



January 6, 2017

Michael R. and Carolyn Hottinger
Gravity Group, Inc.
7743 W. National Avenue
West Allis, WI 53214

Dear Michael and Carolyn Hottinger:

Pursuant to your application and information provided by you regarding the purchase of operating equipment and working capital for the establishment of a deli to be located at 6125 W. Greenfield Avenue, the Common Council of the City of West Allis ("City") hereby agrees to make a loan to you, in accordance with the federal Community Development Block Grant regulations and the following specific terms and conditions:

1. Borrower. The Borrower shall be Michael R. and Carolyn Hottinger, Owners of the Gravity Group, Inc. and/or Assigns with current business offices located at 7732 W. National Avenue, West Allis, WI 53214.
 2. Guarantors. Michael R. and Carolyn Hottinger.
 3. Project. Loan proceeds are to be used for purchase of operating equipment and working capital for the establishment of a deli located at 6125 W. Greenfield Avenue, West Allis, WI 53214.
 4. Loan Amount. The loan amount shall not exceed Fifty Thousand Dollars (\$50,000) comprised of the following:
 - A. \$50,000 Forgivable Loan under draft concept for new Instore Program that will be used for National Avenue Commercial Corridor. Funding source – CDBG or TIF. Disbursement of the aggregate principal will be at loan closing with proper paid invoices or purchase orders. The loan will be evidenced by a note payable by the Borrower to the City. The loan will have monthly interest payments with a pro-rated portion of principal forgiven at anniversary of occupancy.
 5. Interest Rate. (To be computed on basis of 360-day year.) The interest rate shall be the prime rate as published by Bloomberg.com at time of closing. Today, the interest rate is three and one-half percent (3.5%) per annum. In the event of default, all unpaid principal and interest shall bear interest at the rate of eighteen percent (18.0 %) per annum until paid.
 6. Term. The term of this loan shall be 5years.
 7. Payments. Payments will be as follows:
 - No interest and principal payments for the first 6 months following date of closing.
 - Interest only payments on the InStore Program Note during term of the loan.
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8. Late Charge. A late charge not to exceed one percent (1%) on each dollar of each payment, which is more than ten (10) days in arrears may be collected provided that no such charge shall exceed the maximum amount which may be charged according to law.
9. Security. As security for the loan, the Borrower will deliver to the City:
 - A. A second position Mortgage on the real estate of 6125 W. Greenfield Avenue, West Allis, WI 53214
 - B. A first General Business Security Agreement on the assets purchased with City of West Allis funds for the Peanut Butter and Jelly Deli.
 - C. An Unlimited Personal Guarantee from Michael R. and Carolyn Hottinger.
10. Loan Processing Fee. A non-refundable fee of Five Hundred Dollars (\$500.00) to be paid upon acceptance and delivery of this Commitment. (Borrower may elect to include this fee in the terms of the note). The fee is compensation to the City for making the loan and shall be fully and completely earned upon acceptance of this Commitment by the Borrower.
11. Maturity Date. This loan shall mature in January, 2022.
12. Closing Date. The loan shall close on or before January 31, 2017.
13. Prepayment Privilege. The loan may be prepaid, in whole or in part, at any time without penalty or restriction.
14. Duns Number. Borrower must provide a Duns number as proof of application by closing and provide a federal identification number to the City.
15. Job Creation/Retention. Borrower agrees to the following:

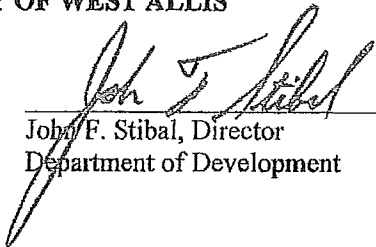
To create four (4) full-time equivalent permanent positions over the next two (2) years of which at least fifty-one percent (51%) or three (3) or more positions are to be held by low-to- moderate income persons. (Attachment A).
16. General Conditions. All of the terms and conditions contained in the attached "General Conditions" (Exhibit No. 1) for economic development loans and "Federal Requirements" (Attachment B) are incorporated into this Commitment.
17. Acceptance. Except as provided in the General Conditions, this Commitment shall be deemed binding upon the City if the City receives an unqualified acceptance by the Borrower of the terms and provisions contained herein, evidenced by the Borrower properly executing this document below and delivering it to the office of the undersigned on or before January 31, 2017, along with the non-refundable loan processing fee and the written guarantee of the loan by Michael R. and Carolyn Hottinger. If not so accepted, the City shall have no further obligation hereunder.

Michael R. and Carolyn Hottinger
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18. Upon the annual financial review of the business, a portion of InStore Note will be forgiven or in default repaid, as prorated below:

Year 0-1: 100% of eligible loan funds
Year 1-2: 80% of eligible loan funds
Year 2-3: 60% of eligible loan funds
Year 3-4: 40% of eligible loan funds
Year 4-5: 20% of eligible loan funds

CITY OF WEST ALLIS

By: 
John F. Stibal, Director
Department of Development

ACCEPTANCE

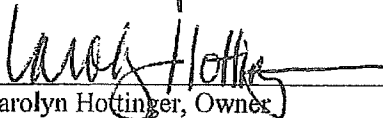
The foregoing Commitment, as well as the terms and conditions referred to therein, are hereby accepted.

GRAVITY GROUP, INC.

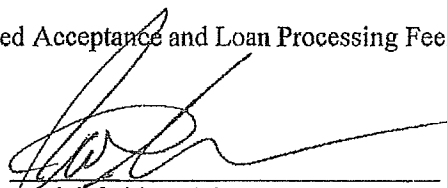
Date: 1/18/17

By: 
Michael R. Hottinger, Owner

Date: 1/18/17

By: 
Carolyn Hottinger, Owner

Received Acceptance and Loan Processing Fee:

By: 
Patrick Schloss, Manager
Community Development

Date: 1-19-17
Attachments