

TERM SHEET
Forefront Dermatology Parking Project
924 York Street

The terms and conditions described in this agreement are part of a related 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 the 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: Tax Parcel 000-167-100 including 0.505 acres.
2. Potential Parties:
 - a. City of Manitowoc
 - b. Forefront Dermatology (FFD)
 - c. Park Regency Management (PRM)
3. Development Description:
 - a. Expansion of FFD offices in downtown Manitowoc (600 York Street) to provide for 80 to 100 new employees including information technology and billing to support a larger expansion of the company at multiple locations around the US.
 - b. At 924 York Street, tear down of existing structures including abatement, if necessary, of any hazardous building materials.
 - c. If found to be present, clean-up of environmental contamination to a level appropriate for construction of parking lot and related appurtenances.
 - d. Construction of 50 to 60 space parking lot at 924 York Street to City and FFD standards including:
 - i. Site plan requirements including adequate landscaping and lighting
 - ii. Basecourse and asphalt paving specifications
 - iii. Storm sewer and inlets
 - iv. Curb and gutter within parking lot
 - v. Access drives to be added for both 10th Street and York Streets
 - vi. Removal of existing, unused driveways on York Street
 - vii. Replacement of curb and gutter as needed on York Street
 - viii. Replacement of sidewalks as needed
 - ix. Handicap (ADA) parking stalls
 - x. Other Zoning and Building Code requirements as applicable
4. Development Timetable: The parking lot will be constructed and operating by November 30, 2015.

5. City Assistance: Subject to transfer of ownership in a way that protects the City from environmental liabilities and parking lot design and construction that meets City standards, the following assistance is offered as related to the scenarios contained in this Term Sheet:
 - a. Ownership of the property by the City and/or Community Development Authority (CDA).
 - b. Brownfields cleanup funds from the City's Brownfields Revolving Loan Fund (BRLF) if contaminants are found after construction/demolition begins, the related cleanup activities are eligible for funding under the program requirements, and the CDA takes ownership of the lot in order to facilitate a grant from the BRLF.
 - c. A loan from the City's Commercial/Downtown Revolving Loan Fund (CRLF) subject to CDA approval of the project and specific terms – note that equipment purchases do not trigger Davis-Bacon wage rates or other Federal labor requirements.
 - d. Future maintenance and reconstruction of the parking lot.

6. Proposal: The project, timetable, and City assistance as described would proceed as follows:
 - a. PRM conducts Phase 1 and 2 Environmental Assessments – (this has been completed and there are no potential environmental concerns identified by Phase 1 EA)
 - b. If no environmental issues found, ownership and construction proceed as follows:
 - i. PRM tears down building and constructs parking lot, including design and construction management activities
 - ii. City and PRM collaborate on the design to ensure that City requirements are met and that the parking lot can be accepted by the City
 - iii. FFD purchases property from PRM for the cost of demolition and construction of the parking lot
 - iv. City/CDA provides a CRLF for eligible project costs from the entirety of the FFD expansion project
 1. Given the nature of the project (public parking benefits) and the type of jobs being created, interest will be proposed as 0%
 2. As part of loan application, FFD to provide a parking plan showing that at least 90% of anticipated parking demand can be met with off-street parking upon completion of the project
 - v. FFD donates parking lot to City
 1. Timing of donation – as soon as practical for write-off purposes
 2. This approach assumes that City is not going to have issues with prevailing wages for accepting a privately constructed parking lot for future public use
 - vi. Once City takes ownership of parking lot, FFD leases spaces at agreed upon rate.
 1. The lease will reflect zero cost to FFD during the period of CRLF loan repayment, which is 10 years for equipment purchases or 15 years for land acquisition and building improvements.
 2. FFD agrees to a good faith effort to require that employees park in assigned off-street spaces, thus opening up on-street spaces for the customers of FFD and other downtown businesses.
 - c. City takes on maintenance of the lot
 - i. including reconstruction at some future point
 - d. Spaces open up for public use after business hours and on weekends
 - e. After the City takes ownership of the lot, at least 5 of the newly constructed parking spaces shall be made available to other lessees.

7. City will cooperate with respect to any and all permits necessary for Project.
8. Following City 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.

Forefront Dermatology Parking

- Currently 180 employees in 801 York Street.
- Relocating 45 employees to 600 York on 10/16. Growth will backfill at 801 York within 12 months.
- 38 Onsite parking spaces at 801 York.
- 42 leased spaces from city on Maritime at 9th Street lot.
- 50 spaces proposed to lease from city at new 924 York Street lot.
- All current on street parking needs to remain in place for guests and remaining employees.
- Forefront will request, encourage and direct employees to park in the lots instead of on the street.

Forefront Dermatology - Manitowoc

