

TERM SHEET FOR LOAN AGREEMENT BETWEEN:

Kin at Freshwater, LLC (“Borrower”) and Redevelopment Authority of the City of Milwaukee (“RACM”)

1. The Site: The Kin at Freshwater, LLC (“Borrower”) site is approximately 2.04 acres in size and consists of the property located at 200 East Greenfield Avenue, Milwaukee, WI, (“Site”).
2. Loan Amount: Contingent upon satisfactory underwriting, the securing of all other soft costs in the proposed project budget, and RACM approval of final proforma projections, RACM will provide a loan of up to \$700,000 to Borrower to support environmental cleanup activities at the Site. The loan funds will be provided from RACM’s Brownfield Cleanup Revolving Loan Fund (BCRLF).
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 9 years from the execution of the BCRLF loan at an interest rate of 3.5%. During the initial 24 months of the term of the loan, interest would accrue on amounts drawn and disbursed to the borrower and be capitalized to the note. After completion of the interest accrual period, borrower shall make annual payments of 50% of net available cash flow to RACM after payment of hard debt service, the investor asset management fee, and the RACM Seller Note. The annual payments will be applied to accrued interest first with any remainder amount being paid toward the principal balance of the loan. A final balloon payment of all accrued interest and remaining principal balance to be paid in full at maturity. All payments are required to be made through an automatic payment system.
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 towards the project in an amount currently expected to be approximately \$23,340,501 of Tax Credit Equity, Grant Funds, Deferred Developer Fee and General Partner Equity.
7. Guarantee: Unlimited corporate guarantee of Rule Enterprises, LLC and Emem Group, LLC.
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. Sunset Provision: If a loan agreement per the above terms is not fully executed within 9 months of RACM board approval, this term sheet approval will expire.