

TERM SHEET

**Aldrich Chemical Company, Inc. Project
6000 N. Teutonia Ave.
Milwaukee, WI**

Project: Aldrich Chemical Company, Inc. ("Aldrich") intends to expand its approximately 610,000 s.f. facility at 6000 N. Teutonia Ave., Milwaukee, WI. The Project, based on preliminary plans, consists of constructing and equipping new facilities for production, R&D, quality control, warehousing, and administration, and the renovation of existing facilities used for administration, packaging, and environmental services; upon completion, the expanded facility will have a combined total of approximately 784,000 s.f. The current Project budget is approximately \$52,000,000.

Tax Incremental District: The City of Milwaukee ("City") intends to adopt a Tax Incremental District ("TID") Project Plan to assist in funding certain improvements necessary for the construction and operation of the Project. The TID shall be known as TID No. 52 (Aldrich Chemical Company Project).

Project Funding: Aldrich will advance all funding for the design, engineering, construction and administration of the Project, including the City Contribution, as set forth below. Any costs in excess of the current Project budget will be the sole responsibility of Aldrich.

City Contribution: The City Contribution will consist of a limited and conditional Monetary Obligation to repay Aldrich an amount equal to TID No. 52 Project Costs, in the maximum amount of \$5,000,000, plus interest at a rate equal to 5.00% per annum (the "Interest Rate"), but in no event more than the tax incremental revenue actually received by City from TID No. 52. Payments are to be made annually but only in an amount equal to the tax incremental revenue actually received by City each year from TID No. 52. Tax incremental revenue will not be pledged to the payment of the Monetary Obligation, and the Monetary Obligation shall not constitute a general obligation of City or count against its statutory debt limits.

Payment

Reduction: In the event Aldrich's employment at the Project location and at all other locations within the City of Milwaukee ("Aldrich City Employment") shall, on a combined basis, be less than 550 full-time equivalent positions for a period of six months within any given calendar year, unless caused in substantial part by damage or destruction to the Project, other event of force majeure, or economic event or condition beyond the reasonable control of Aldrich, City's payment on the Monetary Obligation for that year will be reduced as follows: (a) City's payment for that year will be reduced to an amount equal to the tax incremental revenue actually received by City that year from TID No. 52 multiplied by a fraction, the numerator of which will be the actual Aldrich City Employment (full-time equivalent positions) that year and the denominator of which will be 550, and (b) following such payment, the balance of the Monetary Obligation will be reduced and calculated as if City's payment for that year were equal to the tax incremental revenue actually received by City that year from TID No. 52. Aldrich shall submit to City copies of its UC-101A Quarterly Contribution / Wage Report at the same time it submits it to the Wisconsin Dept. of Workforce Development. Aldrich shall submit such other information to evidence its employment as City may reasonably require.

Interest: The Interest Rate shall be applicable for all installments covering the entire Monetary Obligation. Interest shall accrue on all funding advanced by Aldrich for TID No. 52 Project Costs, from the dates that expenditures are approved in writing or deemed approved by Redevelopment Authority.

Maximum

Term: The maximum term of TID No. 52 shall be December 31, 2020, at which time any unpaid principal and interest on City's Monetary Obligation shall be extinguished, provided that any tax incremental revenue received from the 2020 levy for the 2021 collection year or 2021 City budget shall be applied to the Monetary Obligation, if not previously paid in full. City may not otherwise terminate TID No. 52 unless the Monetary Obligation is paid in full, or a Material Disturbance exists, as provided below.

Material

Disturbance: If the Project is not substantially completed by July 1, 2007 or if, following completion of the Project, no substantial part of the Project is used for industrial purposes and such failure continues for any 12-month period during the life of TID No. 52, then the

Common Council may adopt a resolution terminating any future payments on the Monetary Obligation.

Emerging
Business

Enterprise: Aldrich shall use its best efforts to utilize Emerging Business Enterprises, as defined in Chapter 360, Milwaukee Code of Ordinances, for 18% of the on-site construction work for the Project.

General: This Term Sheet does not constitute an agreement with Aldrich. The terms set forth herein, and other provisions customary for a transaction of this sort, shall be incorporated in a Cooperation, Contribution, and Redevelopment Agreement to be entered into by and among Aldrich, City and Redevelopment Authority.