

Proposed Term Sheet

Applicant:

Neighborhood: Johnstown, CBD

Amount: \$100,000.00

Purpose: Special refinance due to loss of collateral attributed to dissolution of business partnership

Form: Loan Guarantee
HELD IN ESCROW ACCOUNT BY PRIMARY LENDER

Interest Rate: 3% per annum
Accrued for years one and two

Balloon payment: None

Term: 10 years

Personal Guarantee: Yes

Security: On assets subordinate to primary lender bank

5% equity infusion: In the form of assets, building

Job Creation/Retention: Yes
7 existing FTEs plus 5 *NEW* FTEs

Subordination: To primary lender bank
Paripassu with public lenders

Loan origination fee: Suggest waiving the 1% (\$1,000) fee

Default events: Non-payment, sale of business, sale of assets

Other Conditions: Fixtures to stay with building including but not limited to hoods, greas traps, fire suppression

Contingencies: Approval of new lending exceeding \$325,000
Release of current loan