

TERM SHEET
KAYSUN CORPORATION
5500 WEST DRIVE

The terms and conditions described herein are intended to be incorporated into a development agreement between the parties, each element of which is consideration for the other elements and an integral aspect of the proposed agreements (defined below). This Term Sheet does not constitute an offer or a legally binding obligation of any party, or any other party in interest, nor does it constitute an offer of securities. The transactions contemplated by this Term Sheet are subject to conditions to be set forth in a definitive agreement, including without limitation a development agreement and other supporting documentation. Until publicly disclosed by the parties, this Term Sheet is strictly confidential and may not be shared by any party without the prior written consent of all parties unless otherwise required by Wisconsin law.

1. Property Description
 - a. Tax Parcel 052- 447-002-030
 - b. 2021 Total Assessed Value: \$4,154,000

2. Potential Parties:
 - a. Kaysun Corporation and/or their designee, however key obligations contemplated herein shall be guaranteed by Kaysun Corporation (Developer)
 - b. City of Manitowoc (City)

3. Development Description:
 - a. Construction of an approximate 54,900 square foot addition onto the existing manufacturing facility for manufacturing/warehousing space as shown on the attached concept plan.
 - b. Construction cost of the facility is estimated at \$6,200,000.
 - c. Employment at Developer's current facility is approximately 240 jobs. Based upon current growth projections the addition should generate an additional 75 positions over the next several years. Of the 75 positions, 50 should have wages estimated at \$16 to \$30 per hour and 25 should have wages estimated at \$30 to \$50 per hour.
 - d. Capital for equipment costs for the proposed project are estimated at an additional \$11,200,000 for a total project estimate of \$17,400,000.
 - e. Projected increase in assessed value upon completion is estimated to be \$2,745,000 or a total assessment of approximately \$6,900,000 (when including existing facilities).

4. Development Timetable:
 - a. Construction is projected to start with site preparation in the summer of 2022 and completion in fall/winter of 2023.

5. City Assistance (subject to all required approvals and documentation):
 - a. Tax Incremental Financing
 - i. An approximate \$549,000 (20%) TIF Incentive based upon assessed value increase of \$2,745,000 upon project completion.
 - ii. The approximate \$549,000 in pay-go incentive structured in an estimated 11 payments based upon 95% of increment created per year starting in 2025.

- iii. Uses of funds to include public or private utility or other infrastructure improvements, building construction, site preparation, architectural or engineering design fees, or other eligible building improvement related costs.
 - iv. Incentive amount to be reduced or increased based upon the assessed value increase to maintain the incentive at 20%. The assessed value increase shall be established on January 1 following the completion of the project. Increase/decrease to be accomplished via an adjustment to the pay-go payments. If adjustments in the amount are made, the incentive would still be projected to be paid in 11 installments starting in 2025.
 - b. Assistance with Wisconsin Economic Development Corporation (WEDC) and other state incentives
 - i. The City shall support the Developer in working with the WEDC and the State of Wisconsin to secure available incentives.
- 6. Following Common Council authorization of this term sheet, a development agreement consistent with the terms and conditions herein shall be executed by the Mayor and Clerk subject to technical, legal changes.

City of Manitowoc

Kaysun Corporation

Justin M. Nickels, Mayor

Benjamin Harrison, CEO

Mackenzie Reed-Kadow, Clerk

Date

Date



CITY OF MANITOWOC

Tax Incremental Financing Application



Applicant Information:

Legal Name: Kaysun Corporation

Mailing Address: 5500 West Drive, Manitowoc WI 54220

Primary Contact #: Karen Schoenborn (920) 686-5814 Cell #: (920) 323-0010

E-mail: kschoenborn@kaysun.com FAX #: (920) 682-8713

Attorney: Andrew Steimle - Steimle Birschbach, LLC

Legal Entity: Individual(s)____ Joint Tenants____ Tenants in Common____
 Corporation X LLC____ Partnership____
 Other _____

If not a Wisconsin corporation/partnership/LLC, state where organized: _____

Will a new entity be created for ownership? Yes___ No X

Principals of existing or proposed corporation/partnership/LLC and extent of ownership interest.

Name:	Address:	Title:	Interest:
<u>Benjamin Harrison</u>	<u>1515 Michigan Ave, Manitowoc WI</u>	<u>CEO</u>	<u>100%</u>
_____	_____	_____	_____
_____	_____	_____	_____

Is any owner, member, stockholder, partner, officer or director of any previously identified entities, or any member of the immediate family of any such person, an employee of the City of Manitowoc? Yes___ No X

If yes, give the name and relationship of the employee: _____

Have any of the applicants (including the principals of the corporation/partnership/LLC) ever been charged or convicted of a misdemeanor or felony? Yes___ No X

If yes, please furnish details _____



CITY OF MANITOWOC Tax Incremental Financing Application



Property / Project Summary:

Overall Project Summary and Objectives: Build a 54,900 SF expansion to house both manufacturing and warehousing space. We currently have 50 molding machines and this expansion allows us to add 30 additional molding machines. Our business is growing exponentially with both existing and new customers. Kaysun would like to expand our footprint in Manitowoc in order to grow our local workforce and continue to enrich the lives of both our employees and the community.

Property Summary:

Parcel/Land Area: _____ SF

Building Area: 54,900 SF

of Dwelling Units: _____

of Stories: _____

of Parking Spaces: _____

Describe briefly what the project will do for the property and surrounding area including (if applicable) an estimate of full and part-time jobs to be created by the proposed project including estimated salaries:

We believe this expansion will generate an additional 75 employment positions within our company.
These positions will range from general production staff to support staff in quality, engineering, automation, maintenance and other areas. We anticipate that there will be 50 new jobs created with wages ranging from \$16 to \$30 per hour and 25 new jobs created with wages ranging from \$30 to \$50 per hour.



CITY OF MANITOWOC

Tax Incremental Financing Application



Project Budget / Financial Information:

Sources and Uses of Funds:

Identify the sources of funds used to finance the project. Typical sources include equity, lender financing, mezzanine financing, government financing, other anticipated types of public assistance, and any other types or methods of financing.

Uses of Funds:	Amount (\$)	(\$)	per SF of Building Area
Land Acquisition:	_____	_____	_____
Demolition:	_____	_____	_____
Environmental Remediation:	_____	_____	_____
Site Clearance and Preparation:	\$592,506	\$10.79	_____
Soft Costs/ Fees:	\$933,010	\$16.99	_____
Soft Cost Contingency:	_____	_____	_____
Hard Construction Costs:	\$4,671,757	\$85.10	_____
Total Project Costs:	\$6,197,273 - Estimated	\$112.88 - Estimated	_____

Sources of Funds:

% of total project costs

Equity

Developer Equity:	(\$) 689,455	11.1	%
Other Equity: (_____) (\$)	_____	_____	%
Total Equity:	(\$) 689,455	11.1	%

Loans

Rate Term

Construction Financing:	(\$) _____	% _____	mos.
Permanent Financing:	(\$) 4,957,818	% _____	yrs. 80.0 %
TIF Assistance	(\$) 550,000	_____ %	8.9 %
Other: (_____) (\$)	_____	_____ %	_____ %
Total Sources of Funds	(\$) 6,197,273	_____ %	100%

Financing:

Source Amount	Terms: Years/Interest	Contact Information
Equity: \$689,455	_____	_____
Loan 1: \$4,957,818	We are in the early stages of attaining funding approval - detail will be	_____
Loan 2: _____	provided once it is available.	_____
Loan 3: _____	_____	_____
Loan 4: _____	_____	_____



CITY OF MANITOWOC

Tax Incremental Financing Application



Supplemental Information:

Detailed Pro Forma *(must correspond to line items for Uses of Funds on previous page)*

Land Acquisition (\$) _____

Demolition (\$) _____

Site Clearance and Preparation

Infrastructure (\$) Please reference enclosed proposal for estimates

Utilities/removal (\$) _____

Utilities/relocation (\$) _____

Utilities/installation (\$) _____

Hazardous Materials Removal (\$) _____

Other(_____) (\$) _____

Total Site Clearance and Preparation

Soft Costs/Fees

Project Management (_____%) (\$) _____

General Contractor (_____%) (\$) _____

Architect/Engineer (_____%) (\$) _____

Developer Fee (_____%) (\$) _____

Appraisal (\$) _____

Soil Testing (\$) _____

Market Study (\$) _____

Legal/Accounting (\$) _____

Insurance (\$) _____

Title/Recording/Transfer (\$) _____

Building Permit (\$) _____

Mortgage Fees (\$) _____

Construction Interest (\$) _____

Commissions (\$) _____

Marketing (\$) _____

Real Estate Taxes (\$) _____

Other (_____) (\$) _____

Sub-total Soft Costs/Fees (\$) _____

Soft Cost Contingency (\$) _____



CITY OF MANITOWOC

Tax Incremental Financing Application



Agreement:

I, by signing this application, agree to the following:

1. I have read and will abide by all the requirements of the City for Tax Incremental Financing.
2. The information submitted is correct.
3. I agree to pay all costs involved in the legal and fiscal review of this project. These costs may include, but not be limited to, bond counsel, outside legal assistance, and outside financial assistance, and all costs involved in the issuance of the bonds or loans to finance the project.
4. I understand that the City reserves the right to deny final approval, regardless of preliminary approval or the degree of construction completed before application for final approval.
5. The undersigned authorizes the City of Manitowoc to check credit references and verify financial and other information.
6. The undersigned also agrees to provide any additional information as may be requested by the City after filing of this application.

Applicant Name Ben Han Date 1/17/2022


Please return completed application to:

City of Manitowoc
Community Development Department
900 Quay Street
Manitowoc, WI 54220

For questions regarding this application please contact:

Adam Tegen
Community Development Director
(920) 686-6931
ategen@manitowoc.org

REV.	DATE	DESCRIPTION

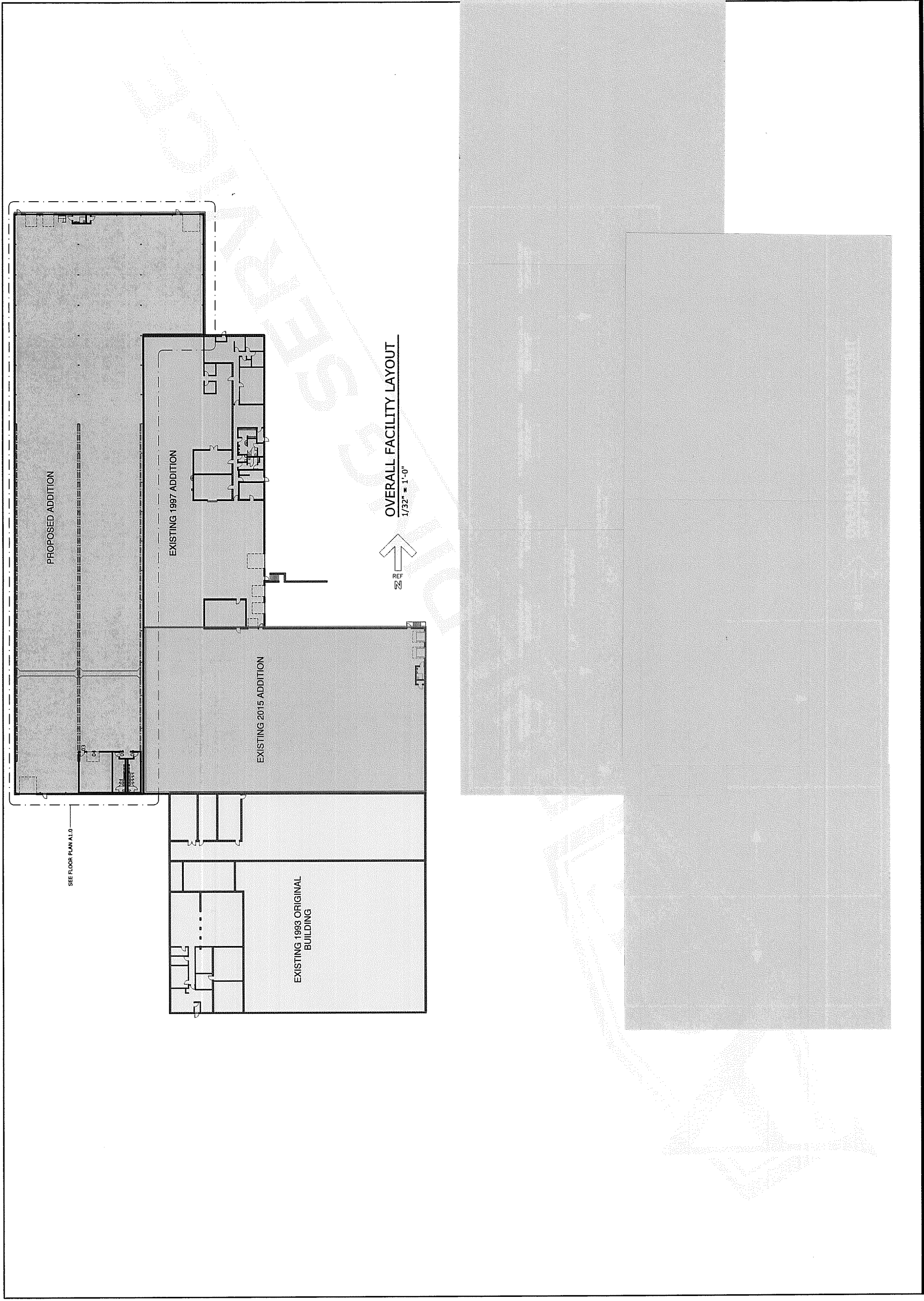

ACE BUILDING SERVICE
 OUR REPUTATION IS OUR FOUNDATION
 3510 SOUTH 26TH STREET • MANTOWOC, WI • 54220
 PHONE: 920-682-6105 • WWW.ACEBUILDINGSERVICE.COM
 SUPERVISING PROFESSIONAL:

PROPOSED ADDITION
 KAYSUN CORPORATION
 5500 WEST DRIVE
 MANTOWOC, WI 54220
 PROJECT INFORMATION:

THIS PLAN AND IDEAS
 EXPRESSED HEREIN ARE
 THE PROPERTY OF A.C.E.
 BUILDING SERVICE, INC.
 THESE PLANS SHALL NOT BE
 REPRODUCED, COPIED,
 OR REPACKAGED WITHOUT
 THE CONSENT OF A.C.E.
 BUILDING SERVICE, INC.

SHEET INFORMATION
 A.C.E. JOB NO. 112/21
 DATE: 11/02/2021
 DRAWN BY: EPA
 SCALE: SEE SHEET
 SHEET

A0.1



SEE FLOOR PLAN A1.0