(ATTACHMENT 7) ACTION ON THE AWARD OF EXCEPTION-TO-BID REQUESTS

<u>Term Sheet</u>

Dated: April 4, 2017

Johnson Controls ("JCI") and the Milwaukee Bucks, LLC ("Bucks") intend to make a onetime capital gift not to exceed \$150,000 in the aggregate ("Gift"), payable in equal parts by each of JCI and the Bucks, to the Milwaukee Public Schools ("MPS"). This gift will be given to the Milwaukee Board of School Directors specifically for the construction of a multi-sport complex ("Sports Complex") at Browning School, 5440 N. 64th Street, Milwaukee, Wisconsin (the "Site"). The Sports Complex will be used by Browning Elementary students during the school day and by Silver Spring Neighborhood Center constituents during off-school hours. This investment includes the following elements in connection with the Sports Complex:

- Court with 6 basketball hoops which include layout and flexibility for volleyball and tennis;
- Futsal court;
- Soccer field;
- 1/8 mile track;
- Lighting and fencing; and
- A maintenance and equipment allocation in an amount to be determined with any remaining dollars of the aforementioned Gift after taking into account final construction costs.

Because the Housing Authority of the City of Milwaukee ("HACM") will be doing storm water retention work at the Site in 2017, the Site provides a "blank slate" to create a significant neighborhood asset.

As a condition of the Gift, JCI and the Bucks require the following contingencies:

- 1. MPS shall solicit proposals from three (3) vendors for construction of the Sports Complex.
- 2. MPS shall work with JCI and the Bucks, the Silver Spring Neighborhood Center and HACM to review proposals and select a vendor ("Project Vendor").
- 3. Subject to the prior written approval of JCI and the Bucks, the Project Vendor may be identified in partnership with JCI and the Bucks.

- 4. MPS shall enter into the contract to construct the Sports Complex with the Project Vendor. Such construction contract shall include customary indemnification and hold harmless language releasing JCI and the Bucks from any liability in connection with the Sports Complex. MPS and the Project Vendor shall each carry proper insurance to cover any such indemnification obligation and shall name JCI and the Bucks as additional insureds.
- 5. JCI and the Bucks will have no further other obligations or responsibilities except for the contribution of the Gift and certain approval rights described herein. To the extent permitted by the laws of the State of Wisconsin, including, but not limited to, Wis. Stat. §§ 893.80 & 895.46, MPS therefore agrees to indemnify and release JCI and the Bucks from future liability in connection with the operations of the Sports Complex. MPS will prepare the necessary waiver and release agreement in connection with the Gift, in form satisfactory to JCI and the Bucks.
- 6. JCI and the Bucks agree to equally fund construction contract change orders for the Sports Complex to address unforeseen conditions, provided that the amount of the construction contract plus any change orders does not exceed the amount of the Gift. MPS shall be responsible for all other costs (including as a result of change orders) above the amount of the Gift. JCI and the Bucks shall have the opportunity to review and approve (or deny) all such change orders.
- 7. MPS shall work with HACM to establish a site preparation agreement to ensure the Sports Complex construction can begin immediately following completion of the storm water retention facility no later than July 7, 2017.
- 8. MPS shall enter into a Memorandum of Understanding with the Silver Spring Neighborhood Center detailing maintenance obligations, programming and schedules for use by each organization. JCI and the Bucks shall not be responsible for contributing to or funding the operations and maintenance of the Sports Complex, except as otherwise stated above. MPS shall ensure the Sports Complex remains in good repair.
- 9. Subject to the prior written approval of JCI and the Bucks, the names and/or logos of JCI and the Bucks shall be incorporated into the final design of the Sports Complex. The name and logo of each of JCI and the Bucks are intellectual property and important assets of each of JCI and the Bucks, respectively. Each of JCI and the Bucks shall at all times be the sole and exclusive owner of all rights in and to its name, logo and any other company marks, subject to the rights of MPS to the use thereof as set forth in this term sheet. If requested by either party in the future,

MPS will remove such names or logos or make any requested changes to such names or logos.

- 10. The Sports Complex will be completed by August 28, 2017.
- 11. To the extent permitted by the laws of the State of Wisconsin, including, but not limited to, Wis. Stat. §§ 893.80 & 895.46, MPS agrees to WAIVE AND DISCHARGE CLAIMS AGAINST, RELEASE FROM LIABILITY AND HOLD HARMLESS the Milwaukee Bucks, LLC and Johnson Controls, Inc., together with all of their respective subsidiaries and affiliates, and their respective shareholders, partners, members, directors, trustees, managers, officers, administrators, employees, representatives and agents (collectively, the "Released Parties") from and against ANY AND ALL LIABILITY on account of, or in any way resulting from, death, personal injury and property damage arising out of or relating to the construction and/or use of the Sports Complex. Nothing in this Release shall be construed to release any Released Party from the intentional acts of the Released Parties.

A.L.C.

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