

## COOPERATION AGREEMENT

**THIS COOPERATION AGREEMENT** (“Agreement”) is entered into as of \_\_\_\_\_, 2003, by and between the City of Milwaukee, Wisconsin, a Wisconsin municipal corporation (“City”) and the Redevelopment Authority of the City of Milwaukee, a public body corporate and politic organized and existing under the laws of the State of Wisconsin (“RACM”).

### WITNESSETH THAT:

**WHEREAS**, In 2002, Ampco Metal Inc., located at 1745 South 38<sup>th</sup> Street, declared bankruptcy and United Stars Holdings, Inc. subsequently acquired certain of Ampco’s assets including Ampco’s foundry, extrusion, machining and welding rod business units located in Milwaukee and currently operates Ampco metal as a wholly owned subsidiary; and

**WHEREAS**, United Stars, Inc. operates businesses that manufacture welded stainless steel tubing, copper base electrical components and machined parts used by the transportation and aerospace industries; and

**WHEREAS**, United Stars, Inc. presently leases the former Ampco facility at South 38<sup>th</sup> Street and wishes to acquire the real property from the bankruptcy trustee, conditioned upon receiving financial assistance for remediating environmental contamination, as well as renovating and re-equipping the substantially deteriorated property; and

**WHEREAS**, United Stars, Inc. currently employs over 100 people at the South 38<sup>th</sup> Street facility, substantially all of the manufacturing workers are former Ampco employees and the average manufacturing wage is \$14.94 per hour; and

**WHEREAS**, City desires to assist United Stars, Inc. in the acquisition of the former Ampco facility, such that the property can be renovated and remediated, and the employees retained at this location; and

**WHEREAS**, Common Council Resolution File No. \_\_\_\_\_ authorizes the execution of this Cooperation Agreement and the funding of a grant to RACM to fund the origination of a forgivable loan in accordance with the Term Sheet attached as **Exhibit “A”**; and

**WHEREAS**, RACM authorized execution of this Agreement by Resolution No. \_\_\_\_\_ adopted \_\_\_\_\_, 2003.

**NOW, THEREFORE**, The parties hereto mutually agree as follows:

1. Loan Origination. The Authority agrees to implement and to carry out the origination of the Loan, as set forth in the Term Sheet, contingent upon the Authority receiving

adequate funding from the City. The City agrees to provide the Authority with the funds necessary to originate the Loan.

2. Establishment of Fund Account. The City will provide to the Authority, from the Development Fund Acct. No. UR03390000, or from any other source as determined by the Common Council, funds in the presently estimated amount of \$250,000.00 for the Project.

3. Administration of the Fund Account. The City Comptroller shall review and approve the accounting and financial reporting systems necessary to administer the Fund Account.

4. Use of Fund Account. Funds granted by the City to RACM shall be utilized solely for the purpose of originating the Loan.

5. Verification by Comptroller. The City Comptroller shall, from time to time as in the Comptroller's judgment is appropriate, review the receipts and expenditures of RACM, or of management operations in relation to the Loan. The Comptroller shall have full power to conduct an audit or to have such an audit conducted as is necessary in the Comptroller's judgment to provide a full accounting to the City. The results of such audit shall be reported to the Common Council. Upon retirement of the Loan, RACM shall make a full accounting to the City of income received and amounts expended and shall return to the City all unused and unneeded funds. In addition, RACM shall transfer to the City all Loan repayments, if any, received by RACM.

6. Interest Payments. Any sums payable hereunder by either party to the other shall not bear any interest, but any interest earned on such sums shall be transferred to the City.

7. Loan Administration. The Executive Director of RACM shall administer the Loan originated pursuant to this Agreement and shall have the authority to grant waivers and consents under the Loan documentation, to approve the execution of estoppel certificates and subordination agreements, and to take all actions necessary to coordinate the administration of the Loan and security interests relative to the Loan with other financings undertaken by the borrower.

**IN WITNESS WHEREOF**, The parties have executed this Agreement the day and year as hereinafter set forth.

**CITY OF MILWAUKEE**

**REDEVELOPMENT AUTHORITY  
OF THE CITY OF MILWAUKEE**

\_\_\_\_\_  
JOHN O. NORQUIST, Mayor

By: \_\_\_\_\_  
Chairman

Date: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
City Clerk

By: \_\_\_\_\_  
Executive Director

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**COUNTERSIGNED:**

\_\_\_\_\_  
City Comptroller

Date: \_\_\_\_\_

Approved as to form, execution, and  
content this \_\_\_\_ day of \_\_\_\_\_ 2003.

\_\_\_\_\_  
THOMAS O. GARTNER  
Assistant City Attorney

This instrument was drafted by the  
Office of the City Attorney

TOG/kg:02-11-03  
1050-2003-434:63758

# **EXHIBIT A**

## **Term Sheet**

### **United Stars, Inc./Ampco Metal, Inc. Project**

- Borrower: Ampco Metal, Inc.
- Guarantor: United Stars, Inc.
- Lender: Redevelopment Authority of the City of Milwaukee (RACM)
- Loan Amount: \$250,000
- Use of Funds: Acquisition, environmental remediation, building renovation, and equipment, for facility at 1745 S. 38<sup>th</sup> St., Milwaukee, WI; 53215 (the "Facility"); Project budget attached.
- Interest Rate: 6%
- Term: 10 years
- Principal Amortization: \$25,000 per year
- Payments: Annual payments of principal and accrued interest.
- Loan Forgiveness: Payments shall be forgiven in each year Borrower maintains employment, at the Facility, of not less than 90 full-time positions.
- Due on Sale: Any unpaid loan balance and accrued interest thereon shall be due and payable upon sale of the Facility.
- Emerging Business Enterprise: Borrower shall use its best efforts to utilize Emerging Business Enterprises for 18% of the renovation cost of the Project.

**Est. Project Budget  
United Stars / Ampco Metal Project**

**1745 South 38<sup>th</sup> Street  
Milwaukee, Wisconsin 53215**

• Building acquisition:	\$900,000.00
• Environmental remediation	100,000.00
• Facility renovation	300,000.00
• Equipment, furniture, fixtures	2,950,000.00
<b>Total</b>	<b>\$4,250,000.00</b>