

Make It Happen Fund *Opportunity for Impact*

The non-profit Island Housing Trust (IHT) has launched a community investment fund, that we're calling the *Make It Happen Fund*, to provide ready capital to quickly purchase properties from the open market. Once purchased, we will secure public grants, private donations, and project financing to pay back the *Make It Happen Fund's* revolving lines of credit.

Over the past eleven years the IHT has developed 76 units of permanently affordable housing, both ownership and rental, for year-round working island families and individuals living on the island of Martha's Vineyard. The IHT is committed to exponentially increasing its efforts by adding 100 more housing units, both rental and ownership, by the end of 2020.

In partnership with private foundations and family offices the *Make It Happen Fund* creates a path for Program Related Investments (PRIs) to create critically needed permanently affordable housing. We believe this type of project finance is a scalable and replicable model of community-sourced investment for Martha's Vineyard.

The IHT is soliciting preapproved revolving lines of credit for between \$500,000 to \$1 million from private foundations and individuals to purchase properties from the open market suitable for the development of affordable and community housing. Attached terms for proposed line credit include:

- Five-year line of credit with one-year extensions as approved by the lender.
- Advances approved by lender within 7 business days.
- Any draw on the line starts a five-year term for repayment with one-year extensions as approved by the lender.
- 1% simple interest rate paid at maturity for any and all grants of credit.
- Loans are unsecured.
- Loan principle and interest payable at maturity or earlier through public grants and private donations received by IHT.

Opportunity for Impact

An investment in the *Make It Happen Fund* represents a significant opportunity to advance our goal of providing affordable housing for those that need it most. Preapproved revolving lines of credit are critical to quickly securing properties from the open market, and will have a tremendous impact in realizing our goal of creating 100 new homes and rentals by the end of 2020 for the more than 600 working island families and individuals on our waiting list. Thank you again for your interest in the Island Housing Trust's transformative work. We sincerely appreciate your consideration in helping ensure that the neighbors and friends we rely on every day to sustain this very special island have a safe and permanent place to call home.

**TERM SHEET
FOR
PROPOSED LINE OF CREDIT
TO
ISLAND HOUSING TRUST ("IHT")
FROM
_____ ("LENDER")**

LINE OF CREDIT: LENDER proposes to extend a line of credit to IHT ("IHT Line of Credit") as follows:

1. Purpose. To assist IHT's Make It Happen Fund for the purchase of parcels of real property ("Property") located on Martha's Vineyard suitable for development of permanently affordable housing for low and moderate income residents ("Purpose").

TERM:

2. Term.

(a) The Term of the IHT Line of Credit will be five (5) years unless extended by the mutual written agreement of IHT and LENDER.

(b) Each of the Term and the IHT Line of Credit is terminable by LENDER in the event IHT is in breach of: (i) the proposed IHT Line of Credit Loan Agreement and/or IHT Line of Credit Note; and/or (ii) any loan, security, assignment of rents, guarantee or any other document from any lender including LENDER executed by IHT.

3. Line of Credit Principal. Not to exceed \$_____ as described in Section 5 below ("Principal").

4. Interest. Advances will bear simple interest ("Interest") at a rate of (a) one percent (1%) per annum, or (b) the Applicable Federal Rate as published by the Internal Revenue Service as of the time of any Advance, at the written election of IHT upon request for an Advance. Principal and accrued interest may be paid by IHT at any time until due, provided that any payments made by IHT to LENDER will be applied first to any accrued and unpaid interest and then to principal.

5. Advances. All Advances will be restricted to the Purpose and:

(a) Each advance will be an amount mutually acceptable to IHT and LENDER but not in excess of \$_____ or less than \$25,000.

6. Use of Proceeds for the Purpose.

(a) Each advance may occur during the Term of the IHT Line of Credit will be used for acquisition of one or more Properties approved in advance in writing by LENDER.

(b) Advances under the IHT Line of Credit will be made by LENDER within seven (7) business days after receipt by LENDER from IHT of all information, documents and materials requested by LENDER or required by any applicable Loan Agreement or Note in response to requisitions for Advances by IHT.

7. Other Loans.

(a) IHT may enter into loan agreements with one or more other lenders for construction and permanent financing of low and moderate housing (“Improvements”) on Properties for the Purpose (“Other Loans”).

(b) The IHT Line of Credit and Advances will be general obligations of IHT and will not be secured.

8. Payments. The Principal and Interest of Advances will be due as follows:

(a) All Principal and any accrued and unpaid Interest from any and all Advances will be subject to acceleration and payment at the option of LENDER in the event IHT is in breach of any payment obligation and/or negative covenant under the IHT Line of Credit Loan Agreement and/or IHT Line of Credit Note.

(b) All Principal and accrued and unpaid Interest from Advances relating to any Property will become due at the earlier of (i) the end of the Term or (ii) 15 days after IHT’s receipt of funds from public grants and/or private charitable contributions for the development of such Property sufficient to make such payment, provided that any or all such payments under this this Section 8(b)(ii) may be deferred if, by mutual written agreement of IHT and LENDER, making such payment would materially undermine the Purpose.

9. Revolving line.

(a) Any amounts repayed per Section 8(b)(ii) shall be available for additional Advance(s) until the expiration of the Term.

DOCUMENTS:

After approval of this Term Sheet by IHT and LENDER, IHT will prepare the documents mutually determined by IHT and LENDER as necessary to enter into the transactions contemplated by this Term Sheet including initially a mutually acceptable IHT Line of Credit Loan Agreement and IHT Line of Credit Note. It is anticipated by both parties that the IHT Line of Credit will be documented and available for Advance within 21 days from acceptance of this Term Sheet.