



4/23/2018

Esoteric Brewing Co
Marvin Abrinca
Brian Jackson

Dear Marvin and Brian,

The Huntington National Bank ("Lender") is pleased to discuss a possible extension of credit to meet your financing needs on the following terms and conditions:

BORROWER: Esoteric Brewing Co

GUARANTOR: Marvin Abrinca and Brian Jackson

LOAN

AMOUNT: A. \$721,000 SBA 7A Draw to Term Loan
B. \$50,000 Revolving Line of Credit

LOAN

PURPOSE: (A) Leasehold Improvements, equipment and working capital
(B) Working capital

**INTEREST
RATE:**

The initial interest rate for the both loans is proposed at 7.5% percent per year. This initial rate is the Wall Street Journal Prime Rate, plus two and seventy five tenths percent (2.75%) per annum, adjusted quarterly.

MATURITY:

(A) One hundred and twenty months (120) equal principal and interest payments, after the date of the loan closing.
(B) LOC matures 36 months after the date of the loan closing.

SECURITY: (A &B) Blanket first lien UCC position on all Business Assets of Borrower

Additional Collateral in the form of real property may be required if a net collateral shortfall is present after the application of standard, SBA acceptable advance rates, and equity in said properties exceeds 25% of the gross appraised value, less all outstanding debt at the time of application.

PREPAYMENT

FEE: Borrower may prepay principal, all or any portion of the indebtedness evidenced by the Note upon twenty-one (21) days written notification. Any partial prepayments may be applied by Bank in such manner and order as Bank shall determine.

(B) There will be no prepayment penalties associated with the revolving line of credit. Interest payments are due monthly and Principal and Interest are due in full at maturity.

PACKAGING

FEE: Huntington Bank will charge a Packaging fee of \$2500. In addition, there is approximately \$2500 in estimated costs of 3rd party reports including business evaluation, title reports, credit reports, Environmental reports etc. This fee is refundable (less expenses) if we cannot deliver an approval as outlined above.

SBA

GUARANTEE: These loan facilities would be required to be guaranteed by the US Small Business Administration ("SBA"). All loan documents and closing requirements must comply with the Loan Authorization issued by the SBA. Borrower shall be responsible for the payment of the SBA loan fees, which have been included as part of the financing package. This fee is estimated at fifteen thousand seven hundred and fifty dollars (\$15,750) for both loans.

SBA APPROVAL: The effectiveness of the terms of the lending facilities would be contingent upon the U.S. Small Business Administration's final approval to guarantee 75 percent of facility A and 50% guarantee for facility B.

OTHER FEES: Other fees may be applicable depending on the circumstances of the loan, such as late fee, prepayment penalties, re-documentation

fees and assumption fees. Borrower will be responsible for these fees.

**BORROWER
EXPENSES:**

Borrower will be obligated to incur all third party expenses associated with the processing and closing of the loan, such as Environmental Provider fees, Appraisals, Lender closing counsel (where applicable), title insurance, closing costs, and any other out-of-pocket expenses incurred by Lender in connection with the loan. Borrower can request to finance these fees.

**LOAN
DOCUMENTS:**

Borrower shall execute a cognovits note, loan agreement, security agreements, financing statements and any other loan documents that Lender may require.

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This letter is presented for discussion purposes only and is not a commitment to lend; either expressed or implied, and does not impose any obligation of Huntington National Bank. The issuance of a commitment letter; if at all, is subject to full and complete underwriting, due diligence, documentation, and credit approval, which has not yet occurred as of the date of this communication.

The terms outlined above are not all-inclusive, but merely reflect our discussion to date, are subject to change and will be supplemented by any commitment letter subsequently issued and by our standard loan requirements and documentation.

The contents of this letter are confidential and are intended for use exclusively by Borrower and by Huntington National Bank in connection with the proposed financing and may not be disclosed to any third party by Borrower.

The terms of any subsequent Commitment Letter issued by Lender involving this transaction shall supersede this proposal in its entirety.

We look forward to working to meet your financing needs.

Sincerely,

The Huntington National Bank

Robin Washienko

Robin Washienko, Vice President

4/12/2018

Date

Reviewed and Acknowledged:



Signor Marvin Abrinica, Co-Founder

4/24/2018

Date