

FINAL TERM SHEET

923 East Kilbourn Avenue

Developer:	Kilbourn Tower, LLC
Purchase Price:	\$700,000.00 which is \$65 per s.f. This compares favorably with the assessed land value of the Cudahy Tower at \$57.38 per s.f. and the Regency House at \$40.00 per s.f. Additional nonmonetary consideration is described in the "Consideration" section below.
Project Description:	Kilbourn Tower, LLC has proposed to construct an architectural landmark at 923 East Kilbourn Avenue (the southwest corner of Kilbourn and Prospect Avenues). The project conceals four levels of below grade parking with approximately 150 parking stalls on the 90 by 120 foot parcel and beneath a portion of City right of way. It will create an engaging street presence with transparent glass walls to the ground floor lobby which may include a small retail space, monumental stair to a second floor informal gathering space loft, two "hotel" suites, fitness center, and one residential unit. The monumental stair will also rise to a third level formal gathering space with kitchen and two residential units. The approximately 32-story building will include approximately 68 condominium residential units ranging in size from approximately 1,975 square feet to approximately 9,880 square feet all with a balcony or terrace. The units will be valued between \$350,000 and \$2.85 million with 19 units exceeding \$1 million in cost. It is expected that the project will add \$52,235,000 to the City tax base. Construction will begin in December, 2002 and be completed October, 2004. Kilbourn Tower, LLC will invest \$250,000 in a landscaping upgrade of the East Kilbourn Avenue boulevard from North Prospect Avenue to North Van Buren Street.
Property Description:	A 10,800 square foot parcel of land located at the southwest corner of North Prospect Avenue and East Kilbourn Avenue. It includes a right turn by-pass which has been vacated to assemble this parcel. The address is 923 East Kilbourn Avenue. The tax key no. is 392-1693.
Street Vacation:	The right turn by-pass at the southwest corner of North Prospect Avenue and East Kilbourn Avenue has been vacated. The developer has deposited funds in accord with the coordinated report. DPW currently estimates the cost at \$118,732.30 (per 8/23/00 letter).
Survey:	Developer to provide at developer's expense.
Environmental:	Limited Phase I Environmental Site Assessment dated May 26, 1999 prepared by City of Milwaukee. Preparation of a Phase II ESA not recommended. Systematic underground storage tank search recommended. Cost would be borne by Kilbourn Tower, LLC.

Contingency:	Closing contingent on Kilbourn Tower, LLC securing financing commitment in a form satisfactory to Commissioner of City Development within eight (8) months of approval by the Common Council. Closing also contingent on the City approval of a subterranean lease to accommodate underground parking, and on the approval of a minor modification to the Detailed Plan Development zoning for the property.
Consideration:	Land proceeds of \$700,000 and public improvements contribution of \$250,000 will be provided to City immediately after the first mortgage lender has been paid and prior to any investors or development fee being paid. A Purchase Money Note will be executed by Kilbourn Tower, LLC and guaranteed by its owners. All deferred funds will earn interest identical to the interest earned by the first mortgage lender from the date of transfer of the deed to the date of payment. The land sale will substantially increase the tax base. The City will also receive considerable new tax revenue. Due to the nature of the households purchasing the condominiums, minimal additional public costs associated with the development, such as costs associated with public school age children, are anticipated.
City Agreements:	City will prepare an Agreement for Sale of Land. The Agreement will include standard terms and conditions including, but not limited to, plan and budget approval, proof of financing, final construction schedule, and participation in the Emerging Business Enterprise Program consistent with Chapter 360 of the Milwaukee Code of Ordinances in a form satisfactory to Commissioner of City Development, and a 10% Performance Deposit.
Form of Deed:	City will convey property by Limited Warranty Deed. The only limitation will require Kilbourn Tower, LLC to complete the construction of the development in accord with the plans, specifications and Agreement for Sale of Land.
Title Insurance:	Title insurance in a form satisfactory to City and Kilbourn Tower, LLC will be provided by Kilbourn Tower, LLC at its expense. As City is conveying by Limited Warranty Deed, City will not provide an additional indemnification as to good and marketable title.