

TERM SHEET

C&D Technologies, Inc.

Borrower: C&D Technologies, Inc.

Lender: Milwaukee Economic Development Corporation

Use of Funds: Build out and purchase of equipment, furniture and fixtures for lithium-ion battery research and development project.

Interest Rate: 5.25%

Term: 10 years

Principal Amortization: \$22,500 per year

Payments: Annual payments of principal and accrued interest

Loan Forgiveness: Annual payment of principal and accrued interest shall be forgiven each year that total number of jobs created is achieved. The projected schedule for job creation includes:

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Existing battery manufacturing	261	286	300	300	300	300	300	300	300	300
New –R&D, followed by manufacturing	2	10	20	35	70	128	150	150	150	150
Total jobs to be maintained.	263	296	320	335	370	428	450	450	450	450

Project Initiation: Should the Borrower discontinue the project prior to the expiration of the loan, any unpaid balance and accrued interest shall come due.

Workforce Recruitment: C&D Technologies, Inc. agrees to work with the Milwaukee Area Workforce Investment Board to coordinate recruitment and training strategies for new job openings.

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, Project #UR03398200.