

TERM SHEET FOR LOAN AGREEMENT BETWEEN:

East National, LLC (“Borrower”) and Redevelopment Authority of the City of Milwaukee (“RACM”)

1. The Site: The East National, LLC site is approximately 1.6 acres in size and consists of the property located at 100 East National Avenue, Milwaukee, WI, (“Site”).
2. Loan Amount: Contingent upon satisfactory underwriting, RACM will provide a loan of up to \$700,000 to Borrower to support environmental cleanup activities. The loan funds will be provided from RACM’s EPA Brownfields Revolving Loan Fund (Cooperative Agreement 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 Loan shall be 19.5 years from the execution of the BCRLF loan at a fixed interest rate of 4.9%. During the initial 4 years of the term of the loan, annual interest-only payments would be made based on amounts drawn and disbursed to the Borrower. After completion of the interest-only payment period, Borrower shall make annual principal and interest payments based on a 15-year amortization schedule. The payment to RACM will be after the payment of hard debt service and the LP Asset Management Fee. The payment will be made from up to 75% of net available cash flow, as defined in the operating agreement for East National, LLC. The annual payment will be due within thirty (30) days after the financial audit of the project (completed by an independent accounting firm) is finalized. The annual payments will be applied to accrued interest first with any remainder amount being paid towards the principal balance of the loan. A final balloon payment of all accrued interest and remaining principal balance to be paid in full at maturity. All payments are required to be made through an automatic payment system. 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 \$26,000,000, 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. A subordination agreement will be entered into with the 1st mortgage lender. In the event of a refinance, the loan will be subordinated to the new 1st mortgage lender.

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.
11. Sunset Provision: If a loan agreement per the above terms is not fully executed within 9 months of RACM board approval, this term sheet approval will expire.