

MANPOWER PROJECT TERM SHEET

PROJECT DESCRIPTION: The project consists of an approximately 290,000 gross square foot building (280,000 net rentable square feet) located on the Milwaukee River just south of Cherry Street plus a parking structure (to be owned by the City) located at the northeast corner of Cherry and North Martin Luther King, Jr. Drive containing approximately 1,260 parking spaces. Included in the project is a riverwalk segment along the Milwaukee River that will complete the riverwalk link between McKinley and Cherry. Also included is a frontage road between the riverwalk and the new building linking Cherry to extended Vliet. Both the riverwalk and the frontage road will be publicly accessible through easements granted by the developer to the City.

DEVELOPER: The developer is RiverBend Place LLC, a Wisconsin limited liability company ("RiverBend") and The Brewery Works, Inc. ("BW"). BW and its affiliates are the owners of Schlitz Park. BW is the sole member of RiverBend Place LLC.

CITY INVESTMENT: City investment in the project will be a maximum of \$25.550 million, subject to downward adjustment as provided herein. This investment will consist of the following components:

A. Public and quasi-public infrastructure investment (all hard and soft costs for the parking structure, riverwalk and frontage road) in the amount of \$20.6 million.

B. A loan to the developer, fully amortizing over its term, in the principal amount of \$3 million.

C. A grant to the project in the amount of \$1.7 million.

D. A \$250,000 Job Training Program to be administered by the City.

[NOTE: The term "City" when used herein means the City of Milwaukee and/or the Redevelopment Authority of the City of Milwaukee, as those parties will likely allocate responsibilities and enter into appropriate cooperation agreements consistent with past transactions.]

DEVELOPER
EQUITY:

The developer will invest at least \$1.5 million in cash into the project (in addition to the land contributions and other investments set forth in the project budget).

DEVELOPER
LOAN:

The terms of the \$3 million developer loan are as follows:

A. No interest is due or accrues during the period between loan disbursement and the date of occupancy by Manpower.

B. For the first three years, starting with Manpower occupancy, no interest is payable but interest accrues at 3%.

C. In years 4 and 5, interest only (3%) is payable.

D. Thereafter, the loan fully amortizes over the next 15 years at a 3% interest rate.

E. The loan will be due and payable in full upon a sale of the project (but not a refinancing). In the event of a refinancing of the senior project mortgage, one-half of all surplus refinancing proceeds (net of transaction costs and any prepayment fees) will be applied toward prepayment of the loan.

F. The loan will be secured by a mortgage subordinate to the project's first lender. The loan will be nonrecourse to the developer.

DEVELOPER
GUARANTY

There will be a developer guaranty of \$4 million of the \$25.550 million City investment.

The developer's guaranty will work as follows: if, in any year, the available tax increments from the TID are not sufficient to pay the City's debt service on the full \$25.550 million, the developer must make a payment to cover the shortfall, subject to the following: (i) "available tax increments" means all tax increments from the TID, from real and personal property, plus the interest and principal payments received on the \$3 million loan, plus any payments received from BID 15 assessments; (ii) the developer's obligation to make shortfall payments in any year is capped at the annual debt service (based upon an agreed upon amortization schedule) allocable to the guaranteed amount; (iii) any advance made by the developer on the guarantee will be treated as a contingent loan to the City, to be repaid without interest from available "surplus" tax

increments: (iv) "surplus" tax increments means available tax increments received in a given year that exceed the amounts necessary to pay the City's debt service for such year in accordance with the agreed upon amortization schedule; (v) the developer's guarantee is nonrecourse, and will be secured by a subordinate mortgage on the project; and (vi) if the TID overperforms and principal is paid down faster than projected from surplus tax increments, the first principal paid down shall be the non-guaranteed principal. The following examples demonstrate the foregoing:

A. Assume the annual debt service on the guaranteed amount is \$400,000. If the available tax increments (as defined above) are insufficient in a given year to cover the City's debt service on the \$25.550 million, then the first \$400,000 of any shortfall shall be paid by the developer. Such payment will be a contingent loan that will be repaid from available surplus tax increments received in subsequent years during the legal life of the TID. The City will not close the TID (prior to its statutory expiration date) while there are any contingent developer loans outstanding.

B. Assume that there are surplus tax increments in the amount of \$150,000 in a given year (i.e., the available tax increments for that year exceed the amount necessary to pay the annual debt service on the City's \$25.550 million under the agreed upon amortization by \$150,000). The excess \$150,000 will be used by the City first, to repay any prior developer advances on the guaranty, and second, to prepay principal on the non-guaranteed portion of the City's debt.

If the amount of the City investment is reduced pursuant to the application of any of the provisions in the next section (e.g., through project savings), then the principal amount of the developer's guaranty will be reduced by the amount of such reduction in the City investment.

[NOTE: Special adjustments will be required in the event of a prepayment of the principal amount of the developer loan. Such prepayment will not, in its entirety, constitute surplus increments.]

ADJUSTMENTS TO
CITY INVESTMENT:

The City investment (but not the developer loan) is subject to reduction as follows:

A. If the full 12 month carry line item for the North Powerhouse is not required due to early lease up, then the City investment will be reduced by 85% of each dollar saved.

B. If the final land sale price to WE Energies is less than the \$1.5 million budgeted in RiverBend's January 6, 2006 pro forma, then the City investment will be reduced by 100% of each dollar saved.

C. If total project costs (other than A and B, above) are less than budgeted, then the City investment is reduced by 75% of each dollar saved. Savings will be calculated on a cumulative basis--i.e., the developer can match savings from one line item against losses from another line item.

D. If the developer elects to procure New Market Tax Credits for the project, then the City investment will be reduced by the net new funds made available to the project as follows: (i) one third of each new dollar up to the first \$1.5 million of new dollars (Manpower and the developer also each get one third); two thirds of each new dollar up to the next \$1.5 million of new dollars (the developer gets the other third); and (iii) one half of each new dollar in excess of \$3 million of new funds (the developer gets the other half).

The City and developer will review all project costs after completion and will settle up in accordance with the foregoing.

DISBURSEMENT
OF FUNDS:

The City funds will be disbursed for project costs as follows:

A. A final budget for the total costs of the parking structure (hard and soft costs) shall be developed and agreed upon by the City and the developer. This amount shall be deducted from the \$25.550 million, which shall further be reduced by the \$250,000 for the Job Training Program, leaving a "non-parking structure balance". The City shall fund 100% of all draws on the parking structure until the work is completed or the budgeted funds are

exhausted. If there are costs to be paid after the budgeted amounts are completely drawn, then the developer must procure funds to cover the overage. If there are City funds remaining after the parking structure is complete, then the remaining funds can be used for overruns on the costs incurred south of Cherry Street. The plans and specifications for the parking structure shall be approved by the City and no material changes may be made without City consent.

B. The developer will pay in its \$1.5 million in equity for the first funds drawn on the costs incurred south of Cherry Street. (The developer's funds must be fully drawn down before the City funds any disbursements on the parking structure under paragraph A, above.) The next funds drawn for the costs incurred south of Cherry Street will be the "non-parking structure balance" of the City funds. The next funds drawn will be the loan funds from the developer's construction loan. The next funds drawn (assuming that all loan funds have been disbursed and there are overruns) will be any savings from the parking structure. The next funds drawn will be additional developer funds.

C. The developer will provide the City with a completion guaranty for the entire project.

[NOTE: The draw down of City and developer funds for expenditures south of Cherry Street do not directly track the construction of the improvements to which they are allocated. This draw schedule has been devised to reduce overall project costs (and thereby reduce the size of the project grant) by deferring the construction interest accrual on the private debt.]

**FIREBOAT HOUSE
AND BRIDGE:**

The City will demolish or repair the fireboat house and will repair the Cherry Street bridge with funds outside of the \$25.3 million TID project investment on the timeline provided in the Manpower lease.

**HUMAN RESOURCE
REQUIREMENTS:**

The developer will pay prevailing wage for the entire scope of work and will enter into EBE and RPP agreements consistent with similar projects (18% EBE and 21% RPP)

PARKING

The developer will construct the parking structure and then convey

STRUCTURE:

it (including the underlying land) to the City upon completion, free and clear of any secured indebtedness. The City will then lease the entire structure to BW. The lease with BW will require BW to assume all maintenance and repair obligations (including capital items). BW shall sublease approximately 1,010 spaces in the parking structure to RiverBend, who will sub-sublease those spaces to Manpower. In consideration for the contribution of the land for the parking structure, BW shall retain the right to the remaining approximately 250 spaces for use by tenants at Schlitz Park (including the Time Warner building and the North Powerhouse). Except as provided below, no rent shall be payable for the BW spaces. For as long as Manpower subleases the 1,010 spaces, no rent shall be payable with respect to those spaces. When Manpower no longer occupies the project, RiverBend (or the then owner of the project) shall have a continued right to sublease the 1,010 spaces at "market rent", and those rents will be paid to the City, net of operating expenses and capital expenditures allocable to those spaces. If not mutually agreed upon by the City and the owner of the project, "market rent" shall be determined by appraisal, with instructions to take into account prevailing parking conditions and rates in the Schlitz Park region. With respect to the BW spaces, to the extent after-hour revenues can be generated from special event parking, net revenues shall be split 50/50 between the City and BW. BW shall be responsible for managing and administering such special event parking.

OPTION TO PURCHASE:

BW shall have the right to purchase the parking structure at any time at its then fair market value. The fair market value of the structure must take into account the limitations described in the preceding section and BW shall be entitled to credits (appropriately adjusted) for City-approved and BW-funded capital expenditures made to the structure and for outstanding developer advances on its debt service guaranty; provided, however, that under no circumstances shall the fair market value be less than the outstanding indebtedness allocable to the structure. (The outstanding indebtedness allocable to the structure shall mean the amount of funds disbursed by the City for the structure, less any proportionate amortization on such debt received from available tax increments up to the point of purchase.) Thus, once the City's debt is repaid, there will be no minimum fair market value.

OTHER

All other customary provisions (Comptroller audit rights, DCD

PROVISIONS

Commissioner review and approval of project budget and project design, etc.) will be included in the development agreement between the City and the developer.