

## TERM SHEET FOR LOAN AGREEMENT BETWEEN:

Union at Rose Park, LP or an Agreed Upon Affiliate (“Borrower”) and  
Redevelopment Authority of the City of Milwaukee (“RACM”)

1. The Site: The Union at Rose Park, LP or an agreed upon affiliate (“Borrower”) site is approximately 1.4 acres in size and consists of the properties located at 3030, 3048, 3056, and 3064 North Martin Luther King Jr Drive, Milwaukee, WI, (“Site”).
2. Loan Amount: Contingent upon satisfactory underwriting, confirmation in writing of all other loan and funding approvals by all other parties and for the amounts represented in the project sources document, and RACM approval of final proforma projections, RACM will provide a loan of up to \$750,000 (the “Loan”) to Borrower to support environmental cleanup activities at the Site. The loan funds will be provided from RACM’s EPA Brownfields Revolving Loan Fund (Cooperative Agreement 4B-00E03585).
3. Site Remediation: Owner will undertake environmental remediation activities at the site, in accordance with the Wisconsin Department of Natural Resources Ch. NR 700, Wis. Admin. Code.
4. Term of Loan: The Term of the Loan shall be 17.5 years from the execution of the BCRLF loan at an interest rate of 3.25%. During the initial 24 months of the term of the Loan, interest would accrue on amounts drawn and disbursed to Borrower and be capitalized to the note. After completion of the interest accrual period, Borrower shall make annual payments (subject to available cash flow) equal to interest plus one-third of remaining net available cash flow after payment of all hard debt service, the syndicator asset management fee, and Loan interest. A final balloon payment of all remaining principal and any accrued but unpaid interest to be paid in full at maturity.
5. Collateral: The loan shall be secured by a subordinate mortgage on the project real property located at the Site.
6. Equity: Borrower shall substantiate an equity contribution of approximately \$2,250,000 in deferred developer fee towards the Project.
7. Guarantee: Corporate guarantee of The Annex Group, limited to the initial principal amount.
8. Disbursing: Funds will be disbursed based on draw requests on a reimbursement basis approved by RACM.

9. Expense Eligible for Use With Loan Funds: Loan funds shall be utilized for environmental cleanup activities associated with site redevelopment activities. All expenses will be reviewed and approved by RACM prior to disbursement.
10. Anti-Displacement Neighborhood Preference Policy: Because this development is located within the 53212 zip code, the project will comply with the City of Milwaukee's Anti-Displacement Neighborhood Preference Policy.
11. Sunset Provision: If a loan agreement per the above terms is not fully executed within 6 months of RACM board approval, this term sheet approval will expire.