

**TERM SHEET
for
COOPERATION AGREEMENT**

(Kinnickinnic River Great Lakes Legacy Act Sediment Remediation Project)

Project Description: The Kinnickinnic (“KK”) River Great Lakes Legacy Act Sediment Remediation Project (“Project”) is an environmental restoration project consisting of three primary components. The “Dredging Component” will be undertaken in part of the Milwaukee Estuary Area of Concern, consisting of an approximately 3,000-foot long and 200-foot wide section of the KK River between KK Avenue and Becher Street. The Dredging Component will consist of the dredging of up to 170,000 cubic yards of contaminated sediments from the KK River. The “CDF Component” will consist of the expansion of the Jones Island Combined Disposal Facility (“CDF”) in order to accommodate disposal of the dredged sediment. The “Shoreline Protection Component” will consist of the improvement and reconstruction of dockwalls adjacent to the KK River in order to support dredging of an approximately 80-foot wide navigational channel 20-24 feet deep.

Parties: The State of Wisconsin Department of Natural Resources (“WDNR”), Business Improvement District No. 35 (“BID-35”) and the City of Milwaukee (“CITY”).

Project Documents: In addition to the Cooperation Agreement (Kinnickinnic River Great Lakes Legacy Act Sediment Remediation Project), (“Cooperation Agreement”) implementation and funding of the Project will require various documents and instruments; including, without limitation:

A. The Project Agreement between the United States Environmental Protection Agency (“EPA”) and WDNR, as amended, (“Project Agreement”), for implementation of the Dredging Component; and

B. Project Partnership Agreement Between the Department of the Army (“COE”) and CITY for Construction of Dredged or Excavated Material Disposal Facilities for Disposal of Material from the Existing General Navigation Features at the City of Milwaukee, Wisconsin, (“Partnership Agreement”) for implementation of the CDF Component; and

C. Escrow and Disbursement Agreement by and among WDNR, BID-35, CITY and a mutually acceptable Escrow Agent (“Disbursement Agreement”) providing for the deposit and disbursement of certain WDNR, BID-35 and CITY funds to pay for various costs of the Project; and

D. Various easements and/or rights-of-entry to be granted by owners of real property within BID-35 in order to allow construction of the Project, including the construction, operation and maintenance of the Shoreline Protection Component; and

E. Such other documents, instruments and agreements as the parties to the Cooperation Agreement, the EPA and the COE may deem necessary from time to time in order to provide for implementation of the Project.

Project Funding: CITY funding is to be made available pursuant to Common Council Resolution File No. 070714 in the amount of \$500,000, consisting of a \$250,000 loan to BID-35 and a \$250,000 grant to BID-35, to fund a contribution to assist in financing the non-federal funded portion of the Project and shall be deposited with the Escrow Agent and disbursed through the Disbursement Agreement. BID-35 funding is to be made available for private costs of the Project, in excess of Project costs funded by CITY, WDNR, EPA and COE, and shall be deposited with the Escrow Agent and disbursed through the Disbursement Agreement. Certain State of Wisconsin grant funds to be transferred by WDNR to CITY to fund the CDF Component of the Project shall be endorsed over by CITY’s Port Director and Comptroller to COE. All

other Project costs incurred by WDNR, EPA and COE shall be separately disbursed by each of such entities.

Responsibilities of the Parties: The Cooperation Agreement shall obligate the parties to undertake the following:

A. WDNR

1. Enter into the Project Agreement and cooperate with the EPA in completion of the Dredging Component.
2. Expend, deposit with the Escrow Agent or provide to the EPA, funds in the amount of the required 35% non-federal cost share for the Project.
3. Transfer approximately \$1,600,000 to CITY for endorsement or transfer to COE to fund implementation of the CDF Component.
4. Execute and deliver Project Documents to which it is a party.

B. BID-35

1. Select a contractor for implementation of the Shoreline Protection Component and, subject to approval of City's Commissioner of City Development, enter into all contracts necessary for implementation of the Shoreline Protection Component.
2. Coordinate implementation of the Project with the individual owners of real property within TID-35 and secure all necessary easements, rights-of-entry, private approvals and private contributions necessary for completion of the Project.
3. Assure compliance with the Human Resource Requirements.
4. Enter into grant and loan agreements necessary to secure CITY funding for the Project.
5. Execute and deliver all Project Documents to which it is a party.

C. CITY

1. Enter into the Partnership Agreement and cooperate with the COE in implementation of the CDF Component.
2. Transfer or endorse over the approximately \$1,600,000 in WDNR funds to COE to fund implementation of the CDF Component.
3. Enter into necessary grant and loan agreements with BID-35 and deposit \$500,000 in CITY funding with the Escrow Agent to fund Project costs.
4. Execute and deliver Project Documents to which it is a party.

Human Resource Requirements: BID-35 and CITY shall enter into an Emerging Business Enterprise Agreement providing for not less than 18% participation by EBEs, as defined in Chapter 360 of the Milwaukee Code of Ordinances, in the construction costs of the Shoreline Protection Component. BID-35 shall also enter into a best efforts 21% Resident Preference Agreement for the Shoreline Protection Component. Both agreements shall be in forms consistent with similar transactions and acceptable to CITY and BID-35.

General: This Term Sheet does not constitute a binding agreement. The terms set forth herein and other provisions customary for a transaction of this sort shall be incorporated into the Cooperation Agreement and the Project Documents.

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