

TERM SHEET
CAPITAL RETURNS, INC. PROJECT

*Borrower: Capital Returns, Inc.

*Lender: Redevelopment Authority of the City of Milwaukee (RACM)

*Loan Amount: \$100,000

*Use of Funds: Moving expenses, equipment, build-out, and other costs associated with move to 6101 N. 64th Street

*Interest Rate: 4%

*Term: 4 years

*Principal Amortization: \$25,000 per year

*Payments: Annual payments of principal and accrued interest

*Loan Forgiveness: Annual payment of principal and accrued interest shall be forgiven for that year if the Borrower achieves employment levels as follows-

2004: 276 positions

2005: 320 positions

2006: 365 positions

2007: 420 positions

*Due Upon Move: Should the Borrower leave the City prior to the expiration of the loan, any unpaid balance and accrued interest shall come due.

*Loan Approval: Loan is subject to approval by the Common Council of the City of Milwaukee. Source of funds is the City's Development Fund.

09/28/04