

HOFF MALL EXPANSION

101 E. Main St & 111 S. First St

Mt. Horeb, WI

WEDC – Community Development Investment Grant

Attachment

Section C – 5

Hoff Associates of Mt Horeb, LLP has obtained a Term Sheet (copy attached) from the Bank of Prairie du Sac to provide financing for Hoff Mall Expansion project.

A formal commitment letter will be provided to WEDC for their file upon execution thereof.



November 30, 2016

Hoff Associates of Mt. Horeb, LLP
Joe Gallina
101 E. Main Street, Suite 500
Mt. Horeb, WI 53572

Dear Joe:

Bank of Prairie du Sac is pleased to provide you with this Term Sheet (Commitment Letter to follow) for the refinance, remodel and construction of 30 residential units on 2 properties located in Mt. Horeb, WI. Below are the terms and conditions.

Borrower: Hoff Associates of Mt. Horeb, LLP

- Loan(s):**
- 1) \$4,397,489 – Commercial Real Estate Loan (Refi plus construction)
 - a) Rate fixed for 60 months @ 4.0%
 - b) Term: 60 months; 27 months @ interest only; remaining 33 months principal and interest on a 25 year amortization schedule. Optional additional 2 years – variable rate @ 1 year Libor Swap rate + 2.75% with a floor of 4.5% and ceiling of 7%
 - c) Collateral: 1st mortgage & Assignment of Rents on both properties; Total Assignment of Life Insurance on Joe Gallina for \$500K; General Business Security Agreement; Unlimited Personal Guarantee from Joseph R. Gallina; Corporate Guaranty from Gallina Management, Inc.
 - d) Fee of \$45,500 – to be paid at time of construction closing or January 3, 2017
 - e) 1% Refinance out only pre-payment penalty

 - 2) \$151,084 – Commercial Loan (TIF pay as you go)
 - a) Rate fixed for 60 months @ 4.12%
 - b) Term: 25 year amortization schedule – No prepayment penalty
 - c) Collateral: 2nd mortgage & Assignment of Rents on both properties, Assignment of Developers Agreement between developer and Village of Mt. Horeb.
 - d) Fee included in Loan #1



Miscellaneous:

- Subject to final SIP, CSM and TIF approvals from Village of Mt Horeb
- Subject to receipt, review, acceptance and Assignment of Developers Agreement
- Subject to receipt of satisfactory appraisal.
- Subject to WEDC grant or additional equity injection

If the foregoing is acceptable, please indicate your agreement and acceptance by signing and returning the enclosed original of this letter. If this Term Sheet is not accepted by you on or before December 7, 2016, it will be deemed to have been terminated.

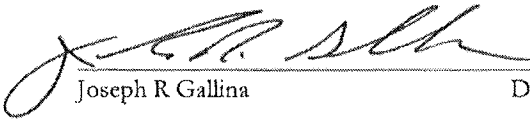
Sincerely,

BANK OF PRAIRIE DU SAC



Michael J. Phillips
Senior Vice President & Chief Lending Officer
NMLS #709663

I hereby accept this Term Sheet with the understanding that the Bank of Prairie Du Sac will provide a formal commitment letter within 72 hours upon receipt of appraisal.



Joseph R Gallina

12-1-16
Dated: