

10/06/05

Term Sheet for Cooperation and Development Agreement**Tax Incremental District No. 60****Milwaukee Intermodal Passenger Station Project**

Project: Redevelopment of the Amtrak Station at 433 W. St. Paul Ave., per the Project Plan for Tax Incremental District No.60 (the "District") and per the Budget attached hereto. Principal components of the Project include renovation and leasing of the Station, providing for approximately 9,200 s.f. of first floor space to be developed for retail tenants and, plus Amtrak and Greyhound ticketing, offices and support space; and, 30,800 s.f for office tenants on the second and third floors. The project shall include the replacement of the current northern building façade with a 7,700 s.f., three-story Galleria.

Parties: City of Milwaukee ("City"); Redevelopment Authority of the City of Milwaukee ("RACM"); Milwaukee Intermodal Partners, LLC ("MIP"); and, Wisconsin Department of Transportation ("DOT").

City

Grant: Subject to the terms and conditions set forth herein, the City, in cooperation with RACM, shall provide financial assistance to the Project, in the maximum amount of \$6 million, which shall be contributed as a grant (the "Grant"), in consideration for which RACM shall receive a façade easement with respect to the Galleria portion of the Project.

**Funding
Ratios &**

Disbursement: The Grant shall be disbursed on a pro-rata basis with the balance of the funding required in the Budget, including MIP's debt and equity, and state and federal grants or other funding sources required to be provided by DOT. If actual Project costs exceed the Budget, MIP and DOT will be responsible for all overages. RACM's Executive Director, or his designee, shall review each draw request and may withhold funds in his reasonable discretion in the event of material and detrimental problems with the performance of work, or material inaccuracies in documentation of the draw request, or upon the reasonable determination that the Project cannot be completed with remaining funding sources (i.e. the Project is 'out of balance.'). Draw requests shall be submitted on customary AIA documents, or in such form as the Executive Director, DOT and MIP may find mutually acceptable reasonably prescribe. The Parties shall enter into a mutually acceptable disbursing agreement with a local title company.

Conditions

To Funding: RACM shall commence disbursing the Grant after the Executive Director has approved the following in his reasonable discretion:

- A. The final plans and specifications for the Project, including those for the interior spaces and the Galleria, which will be deemed approved if materially consistent with the preliminary plans previously reviewed and approved by the City;
- B. Evidence that together with the Grant, all other funds are available and committed (and all preconditions to funding satisfied) to pay for the costs of the Project; and
- C. The lease of the Station between MIP and DOT;
- D. The Emerging Business Enterprise and Residents Preference agreements.

Project

Timetable: MIP contemplates that physical construction work for the Project shall commence, on-site, by July 31, 2006 and the Project will be substantially completed by July 31, 2007. Subject to the terms of the Lease between MIP and DOT, MIP shall guarantee completion by not later than September 30, 2007, subject to force majeure.

Development

Agreement: The City, RACM, MIP, and DOT shall enter into a cooperation and development agreement containing terms consistent with this Term Sheet and customary for such agreements. The agreement may be collaterally assigned by MIP to its construction and / or permanent lender.

PILOT

Payments: The cooperation and development agreement will require payments in lieu of taxes with respect to any taxable real or personal property in the District that subsequently becomes exempt from property taxes.

Project Cost

Savings: The cost of the Project shall be subject to audit upon completion. DOT and City / RACM shall agree on a single auditor. Savings of Project cost as determined by the audit, if any, shall be distributed pro-rata between the City, MIP and DOT.

Human

Resources: Prior to disbursing any portion of the Grant, RACM and MIP shall enter into an agreement for not less than 18% participation by Emerging Business Enterprises and a 21% Residents Preference agreement for that dollar-equivalent portion of the Project funded by the Grant; it being

understood that the balance of the Project shall comply with DOT's requirements for participation by Disadvantaged Business Enterprises.

Material

Disturbance: If the Project is not continuously used for public transportation and office or retail purposes (subject to construction and events of casualty), or if tenants for the Project facility are not being actively sought by MIP the Developer, or if Developer fails to provide adequate information on the current occupancy of the Project, , the Common Council may adopt in its reasonable discretion a resolution terminating any future payments on the Monetary Obligation.

General: This Term Sheet does not constitute an agreement between the Parties. The terms set forth herein, and other provisions customary for a transaction of this sort, shall be incorporated in a Cooperation and Development Agreement for this Tax Incremental District.