION OF LAND
IN MENOMONEE VALLEY INDUSTRIAL CENTER

Parties: The Purchaser / Redeveloper shall be HSI Development Partners, LLC and / or its assign (hereinafter, collectively, "HSI Development"), which assign shall be a limited liability company that HSI Development Partners, LLC manages and controls as sole member/sole manager. The Seller is the Redevelopment Authority of the City of Milwaukee ("RACM").

Property: Approximately 8.1 acres located in the RACM Menomonee Valley Industrial Center identified as Parcel A on Exhibit A attached hereto ("Parcel A"). The exact acreage of Parcel A will be confirmed by survey.

Purchase Price: The Purchase Price for Parcel A shall be \$120,000/acre, payable in cash at closing, subject to any applicable credits (e.g. earnest money deposit). Total cost of 8.1 acres will be \$972,000.

Closing: Closing shall occur on or before March 1, 2008, as mutually agreed.

Conveyance. Contemporaneously with the payment of the Purchase Price to RACM, at closing RACM shall convey Parcel A to Redeveloper by general warranty deed, free and clear of all liens and encumbrances except permitted encumbrances to be determined by Redeveloper and the Authority after receipt and review of title commitment.

Property Condition: At or prior to Closing, RACM shall have completed the new alley running from the western boundary of Parcel A along the entire length of northern border of Parcel A a distance of approximately 353 feet, and sewer and water utilities and improvements to the boundary of Parcel A or other mutually agreeable locations to serve Parcel A. At or prior to Closing, RACM, at its expense, shall have completed all filling, grading and environmental remediation at the site pursuant to the specifications attached hereto as Exhibit B. At Closing, Parcel A shall be in a condition that will allow Redeveloper to immediately begin construction and development of the Project (as defined below); provided Parcel A is in such condition, Redeveloper shall immediately begin construction and development of the Project (as defined below). The costs for such site work shall be paid solely by RACM. RACM shall be responsible for obtaining final case closure from the WDNR and shall indemnify Redeveloper and Derse, Inc. from and against any claims relating to adverse environmental conditions existing on or prior to Closing and RACM's remediation activities. After Closing, pursuant to a mutually acceptable access agreement executed between the parties, Redeveloper and Derse shall provide RACM with reasonable access to Parcel A for the sole

purpose of allowing RACM the ability to comply with WDNR case closure requirements (such as well monitoring) (“Closure Activities”), provided: (a) RACM indemnifies Redeveloper and Derse, Inc. against any damage to Parcel A or the improvements located thereon and any injuries to people arising from RACM’s Closure Activities on Parcel A, (b) RACM is obligated to use its best efforts to minimize interference with Redeveloper’s and Derse’s business or construction activity conducted on Parcel A, and (c) RACM is obligated to restore Parcel A and its improvements as a result of RACM’s Closure Activities. RACM shall allow Redeveloper to dispose of fill from excavation of the site for the Project within the Menomonee Valley Industrial Center at no cost to Redeveloper (i.e. tipping fee). RACM shall also make available to Redeveloper crushed stone (at the consistency reasonably requested by it at a cost of \$7.00 per ton or \$10.50 per cubic yard).

Development: Redeveloper shall construct a new office, warehouse and manufacturing facility on the site containing approximately 160,000 square feet, which it shall lease to Derse, Inc. pursuant to a multi-year lease agreement (the “Project”). Redeveloper and Derse, Inc. anticipate completion of construction of the Project sometime in the summer of 2008. The Agreement shall contain a deadline for commencement of the Project (immediately after Closing) and completion (November 15, 2008) but the Agreement shall contain a force majeure provision.

Design Guidelines: Redeveloper shall develop and operate the Project in compliance with the Design Guidelines attached hereto as Exhibit C. These guidelines have been incorporated into a Redevelopment Plan and approved by RACM and the City and encompass Parcel A and other land in the Menomonee Valley Industrial Center within Tax Incremental District No. 53 (the “TID”).

Human Resources Requirements: Redeveloper shall use its best efforts to utilize Emerging Business Enterprise for not less than 21% of the construction cost of the Project and shall enter into an Emerging Business Enterprise Agreement for that purpose. Redeveloper shall also use its best efforts to cause its contractors to pay workers on the Project based on the current prevailing wage scale.

Stormwater Maintenance: As part of the overall development of the Menomonee Valley Industrial Center, RACM installed a master stormwater management system that will serve Parcel A and other lands within the Center (the “Stormwater System”). The cost of installation of the Stormwater System is included in the purchase price. Subsequent to Closing, Redeveloper shall be obligated to pay to RACM or to a property owners association created by RACM, Redeveloper’s pro rata share of the annual costs of operating and maintaining such Stormwater System. Subject to adjustments based on the actual acreage conveyed to Redeveloper, its pro rata share shall be approximately thirteen percent (13%) of

the actual annual cost incurred by RACM, or to a property owners association created by RACM, for operating and maintaining the Stormwater System.

Disclosure Materials: Within five (5) days of the adoption of the RACM resolution of which this Term Sheet is attached, RACM shall deliver to Redeveloper or HSI Development the following: copies of any and all, leases, contracts, environmental reports and filings, surveys, test results, title evidence, documents affecting Parcel A's title, engineering data, soil and geotechnical tests, plans (including, but not limited to building, grading, drainage and landscape plans), documentation relating to public infrastructure, services or utilities and all other information, documents and materials relating to Parcel A available to RACM or in RACM's possession that may be relevant to a reasonable purchaser's decision to purchase Parcel A or relevant to the terms of such purchase (collectively, the "Disclosure Information"). If applicable, RACM shall provide additional or supplemental documents relating to the Disclosure Information prior to Closing.

Agreement For Sale of Land: The intent and effect of this Term Sheet is to provide a platform and framework for a formal agreement by and between Redeveloper and RACM for the conveyance of Parcel A from RACM to Redeveloper. Prior to Closing, RACM and Redeveloper shall enter into an Agreement For Sale of Land (the "Agreement"), which shall include, but not be limited to, RACM's customary provisions (consistent with the provisions of this Term Sheet) pertaining to the conveyance of RACM-owned property, subject to the reasonable approval of Redeveloper. In addition, depending on where Redeveloper is in its due diligence investigation of Parcel A at the time the parties are ready to execute the Agreement, the Agreement shall contain customary conditions on Redeveloper's obligation to Close the transaction contemplated by this Term Sheet and the Agreement, which may include, without limitation:

(a) Redeveloper obtaining at its expense such governmental or other approvals necessary to allow Redeveloper to develop the Project.

(b) Redeveloper reviewing and approving all encumbrances (including, but not limited to, the Redevelopment Plan, the agreement governing the Stormwater System, and all TID documents), exceptions, requirements, terms and conditions shown in a title insurance commitment for Parcel A; and Redeveloper obtaining, at its expense, any and all endorsements to its title insurance commitment reasonably required by Redeveloper.

(c) Redeveloper obtaining, at its expense, satisfactory written environmental assessments and/or evaluations of Parcel A (including "Phase I" assessments and, if Redeveloper deems necessary, "Phase II" assessments,

including laboratory testing of soil, water and other substances) from qualified environmental consultants of HSI Development Redeveloper 's choice.

(d) Redeveloper obtaining, at Redeveloper 's expense, a written report acceptable to Redeveloper, prepared by a recognized soil engineering firm (or other qualified professional) and stating that the soil and subsoil conditions of the Parcel A are sufficient and suitable to permit development and construction of improvements consistent with Redeveloper's intended use of Parcel A free from any unusual groundwater, soil, subsoil, organic or rock condition that would increase development or construction costs.

(e) RACM, at RACM's expense, creating and recording in the Milwaukee County Register of Deeds a certified survey map of Parcel A, which complies with all applicable law and allows RACM to convey Parcel A to Redeveloper as a legally distinct parcel of real estate.

(f) Redeveloper securing financing for the Project satisfactory to Redeveloper.