

## TERM SHEET FOR LOAN AGREEMENT BETWEEN:

FS Apartments, LLC (“Borrower”) and Redevelopment Authority of the City of Milwaukee (“RACM”)

1. The Site: The FS Apartments, LLC site is approximately 10 acres in size and consists of the property located at 147 East Becher Street, Milwaukee, WI, (“Site”).
2. Loan Amount: RACM will provide a loan of up to \$1,250,000 to Borrower to support environmental cleanup activities. The loan funds will be provided from RACM’s EPA Brownfields Revolving Loan Fund (Cooperative Agreements BF-00E01400 and 4B-00E03575).
3. Site Remediation: The Borrower will undertake environmental remediation activities at the site, in accordance with the Wisconsin Department of Natural Resources Ch. NR 700, Wis. Admin. Code.
4. Term of Loan: The term of the *initial* loan shall be 5 years at an interest rate of 4.65%, payable in up to 48 monthly installments of interest only, followed by 11 monthly principal and interest payments based on a 20-year amortization schedule. A final payment of principal and accrued interest will be due at the 60<sup>th</sup> month. If the Borrower requires such, the remaining principal owed may be renewed at a rate of 50 basis points below the Local Government Investment Pool (LGIP) interest rate at time of renewal for another 5-year loan term. Further loan renewals will be considered under the above terms on an as needed basis. Rate increases or decreases will be limited to 1.5% per renewal period. Monthly payments are required to be made through an automatic payment system. In the event that cash flow exceeds actual Debt Service Coverage of 1.25x in any year, once principal and interest payments begin, Borrower will be required to pay 25% of the excess cash flow, prior to developer fee disbursement, as an additional principal reduction to the RACM loan. Borrower shall have the right to prepay all or a portion of the loan at any time.
5. Equity: Borrower shall substantiate an equity contribution of at least \$80,000,000, towards the Project.
6. Guarantee: Corporate Guarantee provided by Bear Development, LLC.
7. Collateral: The loan shall be secured by a subordinate mortgage on the property.
8. Disbursing: Funds will be disbursed based on draw requests on a reimbursement basis approved by RACM.

9. Expense Eligible for Use with Loan Funds: Loan funds shall be utilized for environmental cleanup activities associated with site redevelopment activities. Some expenses incurred prior to closing of the loan may be eligible for reimbursement. All expenses will be reviewed and approved by RACM prior to disbursement.
  
10. Compliance with EPA Terms: The Borrower shall comply with the Contaminated Site Loan Agreement (CSLA) that will be executed subsequent to this term sheet and subject to Borrower's review. RACM shall comply with all terms of the EPA Cooperative Agreements.