



City of Chicago



O2016-5466

Office of the City Clerk

Document Tracking Sheet

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| Meeting Date: | 6/22/2016 |
| Sponsor(s): | Emanuel (Mayor) |
| Type: | Ordinance |
| Title: | Issuance of notes and amendment to Neighborhood Stabilization Funds for Rosenwald Courts |
| Committee(s) Assignment: | Committee on Finance |

ORDINANCE

WHEREAS, by virtue of Section 6(a) of Article VII of the 1970 Constitution of the State of Illinois, the City of Chicago (the "**City**") is a home rule unit of local government and as such may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, as a home rule unit and pursuant to the Constitution, the City is authorized and empowered to issue multi-family housing revenue obligations for the purpose of financing the cost of the acquisition, construction, rehabilitation, development, and equipping an affordable multi-family housing facility for low- and moderate-income families located in the City ("**Multi-Family Housing Financing**"); and

WHEREAS, by an ordinance adopted by the City Council of the City (the "**City Council**") on October 16, 2013 and published at pages 60985 through 61086 in the Journal of Proceedings of the City Council (the "**Journal**") of such date (the "**2013 Ordinance**"), the City Council previously determined that it was necessary and in the best interests of the City to provide not to exceed Fifty-Eight Million Six Hundred Thousand Dollars (\$58,600,000) in Multi-Family Housing Financing (the "**Series 2013 Financing**"), together with certain other funding, to Rosenwald Courts Apartments, LP, an Illinois limited partnership (the "**Borrower**"), the general partner of which is Rosenwald Courts GP, LLC, an Illinois limited liability company (the "**General Partner**"), the managing member of which is GB Rosenwald, LLC, an Illinois limited liability company (the "**Managing Member**"), to enable it to pay or reimburse a portion of the costs of the "residential project" (as described and defined in the following paragraph) within a building which is located at 4600 South Michigan Avenue (the "**Facility**") on certain real property (the "**Facility Property**"), and certain adjacent parcels located at 4638-4652 South Wabash Avenue, 4608 South Wabash Avenue and 4601, 4609 and 4611 South Michigan Avenue (the "**Adjacent Property**," and together with the Facility Property, the "**Property**"), and to pay a portion of the costs of such financing; and

WHEREAS, the "residential project" consists of the acquisition, construction, rehabilitation, development, and equipping of certain portions of the Property, which will consist of approximately 239 rental units, including 225 affordable units (the "**Affordable Units**") and 14 unrestricted units (the "**Unrestricted Units**" and, together with the Affordable Units, the "**Units**"), community service facilities and related common areas within the Facility, along with 2 whole parking lot facilities and a portion of one parking lot facility to be constructed on a portion of the Adjacent Property to serve the residential portion of the Facility (collectively, the "**Residential Project**"); and

WHEREAS, by the 2013 Ordinance, the City Council also previously determined that it was necessary and in the best interests of the City to provide certain funding, as provided herein, for a "retail project" consisting of the acquisition, construction, rehabilitation, development, and equipping of portions of the Property, which will consist of certain commercial and retail space and related common areas within the Facility, along with a portion of one parking lot facility to be constructed on a portion of the Adjacent Property to serve the retail portion of the Facility (the "**Retail Project**" and collectively with the Residential Project, the "**Project**"); and

WHEREAS, the Borrower has requested additional Multi-Family Housing Financing from the City to enable it to pay or reimburse a portion of the costs of the Residential Project which have increased since the closing of the Series 2013 Financing; and

WHEREAS, by this Ordinance, the City Council has determined that it is necessary and in the best interests of the City to enter into a (i) bond and loan agreement (the "**Series 2016A Bond and Loan Agreement**") with the Borrower and Bank Orion, an Illinois banking corporation (the "**Series 2016A Purchaser**"), pursuant to which the City will issue and sell its not to exceed Two Million Five Hundred Thousand Dollars (\$2,500,000) Multifamily Mortgage Revenue Note, Series 2016A (Rosenwald Courts) (the "**Series 2016A Note**") and loan the proceeds thereof to the Borrower, and (ii) bond and loan agreement (the "**Series 2016B Bond and Loan Agreement**" and, together with the Series 2016A Bond and Loan Agreement, the "**Bond and Loan Agreements**") with the Borrower and one or more of (a) R&R Capital Funding, LLC, (b) any affiliate of R&R Capital Funding, LLC, (c) George Sollitt Construction Company, (d) Powers and Sons Construction Company, Incorporated, (e) Brown & Momen Incorporated or (f) The George Sollitt Construction Company/Powers & Sons/Brown & Momen Joint Venture (the "**Series 2016B Purchaser**"), pursuant to which the City will issue and sell its not to exceed Four Million Five Hundred Thousand Dollars (\$4,500,000) Multifamily Mortgage Revenue Note, Series 2016B (Rosenwald Courts) (the "**Series 2016B Note**" and, together with the Series 2016A Note, the "**Notes**") and loan the proceeds thereof to the Borrower in order to finance a portion of the cost of the Residential Project in return for loan payments sufficient to pay, when due, the principal of, prepayment premium, if any, and interest on the Notes; and

WHEREAS, the principal of, prepayment premium, if any, and interest payable on the Series 2016A Note will be secured by, among other things, a mortgage on the Residential Project and certain other related collateral (the "**Series 2016A Mortgage**"), and by pledges and/or assignments of certain funds, personal property, and contractual rights of the Borrower and its affiliates, provided such Series 2016A Mortgage will be junior to the mortgage on the Residential Project and certain other related collateral securing the Series 2013 Financing until the Borrower has repaid the Series 2013 Financing in full; and

WHEREAS, the Bond and Loan Agreements and the Notes and the obligation to pay interest thereon do not now and shall never constitute an indebtedness of or an obligation of the City, the State of Illinois or any political subdivision thereof, within the purview of any Constitutional limitation or statutory provision, or a charge against the general credit or taxing powers of any of them. No party to the Bond and Loan Agreements or holder of the Notes shall have the right to compel the taxing power of the City, the State of Illinois or any political subdivision thereof to pay any principal installment of, prepayment premium, if any, or interest on the Notes or obligations under the Bond and Loan Agreements; and

WHEREAS, in connection with the execution and delivery of the Bond and Loan Agreements and the Notes, the City Council has determined by this Ordinance that it is necessary and in the best interests of the City to enter into (i) the Bond and Loan Agreements, and (ii) one or more Tax Regulatory Agreements and/or tax certificates (each, a "**Tax Agreement**" and collectively, the "**Tax Agreements**") between the City and the Borrower; and

WHEREAS, the Residential Project is currently subject to that certain First Amended and Restated Land Use Restriction Agreement, dated as of December 1, 2014, between the City and the Borrower, which was recorded in the office of the Cook County Recorder of Deeds (the "**Recorder's Office**") on December 31, 2014, as Document No. 1436501089 (the "**First Amended and Restated Land Use Restriction Agreement**"); and

WHEREAS, pursuant to an ordinance enacted by the City Council on October 31, 2012 and published in the Journal for such dates at pages 36553 through 36555, on January 28, 2013 (the "**NSP Closing Date**"), the City and the Borrower entered into a certain redevelopment

agreement dated as of the Closing Date and recorded in the Recorder's Office on January 29, 2013 (the "**NSP Recording Date**") as Document No. 1302931068 (the "**NSP Redevelopment Agreement**"), pursuant to which the City made a loan of federal Neighborhood Stabilization Program funds to the Borrower in the principal amount of \$5,000,000 (the "**NSP Acquisition Loan**") for the acquisition of the Facility Property; and

WHEREAS, the NSP Acquisition Loan is evidenced by a certain note dated as of the NSP Closing Date (the "**NSP Note**"), in the amount of \$5,000,000 executed by the Borrower in favor of the City, which is secured by: (i) a mortgage, dated as of the NSP Closing Date, executed by the Borrower in favor of the City and recorded in the Recorder's Office on the NSP Recording Date as Document No. 1302931069, and which encumbers the Facility Property (the "**NSP Mortgage**"), (ii) an assignment of rents and leases (the "**NSP Assignment of Rents**") dated as of the NSP Closing Date, executed by the Borrower in favor of the City and recorded in the Recorder's Office on the NSP Recording Date as Document No. 1302931070, and which encumbers the Facility Property, (iii) an assignment of contracts and documents, dated as of the NSP Closing Date and executed by the Borrower in favor of the City (the "**NSP Assignment of Contracts**"), and (iv) other agreements under which the City was granted a lien or security interest to secure the payment and performance by the Borrower of the NSP Note (the NSP Redevelopment Agreement, the NSP Note, the NSP Mortgage, the NSP Assignment of Rents, the NSP Assignment of Contracts and any other agreements under which the City was granted a lien or security interest to secure the payment and performance by the Borrower of the NSP Note shall be known collectively herein as the "**NSP Loan Documents**," including that certain regulatory agreement, dated as of the NSP Closing Date, executed by the City and the Borrower and recorded in the Recorder's Office on the NSP Recording Date as Document No. 1302931067, and which encumbers the Facility Property (the "**NSP Regulatory Agreement**"); and

WHEREAS, pursuant to the 2013 Ordinance, the NSP Acquisition Loan was restructured and the NSP Loan Documents were amended pursuant to that certain: (1) First Amendment to Loan Documents dated as of December 1, 2013 executed by the City and the Borrower and recorded in the Recorder's Office on December 13, 2013 as Document No. 1334716060 and (2) Second Amendment to Loan Documents dated as of December 1, 2014, executed by the City and the Borrower and recorded in the Recorder's Office on December 31, 2014 as Document No. 1436501077; and

WHEREAS, the Borrower has requested that the City further restructure the NSP Acquisition Loan (the "**Second NSP Loan Restructuring**") in a manner which (1) will increase the principal amount of the NSP Acquisition Loan from \$5,000,000 to \$8,500,000 (such additional funds may be derived from a variety of funding sources ("Multi-Family Program Funds") which the City may use to make loans and grants for the development of multi-family residential housing to increase the number of families served with decent, safe, sanitary and affordable housing and to expand the long-term supply of affordable housing), (2) will not alter the interest rate on the principal balance of the NSP Acquisition Loan, (3) will not extend the maturity date of the NSP Acquisition Loan, (4) may alter the repayment terms of the NSP Acquisition Loan, (5) will subordinate the NSP Mortgage and the NSP Assignment of Rents to the Series 2016A Mortgage and confirm that the NSP Mortgage and other NSP Loan Documents remain subordinate to the mortgage and loan documents evidencing and securing the Series 2013 Financing, (6) expand the purpose of the NSP Acquisition Loan from the acquisition of the Facility Property to include the construction of the Residential Project, and (7) may otherwise restructure the NSP Acquisition Loan, all in substantial accordance with the terms described above (the "**Second NSP Loan Restructuring Material Terms**") and as may otherwise be required to conform the terms of the NSP Acquisition Loan to the other

transactions hereby authorized; now therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO, AS FOLLOWS:

Section 1. Incorporation of Recitals. The recitals contained in the preambles to this Ordinance are hereby incorporated into this Ordinance by this reference. All capitalized terms used in this Ordinance, unless otherwise defined herein, shall have the meanings ascribed thereto in the Bond and Loan Agreements [and the Redevelopment Agreement].

Section 2. Findings and Determinations. The City Council hereby finds and determines that the delegations of authority that are contained in this Ordinance, including the authority to make the specific determinations described herein, are necessary and desirable because the City Council cannot itself as advantageously, expeditiously or conveniently exercise such authority and make such specific determinations. Thus, authority is granted to the Authorized Officer (as defined in **Section 3**) to establish the terms of the Bond and Loan Agreements and related Notes on such terms as and to the extent such officer determines that such terms are desirable and in the best financial interest of the City. Any such designation and determination by an Authorized Officer shall be signed in writing by such Authorized Officer and filed with the City Clerk and shall remain in full force and effect for all purposes of this Ordinance unless and until revoked, such revocation to be signed in writing by an Authorized Officer and filed with the City Clerk.

Section 3. Authorization of the Bond and Loan Agreements, the Notes and Related Agreements. The execution and delivery of the (i) Series 2016A Bond and Loan Agreement and the Series 2016A Note in an aggregate principal amount not to exceed Two Million Five Hundred Thousand Dollars (\$2,500,000) and (ii) Series 2016B Bond and Loan Agreement and the Series 2016B Note in an aggregate principal amount not to exceed Four Million Five Hundred Thousand Dollars (\$4,500,000) is hereby authorized. The Bond and Loan Agreements and the Notes shall contain a provision that they are executed and delivered under authority of this Ordinance. The maximum term of the Series 2016A Note shall not exceed 30 years from the date of execution and delivery of the Series 2016A Note. The maximum term of the Series 2016B Note shall not exceed 40 years from the date of execution and delivery of the Series 2016B Note. The Series 2016A Note shall bear interest at a rate or rates as provided in the Series 2016A Bond and Loan Agreement (which shall not exceed the lesser of 12% or the maximum rate of interest allowable under state law) and shall be as determined by the Authorized Officer and shall be payable on the payment dates as set forth in the Series 2016A Bond and Loan Agreement. The Series 2016B Note shall bear interest at a rate or rates as provided in the Series 2016B Bond and Loan Agreement (which shall not exceed the lesser of 12% or the maximum rate of interest allowable under state law) and shall be as determined by the Authorized Officer and shall be payable on the payment dates as set forth in the Series 2016B Bond and Loan Agreement. The Series 2016A Note shall be dated, shall be subject to prepayment, shall be payable in such places and in such manner and shall have such other details and provisions as prescribed by the Series 2016A Bond and Loan Agreement and the 2016A Note therein and as set forth in the Bond Notification. The Series 2016B Note shall be dated, shall be subject to prepayment, shall be payable in such places and in such manner and shall have such other details and provisions as prescribed by the Series 2016B Bond and Loan Agreement and the 2016B Note therein and as set forth in the Bond Notification. The provisions for execution, signatures, payment and prepayment, with respect to the Series 2016A Bond and Loan Agreement and the Series 2016A Note shall be as set forth in the Series 2016A Bond and Loan Agreement and the form of the Series 2016A Note therein. The provisions for execution,

signatures, payment and prepayment, with respect to the Series 2016B Bond and Loan Agreement and the Series 2016B Note shall be as set forth in the Series 2016B Bond and Loan Agreement and the form of the Series 2016B Note therein.

Each of (i) the Mayor of the City (the "**Mayor**"), the (ii) Chief Financial Officer of the City (as defined below) or (iii) any other officer designated in writing by the Mayor (the Mayor, the Chief Financial Officer or any such other officer being referred to as an "**Authorized Officer**") is hereby authorized to execute by their manual or, in the case of the Notes, manual or facsimile signature, and to deliver on behalf of the City, and the City Clerk and the Deputy City Clerk are hereby authorized to attest by their manual or, in the case of the Notes, manual or facsimile signature, the (i) Series 2016A Bond and Loan Agreement and the Series 2016A Note, in substantially the form attached hereto as **Exhibit A** and made a part hereof and hereby approved, with such changes therein as shall be approved by the Authorized Officer executing the same, with such execution to constitute conclusive evidence of such officer's approval and the City Council's approval of any changes or revisions from the form of the Series 2016A Bond and Loan Agreement and Series 2016A Note therein attached to this Ordinance and reflecting the terms as determined in the Bond Notification and (ii) Series 2016B Bond and Loan Agreement and the Series 2016B Note, in substantially the form attached hereto as **Exhibit B** and made a part hereof and hereby approved, with such changes therein as shall be approved by the Authorized Officer executing the same, with such execution to constitute conclusive evidence of such officer's approval and the City Council's approval of any changes or revisions from the form of the Series 2016B Bond and Loan Agreement and Series 2016B Note therein attached to this Ordinance and reflecting the terms as determined in the Bond Notification.

As used herein, the term "**Chief Financial Officer**" shall mean the Chief Financial Officer of the City appointed by the Mayor, or, if there is no such officer then holding said office, the City Comptroller.

Each Authorized Officer is hereby authorized to act as an authorized City representative (each an "**Authorized City Representative**") of the City for the purposes provided in the Bond and Loan Agreements.

An Authorized Officer is hereby authorized to execute and deliver and the City Clerk and the Deputy City Clerk are hereby authorized to attest the Tax Agreements on behalf of the City, in substantially the forms of such documents used in previous tax-exempt Multi-Family Housing Financings (with appropriate revisions to reflect the terms and provisions of the Bond and Loan Agreements and the Notes and the applicable provisions of the Internal Revenue Code of 1986, as amended (the "**Code**"), and the regulations promulgated thereunder), and with such other revisions in text as the Authorized Officer executing the same shall determine are necessary or desirable in connection with the exclusion from gross income for federal income tax purposes of interest on the Notes. The execution of the Tax Agreements by the Authorized Officer shall be deemed conclusive evidence of the approval of the City Council to the terms provided in the Tax Agreements.

Section 4. Security for the Bond and Loan Agreements and the Notes. The obligations of the City under the Series 2016A Bond and Loan Agreement and the Series 2016A Note shall be limited obligations of the City, payable solely from and/or secured by a pledge of the following security (other than certain Unassigned Rights of the City):

(a) all right, title and interest of the City in, to and under the Series 2016A Bond and Loan Agreement and the Series 2016A Note, including, without limitation, all

rents, revenues and receipts derived by the City from the Borrower relating to the Residential Project and including, without limitation, all Pledged Revenues derived by the City under and pursuant to, and subject to the provisions of, the Series 2016A Bond and Loan Agreement;

(b) any and all moneys and investments from time to time on deposit in, or forming a part of, all funds and accounts created and held under the Series 2016A Bond and Loan Agreement, subject to the provisions of the Series 2016A Bond and Loan Agreement permitting the application thereof for the purposes and on the terms and conditions set forth therein; and

(c) any and all other real or personal property of every kind and nature or description, which may from time to time hereafter, by delivery or by writing of any kind, be subjected to the lien of the Series 2016A Bond and Loan Agreement as additional security by the City or anyone on its part or with its consent, or which pursuant to any of the provisions of the Series 2016A Bond and Loan Agreement may come into the possession or control of the Series 2016A Purchaser or a receiver appointed pursuant to the Series 2016A Bond and Loan Agreement.

In order to secure the payment of the principal of, prepayment premium, if any, and interest on the Series 2016A Note, such rights, proceeds and investment income are hereby pledged to the extent and for the purposes as provided in the Series 2016A Bond and Loan Agreement and are hereby appropriated for the purposes set forth in the Series 2016A Bond and Loan Agreement. Nothing contained in this Ordinance shall limit or restrict the subordination of the pledge of such rights, proceeds and investment income as set forth in the Series 2016A Bond and Loan Agreement to the payment of any other obligations of the City enjoying a lien or claim on such rights, proceeds and investment income as of the date of execution and delivery of the Series 2016A Bond and Loan Agreement and the Series 2016A Note, including, without limitation, the Series 2013 Financing, all as shall be determined by the Authorized Officer at the time of the execution and delivery of the Series 2016A Bond and Loan Agreement and the Series 2016A Note. The Series 2016A Bond and Loan Agreement shall set forth such covenants with respect to the application of such rights, proceeds and investment income as shall be deemed necessary by the Authorized Officer in connection with the execution and delivery of the Series 2016A Bond and Loan Agreement and the Series 2016A Note.

The obligations of the City under the Series 2016B Bond and Loan Agreement and the Series 2016B Note shall be limited obligations of the City, payable solely from and/or secured by a pledge of the following security (other than certain Unassigned Rights of the City):

(a) all right, title and interest of the City in, to and under the Series 2016B Bond and Loan Agreement and the Series 2016B Note, including, without limitation, all rents, revenues and receipts derived by the City from the Borrower relating to the Residential Project and including, without limitation, all Pledged Revenues derived by the City under and pursuant to, and subject to the provisions of, the Series 2016B Bond and Loan Agreement;

(b) any and all moneys and investments from time to time on deposit in, or forming a part of, all funds and accounts created and held under the Series 2016B Bond and Loan Agreement, subject to the provisions of the Series 2016B Bond and Loan Agreement permitting the application thereof for the purposes and on the terms and conditions set forth therein; and

(c) any and all other real or personal property of every kind and nature or description, which may from time to time hereafter, by delivery or by writing of any kind, be subjected to the lien of the Series 2016B Bond and Loan Agreement as additional security by the City or anyone on its part or with its consent, or which pursuant to any of the provisions of the Series 2016B Bond and Loan Agreement may come into the possession or control of the Series 2016B Purchaser or a receiver appointed pursuant to the Series 2016B Bond and Loan Agreement.

In order to secure the payment of the principal of, prepayment premium, if any, and interest on the Series 2016B Note, such rights, proceeds and investment income are hereby pledged to the extent and for the purposes as provided in the Series 2016B Bond and Loan Agreement and are hereby appropriated for the purposes set forth in the Series 2016B Bond and Loan Agreement. Nothing contained in this Ordinance shall limit or restrict the subordination of the pledge of such rights, proceeds and investment income as set forth in the Series 2016B Bond and Loan Agreement to the payment of any other obligations of the City enjoying a lien or claim on such rights, proceeds and investment income as of the date of execution and delivery of the Series 2016B Bond and Loan Agreement and the Series 2016B Note, including, without limitation, the Series 2013 Financing, all as shall be determined by the Authorized Officer at the time of the execution and delivery of the Series 2016B Bond and Loan Agreement and the Series 2016B Note. The Series 2016B Bond and Loan Agreement shall set forth such covenants with respect to the application of such rights, proceeds and investment income as shall be deemed necessary by the Authorized Officer in connection with the execution and delivery of the Series 2016B Bond and Loan Agreement and the Series 2016B Note. Any mortgage or other lien securing the repayment of the 2016B Note shall be subordinate to the NSP Mortgage.

Section 5. Delivery of the Bond and Loan Agreements and the Notes. It has been determined that the (i) Series 2016A Purchaser shall hold the Series 2016A Note, subject to the terms and conditions of a "sophisticated investor" letter (the "Investor Letter") which shall be delivered to the City by the Series 2016A Purchaser and (ii) Series 2016B Purchaser shall hold the Series 2016B Note, subject to the terms and conditions of an Investor Letter which shall be delivered to the City by the Series 2016B Purchaser. Any subsequent purchaser approved by the Authorized Officer, to the extent required under the Bond and Loan Agreements, may succeed the Series 2016A Purchaser and the Series 2016B Purchaser, as applicable, as the registered holder of the applicable Note, but only if such subsequent purchaser executes and delivers to the City an Investor Letter, substantially in the form of the Investor Letter set forth in the Bond and Loan Agreements. The aggregate costs of origination of the loans paid from the proceeds of the Notes shall not exceed two percent (2%) of the aggregate principal amount of the Notes.

Section 6. Notification of Sale. Subsequent to the execution and delivery of any Bond and Loan Agreements and the Notes, the Authorized Officer shall file in the Office of the City Clerk a Notification of Sale for each Bond and Loan Agreement and the Note directed to the City Council setting forth (i) the aggregate original principal amount of, payment schedule, prepayment provisions for the applicable Note, (ii) the extent of any tender rights to be granted to the holder of the applicable Note, (iii) the interest rate on the applicable Note, (v) the origination fee or other compensation paid to the Series 2016A Purchaser and the Series 2016B Purchaser in connection with the issuance of the Notes, (vi) any other matter authorized by this Ordinance to be determined by an Authorized Officer at the time of the execution and delivery of the Bond and Loan Agreements and the Notes. There shall be attached to such notification the final form of the Bond and Loan Agreements and a specimen of each Note.

Section 7. Use of Proceeds. The proceeds from the loans to the Borrower (as evidenced by the Notes) shall be deposited as provided in the Bond and Loan Agreements and used for the Residential Project.

Section 8. Volume Cap. The Bond and Loan Agreements and the Notes are obligations taken into account under Section 146 of the Code in the allocation of the City's volume cap.

Section 9. Second NSP Loan Restructuring. Upon the issuances of the Notes, the Commissioner of the Department of Planning and Development ("DPD") or a designee thereof (such Commissioner or designee, the "Authorized DPD Officer") is hereby authorized, subject to approval by the Corporation Counsel, to enter into and execute such agreements and instruments, and perform any and all acts as shall be necessary or advisable in connection with the Second NSP Loan Restructuring. The Authorized DPD Officer is hereby authorized, subject to the approval of the Corporation Counsel, to negotiate any and all terms and provisions in connection with the Second NSP Loan Restructuring. The Authorized DPD Officer is hereby further authorized, subject to approval by the Corporation Counsel, to enter and execute such agreements and instruments and perform any and all acts as shall be necessary or advisable, and to negotiate any and all terms and provisions in connection with any future restructuring of the NSP Loan which does not substantially modify the Second NSP Loan Restructuring Material Terms.

Section 10. Additional Authorization. Each Authorized Officer, the City Treasurer, and the Authorized DPD Officer, are each hereby authorized to execute and deliver and the City Clerk and the Deputy City Clerk are each hereby authorized to execute and deliver, such other documents and agreements, including, without limitation, any documents necessary to evidence the receipt or assignment of any collateral for the Bond and Loan Agreements and the related Notes, and perform such other acts as may be necessary or desirable in connection with the City Agreements (as defined in **Section 13** hereof), including, but not limited to, the exercise following the delivery date of the City Agreements of any power or authority delegated to such official under this Ordinance with respect to the City Agreements upon original execution and delivery, but subject to any limitations on or restrictions of such power or authority as herein set forth. In particular, but not by way of limitation, the Authorized DPD Officer is authorized, upon issuance of the Notes, to enter into amendments to any and all documents which the City entered into pursuant to the 2013 Ordinance or otherwise in connection with the Series 2013 Financing, including but not limited to the following: 1) First Amended and Restated Rosenwald Courts TIF Redevelopment Agreement dated as of December 1, 2014 and recorded in the Recorder's Office on December 13, 2014 as Document No. 1436501070; (2) First Amended and Restated Donation Tax Credit Agreement dated as of December 1, 2014 and recorded in the Recorder's office on December 31, 2014 as Document Number 1436501072; and (3) First Amended and Restated Low-Income Housing Tax Credit Regulatory Agreement dated as of December 1, 2014 and recorded in the Recorder's Office on December 31, 2014 as Document Number 1436501071; the purpose of the foregoing amendments shall be to reflect the issuance of the Notes and/or the Second NSP Loan Restructuring.

Section 11. Severability. If any provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Ordinance.

Section 12. Administrative Fee. DPD is hereby authorized to charge an administrative fee or fees in connection with the delivery and administration of the Bond and

Loan Agreements and the Notes, which shall be collected under such terms and conditions as determined by the Authorized DPD Officer and which shall be in an amount as determined by the Authorized DPD Officer but not to exceed the maximum amount permitted under Section 148 of the Code to avoid characterization of the Bond and Loan Agreements and the Notes as "arbitrage bonds" as defined in such Section 148. Such administrative fee or fees shall be used by DPD for administrative expenses and other housing activities. Initially, such administrative fee or fees shall be an amount equal to 1.5% of the original principal amount of the Notes payable upon issuance of the Notes.

The City's legal reserve fee with respect to the Project, payable upon issuance of the Notes from the proceeds of the Notes or from funds contributed by the Borrower, shall be 0.10% of the original principal amount of the Notes. Such fee shall be used by the City to pay legal costs or other expenses in connection with the Project, the Notes, or other City issuances.

Section 13. No Recourse. No recourse shall be had for the payment of the principal of, prepayment premium, if any, or interest on the Notes or for any claim based thereon or upon any obligation, covenant or agreement contained in this Ordinance, the Bond and Loan Agreements, the Notes, the First Amended and Restated Land Use Restriction Agreement, the Tax Agreements, or any other agreements required to implement the Second NSP Loan Restructuring Material Terms (collectively, the "**City Agreements**") against any past, present or future officer, member or employee of the City, or any officer, employee, director or trustee of any successor, as such, either directly or through the City, or any such successor, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such member, officer, employee, director or trustee as such is hereby expressly waived and released as a condition of and consideration for the execution of the City Agreements.

Section 14. No Impairment. To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code, or part thereof, is in conflict with the provisions of this Ordinance, the provisions of this Ordinance shall be controlling. No provision of the Municipal Code or violation of any provision of the Municipal Code shall be deemed to render voidable at the option of the City any document, instrument or agreement authorized hereunder or to impair the validity of this Ordinance or the instruments authorized by this Ordinance or to impair the rights of the holders of the Notes to receive payment of the principal of, prepayment premium, if any, or interest on the Notes or to impair the security for the Bond and Loan Agreements and the Notes; provided further that the foregoing shall not be deemed to affect the availability of any other remedy or penalty for any violation of any provision of the Municipal Code. Section 2-45-110 of the Municipal Code shall not apply to the Project.

Section 15. Effective Date. This Ordinance shall be in full force and effect immediately upon its passage and approval.

Ordinance Exhibit A

Form of Series 2016A Bond and Loan Agreement

See Attached.

BOND AND LOAN AGREEMENT

dated as of _____, 2016

among

THE CITY OF CHICAGO, ILLINOIS,

ROSENWALD COURTS APARTMENTS, LP

and

BANK ORION

\$2,500,000
City of Chicago, Illinois
Multifamily Mortgage Revenue Note
Series 2016A (Rosenwald Courts)

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BOND AND LOAN AGREEMENT dated as of _____, 2016 (the "**Agreement**"), among the CITY OF CHICAGO, ILLINOIS, a municipality and home rule unit of government duly organized and validly existing under the Constitution and the laws of the State of Illinois (the "**City**"), BANK ORION, an Illinois banking corporation (the "**Purchaser**"), and ROSENWALD COURTS APARTMENTS, LP, an Illinois limited partnership (the "**Borrower**").

Pursuant to Article VII, Section 6 of the 1970 Constitution of the State of Illinois, and pursuant to the hereinafter defined Ordinance of the City, the City is authorized to exercise any power and perform any function pertaining to its government and affairs, including the power to issue its revenue bonds in order to aid in providing an adequate supply of residential housing for low and moderate income persons or families within the City of Chicago, including financing the costs of the Project (as hereinafter defined) which constitutes a valid public purpose for the issuance of revenue bonds by the City.

The City has previously issued its Multifamily Mortgage Revenue Note, Series 2013 (Rosenwald Courts), in the principal amount of not to exceed \$58,600,000 (the "**Series 2013 Note**") pursuant to a Funding Loan Agreement (the "**Funding Loan Agreement**") dated as of December 1, 2013, among the City and Citibank, N.A., as Funding Lender and Noteholder (the "**Funding Lender**" and the "**Noteholder**"), in order to loan the proceeds of the Series 2013 Note to the Borrower to be used for the purpose of financing costs of the acquisition, construction, rehabilitation, development, and equipping of a multifamily residential project located in the City of Chicago, Cook County, Illinois, known or to be known as Rosenwald Courts and consisting of approximately 239 rental units, including approximately 225 affordable units and approximately 14 unrestricted units, community service facilities and related common areas along with 2 dedicated parking lot facilities and 1 shared parking lot facility (collectively, the "**Project**").

The Borrower has requested additional financing from the City to enable it to pay or reimburse a portion of the costs of the Project which have increased since the issuance of the Series 2013 Note.

The City proposes to issue its \$2,500,000 Multifamily Mortgage Revenue Note, Series 2016A (Rosenwald Courts) (the "**Series 2016A Note**") and its \$4,500,000 Multifamily Mortgage Revenue Note, Series 2016B (Rosenwald Courts) (the "**Series 2016B Note**"), in order to loan the proceeds of the Series 2016A Note and the Series 2016B Note to the Borrower. The Series 2016A Note proceeds will be loaned to the Borrower pursuant to this Agreement. The proceeds of the Series 2016B Note proceeds will be loaned to the Borrower pursuant to that certain Bond and Loan Agreement, dated as of _____, 2016, among the City, the Borrower and [The George Sollitt Construction Company/Powers & Sons/Brown & Momen Joint Venture].

The proceeds of the Series 2016A Note, together with other funds, may also be used to pay costs of issuance of the Series 2016A Note.

Accordingly, the City, the Borrower and the Purchaser hereby agree as follows:

ARTICLE I

DEFINITIONS

For all purposes of this Agreement, unless the context clearly requires otherwise, the following terms shall have the following meanings.

"Act of Bankruptcy" means the filing of a petition in bankruptcy (or other commencement of a bankruptcy, insolvency or similar proceeding) by or against the Borrower under any applicable bankruptcy, insolvency, reorganization or similar law, as now or hereafter in effect.

"Agreement" means this Bond and Loan Agreement, as amended or supplemented from time to time in accordance with its terms.

"Authorized Borrower Representative" means person(s) at the time designated by the Borrower to act on behalf of the Borrower pursuant to a written instrument filed with the City and the Purchaser containing the specimen signature of such person(s). Such instrument may designate an alternate or alternates.

"Authorized Officer" means (a) the Mayor, the City Comptroller and the Chief Financial Officer of the City or any other official of the City so designated by a Certificate signed by the Mayor or the Chief Financial Officer and (b) the City Clerk or Deputy City Clerk with respect to the certification of any ordinance or resolution of the City Council or any other document filed in his or her office.

"Bond Counsel" means any designated firm of attorneys of nationally recognized expertise with respect to the tax-exempt obligations of political subdivisions, selected by the City.

"Borrower" means Rosenwald Courts Apartments, LP, an Illinois limited partnership, and its successors and assigns, and any surviving, resulting or transferee entity as provided in Section 5.5 and/or 7.1 of this Agreement.

"Borrower Documents" mean collectively, this Agreement, the Borrower Note, the Mortgage, the Tax Certificate, the Land Use Restriction Agreement and any other agreement or instrument relating thereto.

"Borrower Note" means the Promissory Note of the Borrower in the form attached as Exhibit E hereto.

"Business Day" means any day other than a Saturday, a Sunday, legal holiday or a day on which banks located (a) in Chicago, Illinois, or (b) in the city of the Purchaser's principal office is located, and shall also exclude any day on which the offices of the City are required or authorized to remain closed.

"Closing Date" means _____, 2016, the date of initial issuance and delivery of the Series 2016A Note to the Purchaser.

"Code" means the Internal Revenue Code of 1986, as amended, and any applicable and lawful regulations promulgated or proposed under it, as the same presently exist or may from time to time be amended, supplemented or revised.

"Event of Default" is defined in Section 8.1 of this Agreement.

"Escrow Agreement" means the [Escrow and Disbursement Agreement, dated as of December 1, 2014, by and between the City, the Borrower, Title Company, Citibank, N.A., and the Chicago Housing Authority, as amended from time to time] [Amended and Restated Escrow and Disbursement Agreement, dated as of _____, 2016, by and between the City, the Borrower, Title Company, Citibank, N.A., the Chicago Housing Authority, and [Purchasers]. as amended from time to time.

"Governmental Authority" means any nation or government, any state, department, agency or other political subdivision thereof, and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any government, and any corporation or other entity owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing.

"Investor Limited Partner" means USA Rosenwald Courts LLC, a Delaware limited liability company, and its successors and assigns.

"Land Use Restriction Agreement" means the First Amended and Restated Land Use Restriction Agreement dated as of December 1, 2014, between the City and the Borrower.

"Mortgage" means that certain Multifamily Mortgage, Assignment of Rents, Security Agreement, dated as of _____, 2016 and assigned to the Purchaser to secure the Series 2016A Note, encumbering the Project, the proceeds of which will be loaned to the Borrower pursuant to this Agreement.

"Notice Information" means:

With respect to the City:

City of Chicago
Department of Planning and Development
121 North LaSalle Street, Room 1000
Chicago, IL 60602
Attention: Commissioner

With a copy to:

City of Chicago
Department of Law
Finance and Economic Development Division
121 North LaSalle Street, Room 600

Chicago, IL 60602

With respect to the Purchaser:

Bank Orion
1114 4th St., P.O. Box 9
Orion, Illinois 61273
Attn: Bank President

With respect to the Borrower:

Rosenwald Courts Apartments, LP
Attn: Rosenwald Courts GP, LLC
20 Sandstone Court
LeClaire, Iowa 52753

GB Rosenwald, LLC
Attn: James N. Bergman
20 Sandstone Court
LeClaire, Iowa 52753

Rosenwald LGG, LLC
140 South Dearborn Street, Suite 1500A
Chicago Illinois 60603
Attention: Virginia Pace
Email: virginia@lightengalegroup.com

USA Rosenwald Courts LLC
c/o The Richman Group
340 Pemberwick Road
Greenwich, CT 06831
Attention: Joanne D. Flanagan, Esq.

With a copy to:

JDF, LLC
340 Pemberwick Road
Greenwich, CT 06831
Attention: Elaine Elisseou Serra, Esq.

"Opinion of Counsel" means a written opinion of counsel who is acceptable to the Purchaser. The counsel may be an employee of or counsel to the City or the Borrower.

"Opinion of Bond Counsel" means an Opinion of Counsel experienced in matters relating to the tax exemption of interest on obligations issued by states and their political subdivisions.

"Ordinance" means the Bond Ordinance adopted by the City Council of the City on _____, 2016 authorizing the issuance, sale and delivery of the Series 2016A Note and approving this Agreement.

The term *"outstanding"* when used with reference to the Series 2016A Note, or "Series 2016A Note outstanding" means the originally authenticated Series 2016A Note which is delivered to the Purchaser under this Agreement, except the following:

- (a) A canceled Series 2016A Note.
- (b) A Series 2016A Note in lieu of which another Series 2016A Note has been authenticated under Section 3.5 (relating to a mutilated, lost, stolen or destroyed Note).
- (c) The Series 2016A Note to the extent provision for payment thereof has been made via creation of an irrevocable escrow pursuant to Section 9.9 hereof.

"Person" means an individual, a corporation, a partnership, an association, a trust or any other entity or organization, including a government or political subdivision or any agency or instrumentality thereof.

"Plans and Specifications" mean the plans and specifications for the Project delivered to Purchaser and identified as such, which have been approved by Purchaser, together with such changes and additions as may be approved by Purchaser in writing.

"Potential Default" means an event or condition which, but for the lapse of time or the giving of notice, or both, would constitute an Event of Default.

"Project" means the facilities described in the preamble hereto, the costs of which are to be financed or reimbursed with proceeds of the Series 2016A Note.

"Project Fund" means the Project Fund created pursuant to Section 3.1 hereof.

"Property" means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible, whether now owned or hereafter acquired.

"Purchaser" means the registered owner of the Series 2016A Note, initially Bank Orion, and its successors and assigns.

"Purchaser Letter" means the Sophisticated Investor Letter set forth in Exhibit D hereto.

"Qualified Costs" means that portion of the costs of the Project which are used for purposes consistent with the Tax Certificate and will not cause any of the representations or certifications contained in the Tax Certificate to be untrue or result in a violation of any covenant in the Tax Certificate.

"Qualified Investments" means any of the following obligations or securities, to the extent permitted by law: (i) direct obligations of, or obligations the timely payment of the principal of, and interest on, which are fully and unconditionally guaranteed by the United States of America, which, at the time of investment, are not subject to prepayment or redemption prior to maturity, (ii) certificates of deposit issued by, or bankers' acceptances of, or time deposits with, any bank, trust company or national banking association incorporated, having a branch in or doing business under the laws of the United States of America or one of the states thereof having combined capital and surplus and retained earnings of at least \$100,000,000, (iii) commercial paper of any holding company of a bank, trust company or national banking association described in (ii), (iv) commercial paper of companies incorporated or doing business under the laws of the United States of America or one of the states thereof and in each case having a rating assigned to such commercial paper by a Rating Agency (as defined below) equal to the highest rating assigned by such organization, (v) U.S. dollar-denominated certificates of deposits issued by, or time deposits with, the European subsidiaries of any bank, trust company or national banking association incorporated or doing business under the laws of the United States of America or one of the states thereof having combined capital and surplus and retained earnings of at least \$100,000,000 and in each case having a rating assigned to its senior debt securities by a Rating Agency equal to an investment grade rating assigned by such organization, (vi) repurchase agreements with any bank, broker, dealer or other financial institution having combined capital and surplus and retained earnings of at least \$50,000,000 secured by any of the obligations described in clauses (i) through (v) above, (vii) Tax-Exempt Obligations (as defined in the Tax Certificate) rated in one of the two highest full rating categories by either Rating Agency, (viii) money market funds registered as investment companies under the federal "Investment Company Act of 1940", as amended, whose investment policies include seeking to maintain a constant share price and which invest exclusively in the investments or securities referred to in (i) through (v) above, or (ix) any other investment permitted by the Purchaser.

"Rating Agency" means Moody's Investors Service, Fitch Inc. or S&P Global Ratings, and their successors and assigns.

"Rebate Fund" means the Series 2016A Rebate Fund by that name created pursuant to Section 5.10 hereof.

"Series 2016A Note" or *"Series 2016A Notes"* mean the Series 2016A Note issued pursuant to this Agreement.

"State" means the State of Illinois.

"Tax Certificate" means the Tax Certificate of the Borrower and dated the Closing Date, as supplemented and amended.

"Title Company" means Near North National Title LLC, as agent for Chicago Title Insurance Company.

"Unassigned Rights" means the rights of the City under Sections 3.10, 3.11, 4.4, 5.8, 6.2, 8.6 and 9.2 hereunder and its rights to receive notices hereunder and to consent to amendments hereto.

ARTICLE II

REPRESENTATIONS

Section 2.1 Representations of Issuer. The City represents and warrants as follows:

(a) The City is a municipality and home rule unit of government duly organized and validly existing under the Constitution and laws of the State. The City is authorized to execute and deliver this Agreement and to carry out its obligations hereunder.

(b) It is the City's understanding, based upon certain representations of the Borrower, that the issuance and sale of the Series 2016A Note and the loaning of the proceeds of the Series 2016A Note to the Borrower (which proceeds, along with certain other moneys, will be applied for the benefit of the Borrower) is to provide all or a portion of the moneys required to finance costs of the Project and pay costs relating to the issuance of the Series 2016A Note.

(c) To provide funds to loan to the Borrower for the purposes described in (b) above, the City has authorized its Note in the aggregate principal amount set forth herein to be issued upon the terms set forth in this Agreement, under the provisions of which the City's interest in the payments of principal, premium, if any, interest and other revenues hereunder (other than Unassigned Rights) are pledged and assigned to the Purchaser as security for the payment of the principal of, premium, if any, and interest on the Series 2016A Note. The City covenants that it has not and will not pledge or assign its interest in this Agreement, or the revenue and receipts derived pursuant to this Agreement, excepting Unassigned Rights, other than to the Purchaser under this Agreement to secure the Series 2016A Note.

(d) To the knowledge of the undersigned representatives of the City, neither the execution and delivery of the Series 2016A Note or this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms, conditions or provisions of the Series 2016A Note or this Agreement conflict with or result in a material breach of any of the terms, conditions or provisions of any agreement, instrument, judgment, order, or decree to which the City is now a party or by which it is bound, or constitute a material default under any of the foregoing.

Section 2.2 Representations of Borrower. The Borrower represents and warrants as follows:

(a) The Borrower is a limited partnership duly organized under the laws of the State, is in good standing and duly authorized to conduct its business in this State, is duly authorized and has full power under all applicable laws and its organizational documents to execute and deliver the Borrower Documents.

(b) The execution and delivery of the Borrower Documents on the Borrower's part have been duly authorized by all necessary corporate action, and neither the Borrower's execution and delivery of the Borrower Documents, the Borrower's consummation of the transactions contemplated on its part thereby, nor the Borrower's

fulfillment of or compliance with the terms and conditions thereof, conflicts with or results in a material breach of the partnership agreement of the Borrower or any material agreement or instrument to which the Borrower is now a party or by which it is bound (except for any such breaches for which the Borrower has obtained a waiver or a required consent), or constitutes a material default (or would constitute a material default with due notice or the passage of time or both) under any of the foregoing.

(c) No litigation, proceedings or investigations are pending (for which service of process or notice has been received) or, to the knowledge of the Borrower, threatened against the Borrower seeking to restrain, enjoin or in any way limit the approval or issuance and delivery of the Borrower Documents or which would in any manner challenge or adversely affect the corporate existence or powers of the Borrower to enter into and carry out the transactions described in or contemplated by or the execution, delivery, validity or performance by the Borrower of the Borrower Documents. In addition, no litigation, proceedings or investigations are pending (for which service of process or notice has been received) or, to the knowledge of the Borrower, threatened in writing against the Borrower, except litigation, proceedings or investigations involving claims for which the probable ultimate recoveries and the estimated costs and expenses of defense, in the opinion of management of the Borrower (i) will be entirely within the applicable insurance policy limits (subject to applicable deductibles) or are not in excess of the total of the available assets held under applicable self-insurance programs or (ii) will not have a material adverse effect on the operations or condition, financial or otherwise, of the Borrower.

(d) No Event of Default or event or condition which, but for the lapse of time or the giving of notice, or both, would constitute an Event of Default has occurred and is continuing.

Section 2.3 Representations of Purchaser. The Purchaser represents, warrants and acknowledges as follows:

(a) In purchasing the Series 2016A Note, it is not relying on any representations of the City with respect to the financial quality of the Series 2016A Note. The Purchaser is relying solely on statements and representations of the Borrower and on its own knowledge and investigation of the facts and circumstances relating to the purchase of the Series 2016A Note and hereby waives any claims that it may have against the City with respect to the financial quality of the Series 2016A Note arising out of any action the City has taken or should have taken in the authorization, issuance or sale of the Series 2016A Note or with respect to any statement or representation made by the City in connection with the sale of the Series 2016A Note. Insofar as the financial quality of the Series 2016A Note is dependent solely on the ability of the Borrower to make all payments as and when due under this Agreement, the Purchaser acknowledges and agrees that it has evaluated the creditworthiness of the Borrower and has determined that, as a consequence of that evaluation, in the absence of the Series 2016A Note, the Purchaser would nevertheless be willing to finance costs of the Project through a commercial loan to the Borrower on substantially the same terms and conditions (other than the interest rate on the Series 2016A Note) as set forth in this Agreement.

(b) It intends to treat the purchase of the Series 2016A Note as a commercial loan to the Borrower. The Purchaser also represents and warrants that its business is that of a commercial bank, and as such it is an "accredited investor" within the meaning ascribed to that term under Regulation D, Section 501 through 506 of the Securities Act of 1933, as amended. In connection with its business, the Purchaser holds an extensive portfolio of investments, including tax-exempt obligations similar to the Series 2016A Note, and commercial loans, as well as other types of loans. The Purchaser has knowledge and experience in financial and business matters, including evaluating and purchasing tax-exempt obligations similar to the Series 2016A Note, and is capable of evaluating the merits and risks of making the loan hereunder and purchasing the Series 2016A Note.

(c) The Purchaser has had access to all information relative to the business of the Borrower that it has required in order to purchase the Series 2016A Note and make the loan hereunder.

(d) The City and the Borrower have made available during the course of the transaction and prior to the purchase of the Series 2016A Note, to the Purchaser, the opportunity to ask questions and receive answers from such parties concerning the terms and conditions of the Series 2016A Note offering and to obtain any additional information relative to the financial data and business of such parties, to the extent that such parties possess such information or can acquire it without unreasonable effort or expense.

(e) The Purchaser understands that the Series 2016A Note has not been registered under the Securities Act of 1933, as amended, and that such registration is not legally required. The Purchaser represents that it is purchasing the Series 2016A Note for investment for its own account and not with the present view of transferring the Series 2016A Note or any portion of it in such a manner that would require registration under the Securities Act of 1933, as amended. The Purchaser agrees not to sell or transfer the Series 2016A Note except in compliance with any applicable federal or state securities laws. The Purchaser is not acting in the capacity of a broker dealer or municipal securities underwriter in connection with its purchase of the Series 2016A Note.

(f) The Series 2016A Note may be transferred only in whole, in a single transaction whereby all right, title and interest in and to the Series 2016A Note is transferred to a single transferee and only with the prior written consent of the City and prior written notice to the Borrower. The City agrees not to withhold its consent unreasonably, when provided with reasonable evidence of the following:

(i) that the transferee has been provided copies of the Borrower Documents, all as currently then in effect;

(ii) that the Purchaser's rights under the applicable Borrower Documents have been assigned to the transferee as security for the Series 2016A Note;

(iii) that the transferee has certified as to the representations contained in this Section 2.3 to the City and the Borrower;

(iv) that the transferee has assumed and undertaken all obligations of the Purchaser under this Agreement;

(v) that the transferee has provided a "sophisticated investor" letter to the City and the Borrower, in a form substantially similar to the form attached to this Agreement as **Exhibit D**; and

(vi) that the transferee has been provided copies of any opinions of counsel previously delivered to the Purchaser.

(g) The Purchaser would have purchased the Series 2016A Note regardless of whether or not any other bond of any other Governmental Authority were purchased or issued to finance costs of the Project. The interest rate for the Series 2016A Note was determined independently from the interest rate for any other bond of any other Governmental Authority issued to finance or refinance the Project.

ARTICLE III

ISSUANCE AND SALE OF NOTE; ISSUER COVENANTS

Section 3.1 Agreement to Issue and Sell Note; Application of Note Proceeds. In order to provide funds to finance costs of the Project and pay costs of issuance of the Series 2016A Note, the City agrees that it will issue, sell and cause to be delivered the Series 2016A Note to the Purchaser on the Closing Date. The Purchaser agrees that it will purchase the Series 2016A Note on the Closing Date from the City at a purchase price of 100% of the principal amount thereof payable as provided below. The proceeds received from the sale of the Series 2016A Note shall be paid to the Borrower to be held in a separate trust fund account with the Title Company titled the "City of Chicago – Rosenwald Courts, Series 2016A Project Fund (the "**Project Fund**") to be used for the purposes described in Section 5.4 hereof. The issuance of the Series 2016A Note by the Issuer and the delivery of the Series 2016A Note to the Purchaser shall be deemed a loan by the Issuer in the principal amount of the Series 2016A Note (\$2,500,000) to the Borrower, and the Borrower shall be obligated hereunder to pay amounts sufficient to pay all principal of, premium, if any, and interest on the Series 2016A Note when due. The Purchaser agrees that it will execute and deliver to the City a "sophisticated investor" letter in connection with its purchase of the Series 2016A Note in the form attached to this Agreement as **Exhibit D**. The Borrower's obligation to repay the loan is evidenced by this Agreement and the Borrower's execution and delivery to the City of a promissory note (the "**Borrower Note**") in the form attached to this Agreement as **Exhibit E**.

Section 3.2 Issuance of Note; Form; Dating; Limited Obligation. The Series 2016A Note shall be designated the "City of Chicago – Multifamily Mortgage Revenue Note, Series 2016A (Rosenwald Courts)." The total principal amount of the Series 2016A Note that may be outstanding shall not exceed \$2,500,000. The Series 2016A Note shall be substantially in the form of **Exhibit A** to this Agreement. The Series 2016A Note shall be dated the Closing Date and shall mature, subject to prior redemption, principal amortization and acceleration, as provided herein, on _____, 2036. The Series 2016A Note shall be issued as a single fully registered note in the denomination of the then outstanding principal amount of the

Series 2016A Note. The Series 2016A Note may have notations, legends or endorsements required by law or usage.

THE SERIES 2016A NOTE, TOGETHER WITH ALL PRINCIPAL AND INTEREST THEREON ARE LIMITED OBLIGATIONS OF THE CITY SECURED BY THIS AGREEMENT AND PAYABLE SOLELY FROM THE REVENUES AND INCOME DERIVED FROM THE BORROWER UNDER THIS AGREEMENT (EXCEPT TO THE EXTENT PAID OUT OF MONEYS ATTRIBUTABLE TO PROCEEDS OF THE SERIES 2016A NOTE, THE INCOME FROM THE TEMPORARY INVESTMENT THEREOF OR PAYMENTS MADE PURSUANT TO OR DERIVED FROM THE BORROWER DOCUMENTS), IS AND SHALL ALWAYS BE A VALID CLAIM OF THE OWNER THEREOF ONLY AGAINST THE REVENUES AND INCOME DERIVED FROM THIS AGREEMENT, WHICH REVENUES AND INCOME SHALL BE USED FOR NO OTHER PURPOSE THAN TO PAY THE PRINCIPAL INSTALLMENTS OF AND INTEREST ON THE SERIES 2016A NOTE, EXCEPT AS MAY BE EXPRESSLY AUTHORIZED OTHERWISE IN THIS AGREEMENT.

THE SERIES 2016A NOTE AND THE OBLIGATION TO PAY PRINCIPAL AND INTEREST THEREON DO NOT NOW AND SHALL NEVER CONSTITUTE AN INDEBTEDNESS, LIABILITY, GENERAL OR MORAL OBLIGATION OR A PLEDGE OF THE FAITH OR LOAN OF THE CREDIT OF THE CITY, THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION OR PROVISION, OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS, IF ANY, OF ANY OF THEM, BUT SHALL BE SECURED AS AFORESAID, AND SHALL BE PAYABLE SOLELY FROM THE REVENUES AND INCOME DERIVED FROM PAYMENTS MADE BY THE BORROWER UNDER THIS AGREEMENT (EXCEPT AS STATED AFORESAID). NO OWNER OF THE SERIES 2016A NOTE SHALL HAVE THE RIGHT TO COMPEL THE EXERCISE OF THE TAXING POWER, IF ANY, OF THE CITY, THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF TO PAY ANY PRINCIPAL INSTALLMENT OF OR INTEREST ON THE SERIES 2016A NOTE.

Section 3.3 Principal of and Interest on the Series 2016A Note. Principal of and interest on the Series 2016A Note shall be payable monthly [in arrears] on the first day of each month, commencing on October 1, 2016, and shall be payable in such amounts so as to achieve substantially level monthly debt service payments [as set forth in **Exhibit B** hereto], or as otherwise agreed to in writing by the Borrower and the Purchaser. Interest on the Series 2016A Note shall be payable at the rate of 5.5% per annum, compounded annually, and calculated on the basis of a 365 day year for actual days elapsed.

Following the maturity date of the Series 2016A Note, the Series 2016A Note shall bear interest on any overdue principal and, to the extent permitted by law, on overdue interest, at a rate equal to the sum of the interest rate then in effect as provided above plus 5% per annum.

Principal and interest payments on the Series 2016A Note is payable in lawful money of the United States of America at the office of the Purchaser. If any payment on the Series 2016A

Note is due on a non-Business Day, it will be made on the next Business Day, and no interest will accrue as a result.

Section 3.4 Redemption. The Note is subject to optional redemption at the written direction of the Borrower upon at least 15 days written notice by the Borrower to the Purchaser in whole or in part on any date at the redemption price of 100% of the then unpaid principal amount of the Series 2016A Note, plus accrued interest, if any, to the redemption date. The Note called for redemption shall be paid at the applicable redemption price by payment directly from the Borrower to the Purchaser.

Section 3.5 Mutilated, Lost, Stolen or Destroyed Note. If the Series 2016A Note is mutilated, lost, stolen or destroyed, the City shall issue a replacement Note in the then outstanding principal amount of the Series 2016A Note. The City may charge the Borrower for its reasonable expenses in this connection.

Section 3.6 Payment of Note. The City will promptly pay the principal of and interest on the Series 2016A Note on the dates and in the manner provided in the Series 2016A Note, but solely and only from payments to be made by the Borrower hereunder, it being agreed and understood that the Series 2016A Note and interest thereon shall be a limited obligation of the City which are not in any way a general obligation of the City nor payable in any manner from funds of the City raised by taxation.

Section 3.7 Further Assurances. The City will execute and deliver such further instruments, and do such further acts, as the Purchaser may reasonably require for the better assuring, assigning and confirming to the Purchaser the amounts assigned hereunder for the payment of the Series 2016A Note.

Section 3.8 Tax Exemption. Subject to the limitations on its liability as stated herein and to the extent permitted by law, the City covenants and agrees that it has not knowingly engaged and will not knowingly engage in any activities, and that it has not knowingly taken and will not knowingly take any action, which might result in any interest on the Series 2016A Note becoming includable in the gross income of the owners thereof for purposes of Federal income taxation.

Section 3.9 Performance of Covenants; Issuer. The City covenants that it will faithfully perform on its part at all times any and all covenants, undertakings, stipulations and provisions contained in this Agreement, in any and every Note executed, authenticated and delivered hereunder and in all of its proceedings pertaining thereto; *provided, however,* that except for the matters set forth in any documents hereof relating to payment of the Series 2016A Note, the City shall not be obligated to take any action or execute any instrument pursuant to any provision hereof until it shall have been requested to do so by the Borrower or by Purchaser, or shall have received the instrument to be executed and at the option of the City shall have received from the party requesting such action or execution assurance satisfactory to the City that the City shall be reimbursed for its reasonable expenses, including legal counsel fees, financial advisor fees, and other expenses, reasonably incurred or to be incurred by the City in connection with the Series 2016A Note. The City covenants that it is duly authorized under the Constitution, the laws of the State, and the Ordinance authorizing the issuance of the Series

2016A Note and the execution of this Agreement, to grant the security interest herein provided, to assign and pledge this Agreement (except as otherwise provided herein) and the Borrower Note and to assign and pledge the amounts hereby assigned and pledged in the manner and to the extent herein set forth, that all action on its part for the issuance of the Series 2016A Note and the execution and delivery of this Agreement has been duly and effectively taken, and that the Series 2016A Note in the hands of the owners thereof is and will be a valid and enforceable obligation of the City according to the terms thereof and hereof. Anything contained in this Agreement to the contrary notwithstanding, it is hereby understood that none of the covenants of the City contained in this Agreement are intended to create a general or primary obligation of the City.

Section 3.10 Fees, Charges and Expenses of the City. The City shall be entitled to payment and reimbursement for all advances, reasonable fees of legal counsel and financial advisor, and other expenses reasonably made or incurred by the City in connection with the Series 2016A Note.

Section 3.11 Provisions for Payment of Expenses. The City shall not be obligated to execute any documents or take any other action under or pursuant to this Agreement or any other document in connection with the Series 2016A Note unless and until provision for the payment of expenses of the City, including reasonable fees of legal counsel and financial advisor, and other expenses reasonably made or incurred by the City in connection with the Series 2016A Note shall have been made. Provisions for expenses shall be deemed to have been made upon arrangements reasonably satisfactory to the City for the provision of expenses being agreed upon by the City and the party requesting such execution.

ARTICLE IV

REPAYMENT

Section 4.1 Loan Repayment. Principal, Premium and Interest. As repayment of the loan made from the City to the Borrower hereunder, the Borrower agrees to pay directly to the Purchaser (as the assignee of the City) amounts sufficient to pay the principal of, premium, if any or interest on the Series 2016A Note on each day on which any payment of principal of, premium, if any or interest on the Series 2016A Note shall become due (whether on an interest payment date, at maturity, or upon redemption or acceleration or otherwise). Such amounts shall be paid in immediately available funds on or before 11:00 a.m. (local time at the principal office of the Purchaser). If the Borrower defaults in any payment required by this Section, the Borrower will pay interest (to the extent allowed by law) on such amount until paid at the rate provided for in Section 3.3 hereof.

The loan repayment obligation of the Borrower hereunder shall be evidenced by the Borrower Note which shall be executed by the Borrower in the form set forth in Exhibit E hereto.

Section 4.2 Prepayments. The Borrower may prepay to the Purchaser all or any part of the amounts payable under Section 4.1 at any time that the Series 2016A Note shall be subject to optional redemption, solely as provided in this Agreement and the Series 2016A Note, and at a

prepayment price equal to the corresponding redemption price of the Series 2016A Note. A prepayment shall not relieve the Borrower of its obligations under this Agreement until the Series 2016A Note has been paid in full or provision for the payment of the Series 2016A Note in full has been made in accordance with this Agreement. In the event of a mandatory redemption of the Series 2016A Note, the Borrower agrees to prepay all amounts necessary for such redemption. Partial prepayments of the loan made to the Borrower hereunder shall reduce the monthly principal installments hereunder in such manner as shall be agreed upon by the Borrower and the Purchaser, or in the absence of such agreement, in inverse order of their due date.

Section 4.3 Obligations of Borrower Unconditional. As security for the payment of the Series 2016A Note, the City, pursuant to Section 7.2 hereof, assigns and pledges to the Purchaser all right, title and interest of the City in and to (i) this Agreement, including the right to receive payments hereunder and thereunder (except its Unassigned Rights) and (ii) the Borrower Note, including the right to receive payments thereunder, and hereby directs the Borrower to make said payments directly to the Purchaser. The Borrower herewith assents to such assignment and pledge and will make payments directly to the Purchaser without defense or set-off by reason of any dispute between the Borrower and the City or Purchaser, and hereby agrees that its obligation to make payments hereunder and to perform its other agreements contained herein are absolute and unconditional. Until the principal of and interest on the Series 2016A Note shall have been fully paid or provision for the payment of the Series 2016A Note made in accordance herewith, the Borrower (a) will not suspend or discontinue any payments provided for in this Agreement, (b) will perform all its other duties and responsibilities called for by this Agreement, and (c) will not terminate for any cause including any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Project, commercial frustration of purpose, any change in the laws of the United States or of the State or any political subdivision of either or any failure of the City to perform any of its agreements, whether express or implied, or any duty, liability or obligation arising from or connected with this Agreement.

Section 4.4 Subordination. Repayment of the Series 2016A Note, the Mortgage and the other documents evidencing or securing repayment of the Series 2016A Note shall be subject and subordinate in all respects to the rights of the holders of the Series 2013 Note and to all terms, covenants, conditions and liens of the documents affecting the Series 2013 Note. Payment of the indebtedness evidenced by the Series 2016A Note is and shall be subject and subordinate in all respects, including in respect of the right to payment, to the prior payment in full of all amounts due and payable in respect of the Series 2013 Note. The owners of Series 2016A Note expressly subject and subordinate all of their right, title and interest in and to the Series 2016A Note in all respects to the payment in full of the Series 2013 Note and the liens of the security instruments securing the Series 2013 Note. By accepting the Series 2016A Note, the holders of the Series 2016A Note agree to execute such further instruments confirming the subordination set forth herein.

Section 4.5 Additional Expenses. The Borrower will also pay within 30 days after receipt of a bill therefor, (i) all reasonable expenses of the City in connection with and as provided in this Agreement, such expenses to be paid directly to the City or as otherwise directed in writing by the City; and (ii) all other reasonable fees and expenses incurred in connection with the issuance of the Series 2016A Note. The Borrower shall pay a one-time (i) issuance fee of

150 basis points of the aggregate original principal amount of the Series 2016A Note to the City and (ii) legal reserve fee of 10 basis points of the aggregate original principal amount of the Series 2016A Note to the City, in each case, prior to or contemporaneously with the issuance of the Series 2016A Note.

ARTICLE V

BORROWER COVENANTS

Section 5.1 Recording and Maintenance of Liens; Financing Statements.

(a) The Borrower will, at its own expense, take all necessary action to maintain and preserve the liens and security interest of this Agreement so long as any principal, premium, if any, or interest on the Series 2016A Note remains unpaid.

(b) The Borrower will, promptly after the execution and delivery of this Agreement and thereafter from time to time, cause a financing statement in respect of this Agreement to be filed, registered and recorded in such manner and in such places as may be required by law in order to publish notice of and fully to perfect and protect the lien and security interest herein granted to the Purchaser to the rights, if any, of the City assigned hereunder, and from time to time will perform or cause to be performed any other act as provided by law and will execute or cause to be executed any and all continuation statements and further instruments necessary for such publication, perfection and protection. Except to the extent it is exempt therefrom, the Borrower will pay or cause to be paid all filing, registration and recording fees incident to such filing, registration and recording, and all expenses incident to the preparation, execution and acknowledgment of such instruments of further assurance, and all Federal or State fees and other similar fees, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of the Borrower Documents and such instruments of further assurance.

(c) The City shall have no responsibility for the preparation, filing or recording of any instrument, document or financing statement or for the maintenance of any security interest intended to be perfected thereby. Following an appropriate review and approval, the City will execute such instruments provided to it by the Borrower as may be reasonably necessary in connection with such filing or recording.

Section 5.2 Borrower's Obligation with Respect to Exclusion of Interest Paid on the Series 2016A Note. The Borrower will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Series 2016A Note) if taking or omitting to take such action would cause the interest on the Series 2016A Note to be included in the gross income of the recipients thereof for federal income tax purposes. Toward that end, the Borrower covenants that it will comply with all provisions of the Tax Certificate and Land Use Restriction Agreement applicable to it. This provision shall control in case of conflict or ambiguity with any other provision of this Agreement.

Section 5.3 Maintenance of Existence; Dissolution; Disposition of Assets; Merger or Consolidation. The Borrower agrees that as long as the Series 2016A Note is outstanding, it will maintain its existence, will not dissolve, liquidate or otherwise dispose of all or substantially all of its assets, and will not consolidate with or merge into another corporation or entity or permit one or more other corporations or entities to consolidate with or merge into it.

Section 5.4 Project Construction. (a) The Borrower shall cause the Project to be acquired, constructed and equipped in accordance with this Section.

(b) Moneys deposited with Title Company pursuant to Section 3.1 of this Agreement shall be held in the Project Fund and disbursed in accordance with the Escrow Agreement.

(c) The completion of the Project shall be evidenced to the Purchaser by a certificate (the "**Completion Certificate**") substantially in the form of **Exhibit C** hereto, signed by an Authorized Borrower Representative. It shall be the duty of the Borrower to cause the Completion Certificate to be furnished to the Purchaser and the City within 60 days after either the Project shall have been completed or the Borrower shall have determined that the Project will not be completed. Any moneys held in the Project Fund after the completion of the Project shall at the direction of the Borrower be used with respect thereto for one or more of the following purposes:

(i) for the payment, in accordance with the provisions of this Agreement, of any Qualified Cost with respect to the Project not theretofore paid; or

(ii) for the payment of all or part of the redemption price of the Series 2016A Note at the earliest redemption date or dates on which the Series 2016A Note may be redeemed without the payment of a premium or, at the option of the Borrower, at an earlier redemption date or dates.

(d) The Borrower covenants and agrees that it will cause all of the moneys in the Project Fund (including any earnings on investment of such moneys) to be disbursed for Qualified Costs. The Borrower further covenants that no more than two percent (2%) of the par amount of the Series 2016A Note will be disbursed for payment of issuance costs within the meaning of Section 147(g) of the Code.

(e) In the event the money in the Project Fund available for payment of the costs of the Project shall not be sufficient to make such payment in full, the Borrower agrees to pay directly, or to deposit moneys in the Project Fund for the payment of, such costs of completing the Project as may be in excess of the moneys available therefor in the Project Fund. THE CITY DOES NOT MAKE ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, THAT THE MONEYS WHICH WILL BE DEPOSITED INTO THE PROJECT FUND, AND WHICH UNDER THE PROVISIONS OF THIS AGREEMENT WILL BE AVAILABLE FOR PAYMENT OF THE COSTS OF THE PROJECT, WILL BE SUFFICIENT TO PAY ALL OF THE COSTS WHICH WILL BE INCURRED IN CONNECTION THEREWITH. The Borrower agrees that if, after exhaustion of the moneys in the Project Fund, the Borrower should pay, or deposit monies in the Project Fund for the payment of, any portion of the costs of the Project pursuant to the provisions of this Section, it shall not be

entitled to any reimbursement therefor from the City or Purchaser, nor shall they be entitled to any diminution of the amounts payable under Section 4.1 hereof.

(g) All moneys in the Project Fund shall be invested or reinvested by the Purchaser, at the direction of the Authority Borrower Representative, as provided in the Tax Certificate and to the extent permitted by law, in Qualified Investments. Any such investment may be purchased at the offering or market price thereof at the time of such purchase. Any such investment shall mature on or prior to the date or dates on which such funds are anticipated to be needed under the Agreement. Any profit realized therefrom shall be credited to such moneys and any net losses resulting from such investment shall be paid by the Borrower.

Section 5.5 Operation, Sale, Lease or Sublease of the Project. The Borrower will not make any material change in its use of the Project unless the Purchaser and the City receive an Opinion of Bond Counsel to the effect that such change will not impair the exclusion of interest on the Series 2016A Note from the gross income of holders of the Series 2016A Note for federal income tax purposes.

Upon any conveyance or transfer (whether by sale, exchange, gift or assignment or other disposition) of the Borrower's interest in the Project to the extent permitted hereunder, the Borrower will obtain, or cause there to be obtained, the agreement of the receiving party to comply with the provisions of this Section, regardless of whether such receiving party assumes the obligations of the Borrower under this Agreement generally, and will provide the City and the Purchaser with an Opinion of Bond Counsel to the effect that the conveyance or transfer will not adversely affect the exclusion of the interest on the Series 2016A Note from the Federal gross income of the owners thereof.

Section 5.6 No Warranty by the City. THE BORROWER RECOGNIZES THAT THE CITY HAS NOT MADE AN INSPECTION OF THE PROJECT OR OF ANY FIXTURE OR OTHER ITEM CONSTITUTING A PORTION THEREOF, AND THE CITY MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED OR OTHERWISE, WITH RESPECT TO THE SAME OR THE LOCATION, USE, DESCRIPTION, DESIGN, MERCHANTABILITY, CONDITION, WORKMANSHIP, OR FITNESS, SUITABILITY OR USE FOR ANY PARTICULAR PURPOSE, CONDITION OR DURABILITY THEREOF. THE BORROWER FURTHER RECOGNIZES THAT THE CITY HAS NO TITLE INTEREST TO ANY PART OF THE PROJECT AND THAT THE CITY MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND AS TO THE BORROWER'S TITLE THERETO OR OWNERSHIP THEREOF OR OTHERWISE, IT BEING AGREED THAT ALL RISKS INCIDENT THERETO ARE TO BE BORNE BY THE BORROWER. IN THE EVENT OF ANY DEFECT OR DEFICIENCY OF ANY NATURE IN THE PROJECT OR ANY FIXTURE OR OTHER ITEM CONSTITUTING A PORTION THEREOF, WHETHER PATENT OR LATENT, THE CITY SHALL HAVE NO RESPONSIBILITY OR LIABILITY WITH RESPECT THERETO. THE PROVISIONS OF THIS SECTION HAVE BEEN NEGOTIATED AND ARE INTENDED TO BE A COMPLETE EXCLUSION AND NEGATION OF ANY WARRANTIES OR REPRESENTATIONS BY THE CITY, EXPRESS OR IMPLIED, WITH RESPECT TO THE PROJECT OR ANY FIXTURE OR OTHER ITEM CONSTITUTING A PORTION THEREOF, WHETHER ARISING PURSUANT TO THE

UNIFORM COMMERCIAL CODE OF THE STATE OF ILLINOIS OR ANOTHER LAW NOW OR HEREAFTER IN EFFECT OR OTHERWISE.

Section 5.7 Compliance with Laws. The Borrower shall, through the term of this Agreement and at no expense to the City, promptly comply or cause compliance with all applicable laws, ordinances, orders, rules, regulations and requirements of duly constituted public authorities which may be applicable to the Project or to the repair and alteration thereof, or to the use or manner of use of the Project, including, but not limited to, the Americans with Disabilities Act, Illinois Accessibility Code, all Federal, State and local environmental, health and safety laws, rules, regulations and orders applicable to or pertaining to the Project, Federal Worker Adjustment and Retraining Notification Act and Illinois Prevailing Wage Act.

Section 5.8 Issuer's and Purchaser's Right of Access to the Project. The Borrower agrees that during the term of this Agreement the City, the Purchaser, and their duly authorized agents shall have the right, but shall be under no duty or obligation to exercise this right, during regular business hours, with reasonable notice, to enter upon the premises and examine and inspect the Project, subject to such limitations, restrictions and requirements as the Borrower may reasonably prescribe.

Section 5.9 Maintenance and Repair; Insurance. The Borrower will maintain the Project in a safe and sound operating condition, making from time to time all needed material repairs thereto, and shall maintain reasonable amounts of insurance coverage with respect to the Project and shall pay all costs of such maintenance, repair and insurance.

Section 5.10 Rebate Fund. (a) The Borrower will cause to be created a special fund to be known as the "**Series 2016A Rebate Fund**," which shall thereafter be continuously held, invested, expended and accounted for in accordance with this Agreement and the Tax Certificate. Capitalized terms used in this Section which are not otherwise defined herein shall have the meanings specified in the Tax Certificate. Moneys in the Series 2016A Rebate Fund shall be free and clear of the lien of this Agreement and shall not be considered moneys held for the benefit of the owners of the Series 2016A Note. Except as provided in the Regulations, moneys in the Series 2016A Rebate Fund (including earnings and deposits therein) shall be held in trust for payment to the United States as required by the Regulations.

In addition to the amounts provided in this Agreement, the Borrower hereby agrees to deposit in the Series 2016A Rebate Fund for payment to the United States any amount which under the Regulations must be deposited in the Series 2016A Rebate Fund for payment to the United States with respect to the Series 2016A Note.

(b) The Borrower agrees to pay rebate in accordance with Section 148(f) of the Code and the regulations promulgated thereunder.

The Borrower and the Purchaser shall maintain a record of any investments of gross proceeds of the Series 2016A Note (within the meaning of Section 148(f) of the Code) held by the Purchaser, including without limitation investments of amounts held in the Project Fund. This record with respect to obligations in which gross proceeds of the Series 2016A Note are invested will include their date of purchase, purchase price, coupon rate and period, and the

amount and date of receipt of payments of principal, premium and interest and of sale, redemption and retirement proceeds with respect thereto.

The Borrower shall obtain and keep such records of the computations made pursuant to this Section as are required under Section 148(f) of the Code. Notwithstanding the foregoing, the Borrower shall keep such records at least until three years following the final payment or maturity of the Series 2016A Note.

ARTICLE VI

NO RECOURSE TO ISSUER; INDEMNIFICATION

Section 6.1 No Recourse to Issuer. The obligations of the City under this Agreement are limited obligations of the City, payable solely out of the revenues and income derived from the Borrower under this Agreement and as otherwise provided under this Agreement and the Ordinance. The obligations of the City hereunder shall not be deemed to constitute an indebtedness or an obligation of the City, the State of Illinois or any political subdivision thereof within the purview of any constitutional limitation or statutory provision, or a charge against the credit or general taxing powers, if any, of any of them. No recourse shall be had for the payment of the principal of, redemption premium, if any, and interest on the Series 2016A Note or for any claim based thereon or upon any obligation, covenant or agreement contained in this Agreement against any past, present or future official, officer or employee of the City, as such, either directly or through the City or any successor, under any rule of law, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability is hereby expressly waived and released as a condition of and consideration for the execution of this Agreement and the issuance of the Series 2016A Note.

Section 6.2 Indemnification. The Borrower will pay, and will protect, indemnify and save the City harmless from and against, any and all liabilities, losses, damages, costs and expenses (including reasonable attorneys' fees and expenses of the City), causes of action, suits, claims, demands and judgments of whatsoever kind and nature (including those arising or resulting from any injury to or death of any person or damage to property) arising out of the following, to the extent permitted by law:

- (i) the design, construction and installation of the Project;
- (ii) the use of the Project by the Borrower;
- (iii) violation by the Borrower of any agreement, warranty, covenant or condition of this Agreement, the Land Use Restriction Agreement or the Borrower Documents;
- (iv) violation by the Borrower of any other contract, agreement or restriction relating to the Project; and
- (v) violation by the Borrower of any law, ordinance, regulation or court order affecting the Project or the ownership, occupancy or use thereof.

The City shall notify the Borrower in writing of any claim or action brought against the City in respect of which indemnity may be sought against the Borrower, setting forth the particulars of such claim or action, and the Borrower will assume the defense thereof, including the employment of counsel, and the payment of all reasonable expenses. The City, at its sole discretion, may employ separate counsel in any such action and participate in the defense thereof. The fees and expenses of such separate counsel so incurred shall be at the expense of the Borrower without regard to any authorization of such employment by the Borrower.

Section 6.3 Default by Issuer — Limited Liability. Notwithstanding any provision or obligation to the contrary hereinbefore set forth, no provision of this Agreement shall be construed so as to give rise to a pecuniary liability of the City or to give rise to a charge upon the general credit of the City, the liability of the City hereunder shall be limited to its interest in the Project, this Agreement, and all other Borrower Documents and collateral and the lien of any judgment shall be restricted thereto. In the performance of the agreements of the City herein contained, any obligation it may incur for the payment of money shall not be a debt of the City, nor shall the City be liable on any obligation so incurred. The City does not assume general liability for the repayment of the Series 2016A Note or for the costs, fees, penalties, taxes, interest, omissions, charges, insurance or any other payments recited herein, and shall be obligated to pay the same only out of the amounts payable by the Borrower hereunder. The City shall not be required to do any act whatsoever or exercise any diligence whatsoever to mitigate the damages to the Borrower if a default shall occur hereunder.

ARTICLE VII

ASSIGNMENT

Section 7.1 Assignment by Borrower. The rights of the Borrower under this Agreement may be assigned to, and the obligations of the Borrower assumed by, another party in whole or in part, but only with the prior written consent of the Purchaser and the City. No such assignment will be made, however, unless the Borrower causes there to be delivered to the Purchaser and the City an Opinion of Bond Counsel to the effect that such assignment will not cause interest on the Series 2016A Note to be includable in the gross income of the owners thereof for federal income tax purposes.

Section 7.2 Security Interest; Assignment by Issuer. The City hereby assigns and grants to the Purchaser a security interest in any and all of the City's right, title and interest in and to (a) all amounts payable by the Borrower to it hereunder and under the Borrower Note and all rights to enforce the same, excluding only the Unassigned Rights, and (b) all funds and accounts created or held by any party pursuant to this Agreement. The City will not sell, assign or otherwise dispose of its rights under or interest in this Agreement or the Borrower Note, nor create or permit to exist any lien, encumbrance or other security interest in or on such rights or interest, except as set forth above.

ARTICLE VIII

DEFAULTS AND REMEDIES

Section 8.1 Events of Default. An "Event of Default" is any of the following:

(a) There is a failure to make due and punctual payment of any interest on the Series 2016A Note when due.

(b) There is a failure to make due and punctual payment of principal of the Series 2016A Note when due, at maturity, upon acceleration or redemption or otherwise.

(c) The City fails to perform any of its agreements in this Agreement or the Series 2016A Note (except a failure that results in an Event of Default under clause (a) or (b) above, the performance of which is material to the Purchaser), and the failure continues after the notice and for the period specified in this Section.

(d) The Borrower fails to perform any of its agreements in this Agreement (except a failure that results in an Event of Default under clause (a) or (b) of this Section), and the failure continues after the notice and for the period specified in this Section.

(e) The Borrower pursuant to or within the meaning of any Bankruptcy Law (as defined below) (1) commences a voluntary case, (2) consents to the entry of an order for relief against it in an involuntary case, (3) consents to the appointment of a Custodian (as defined below) for the Borrower, or any substantial part of its property or (4) makes a general assignment for the benefit of its creditors.

(f) A court of competent jurisdiction enters an order or decree under any Bankruptcy Law that (1) is for relief against the Borrower in an involuntary case, (2) appoints a Custodian (as defined below) for the Borrower or any substantial part of its, his or her property or (3) orders the winding up or liquidation of the Borrower, and the decree or order remains unstayed and in effect for 90 days.

(g) An Event of Default occurs and is continuing under any of the Borrower Documents after the expiration of any applicable cure period.

"Bankruptcy Law" means Title 11 of the United States Code or any similar Federal or state law for the relief of debtors. **"Custodian"** means any receiver, trustee, assignee, liquidator, custodian or similar official under any Bankruptcy Law.

A default under clause (c) or (d) of this Section is not an Event of Default until the Purchaser gives the City and the Borrower a notice specifying the default, demanding that it be remedied and stating that the notice is a **"Notice of Default,"** and the City or the Borrower does not cure the default within 90 days after receipt of the notice, or within such longer period as the Purchaser shall agree.

Section 8.2 Acceleration. If any Event of Default occurs and is continuing, the Purchaser by notice to the City and the Borrower (except for an Event of Default under clause (e)

or (f) of the foregoing Section, for which a declaration can be made without any notice), may declare the principal of and accrued interest on the Series 2016A Note to be due and payable immediately, and such principal and interest shall thereupon become and be immediately due and payable. Any such declaration shall also apply to the Borrower Note. The Purchaser may rescind an acceleration and its consequences if all existing Events of Default have been cured or waived, if the rescission would not conflict with any judgment or decree. Any such rescission shall also apply to the Borrower Note.

Section 8.3 Other Remedies. If an Event of Default occurs and is continuing, the Purchaser may pursue any available remedy by proceeding at law or in equity to collect the principal of or interest on the Series 2016A Note or to enforce the performance of any provision of the Series 2016A Note, this Agreement or the Borrower Note against the Borrower.

A delay or omission by the Purchaser in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default.

Section 8.4 Waiver of Past Defaults. The Purchaser by notice to the Borrower, with a copy to the City, may waive an existing Event of Default and its consequences. When an Event of Default is waived, it is cured and stops continuing, but no such waiver shall extend to any subsequent or other Event of Default or impair any right consequent to it.

Section 8.5 Purchaser May File Proofs of Claim. The Purchaser may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Purchaser allowed in any judicial proceedings relative to the Borrower, its creditors or its property and, unless prohibited by law or applicable regulations, may vote on behalf of the holders in any election of a trustee in bankruptcy or other person performing similar functions.

Section 8.6 Attorneys' Fees and Expenses. If the Borrower should default under any provision of this Agreement and the City or Purchaser employ attorneys or incur other expenses for the collection of the payments due under this Agreement, the Borrower will on demand pay to the City or the Purchaser, as the case may be the reasonable fees of such attorneys and such other reasonable expenses so incurred by the City or the Purchaser, as the case may be.

Section 8.7 No Remedy Exclusive. No remedy herein conferred upon or reserved to the City or the Purchaser is intended to be exclusive of any other available remedy or remedies but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement, now or hereafter existing, at law or in equity or by statute. No delay or omission to exercise any right or power and accruing upon any Event of Default hereunder shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 8.8 Remedies Subject to Subordination Agreements. Notwithstanding any other provisions herein to the contrary, the exercise of remedies hereunder by the Purchaser shall in all events be subject to the provisions of any subordination or security documents relating to the Series 2013 Note, during such time as the Series 2013 Note is outstanding.

Section 8.9 Investor Limited Partner Cure Rights. Notwithstanding anything to the contrary contained in this Agreement or the Borrower Documents, any Event of Default arising under this Agreement or any Borrower Document may be cured by the Investor Limited Partner, its agent or their affiliates or designees on behalf of the Borrower, and such cure shall be accepted by the City and the Purchaser on the same terms as if made by the Borrower itself.

ARTICLE IX

MISCELLANEOUS

Section 9.1 Notices.

(a) Any notice, request, direction, designation, consent, acknowledgment, certification, appointment, waiver or other communication required or permitted by this Agreement or the Series 2016A Note must be in writing except as expressly provided otherwise in this Agreement or the Series 2016A Note.

(b) Any notice or other communication shall be sufficiently given and deemed given when delivered by hand or mailed by first-class mail, postage prepaid, or delivered by national overnight courier, charges prepaid addressed using the appropriate Notice Information.

Section 9.2 Required Reporting to the City. The Purchaser shall keep, or cause to be kept, proper books of records and accounts in which complete and accurate entries shall be made of all funds and accounts established by or pursuant to this Agreement, which shall at all reasonable times be subject to the inspection by the City.

Section 9.3 Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the City, the Borrower, the Purchaser and their respective successors and assigns.

Section 9.4 Severability. If any provision of this Agreement shall be determined to be unenforceable at any time, such determination shall not affect any other provision of this Agreement or the enforceability of that provision at any other time.

Section 9.5 Amendments. After the issuance of the Series 2016A Note, this Agreement may not be effectively amended or terminated without the written consent of the parties hereto; provided, however, that the Purchaser and the Borrower may, without the consent of, or notice to, the City enter into an amendment to this Agreement, for any one or more of the following purposes: (a) to cure an ambiguity, formal defect or omission in this Agreement; (b) to elaborate on or modify any provisions relating to disbursement of the proceeds of the Series 2016A Note, so long as there is delivered to the City by the Borrower an Opinion of Bond Counsel with respect to any such addition, deletion, amendment, modification or alteration to the effect that such change does not adversely affect the exclusion of interest on the Series 2016A Note from the federal gross income of the owners thereof; (c) to add to the covenants and agreements of the Borrower contained in this Agreement other covenants and agreements thereafter to be observed by the Borrower for the protection of the Purchaser; (d) to provide that the Series 2016A Note may be secured by additional collateral; (e) to amend the notice provisions of this Agreement (other than notices to the City); and (f) to make any other change

which does not, in the Opinion of Bond Counsel, have a material adverse effect upon the interests of the City.

Section 9.6 Governing Law. This Agreement shall be governed exclusively by and construed in accordance with the laws of the State of Illinois.

Section 9.7 Captions; References to Sections. The captions in this Agreement are for convenience only and do not define or limit the scope or intent of any provisions or Sections of this Agreement. References to Articles and Sections are to the Articles and Sections of this Agreement, unless the context otherwise requires.

Section 9.8 Complete Agreement/Non-Reliance. This Agreement represents the entire agreement between the City, the Purchaser and the Borrower with respect to its subject matter. The parties have not relied on any representations other than set forth herein or in the Borrower Documents as an inducement to enter into this Agreement.

Section 9.9 Terms of this Agreement; Discharge. This Agreement shall be in full force and effect from the date hereof, and shall continue in effect until the payment in full of all principal of, premium, if any, and interest on the Series 2016A Note; all fees, charges, indemnities and expenses of the City and Purchaser have been fully paid or provision made for such payment (the payment of which fees, charges, indemnities and expenses shall be evidenced by a written certification of the Borrower that it has fully paid or provided for all such fees, charges, indemnities and expenses), and all other amounts due hereunder have been duly paid or provision made for such payment. The principal of, premium, if any, and interest on the Series 2016A Note may be deemed paid in full in advance of the actual payment thereof if an irrevocable escrow is funded for such purpose in form and substance satisfactory to the Purchaser. All representations, certifications and covenants by the Borrower as to the indemnification of various parties and the payment of fees and expenses of the City as described in Sections 3.11 and 4.4 hereof, and all matters affecting the tax exempt status of the Series 2016A Note shall survive the termination of this Agreement.

Upon the termination of this Agreement as aforesaid, all amounts on deposit in any funds or accounts created hereunder shall be paid in the following order: (a) to the Purchaser, to the extent any amounts remain owing to the Purchaser hereunder, and shall be credited against any indebtedness evidenced by the Series 2016A Note or other Borrower Documents (b) to the City, to the extent any amounts remain owing to the City hereunder, and (c) to the Borrower.

Section 9.10 Payments/Actions Due on Non-Business Days. If any date for the payment of principal or purchase price of, premium, if any, or interest on the Series 2016A Note, or the taking of any other action required or permitted to be taken hereunder, is not a Business Day, then such payment shall be due, or such action shall or may be taken, as the case may be, on the first Business Day thereafter.

Section 9.11 Non-recourse. Notwithstanding anything to the contrary in this Agreement or any of the Borrower Documents, upon payment in full of the Series 2013 Note and release of the liens of the security instruments securing the Series 2013 Note, the indebtedness evidenced by this Agreement shall then be a non-recourse obligation of the Borrower, and in the

Event of Default hereunder, the City and Purchaser's sole source of repayment of amounts due hereunder or under any of the Borrower Documents shall then be limited to City and Purchaser's rights with respect to the collateral pledged and assigned under the Mortgage. Further, upon payment in full of the Series 2013 Note and release of the liens of the security instruments securing the Series 2013 Note, the City and Purchaser waive any and all right to seek or demand any personal deficiency judgment against Borrower or any of its partners. Until payment in full of the Series 2013 Note and release of the liens of the security instruments securing the Series 2013 Note, the indebtedness evidenced by this Agreement shall be a recourse obligation of the Borrower.

Section 9.12 Counterparts. This Agreement may be signed in several counterparts. Each will be an original, but all of them together constitute the same instrument.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and their respective corporate seals to be hereunto affixed and attested, all as of the date and year first above written.

CITY OF CHICAGO

By: _____
Chief Financial Officer

[SEAL]

ATTEST:

By: _____
City Clerk

ROSENWALD COURTS APARTMENTS, LP, an Illinois limited partnership

By: Rosenwald Courts GP, LLC, an Illinois limited liability company, its General Partner

By: GB Rosenwald, LLC, an Illinois limited liability company, its Managing Member

By: _____
Name: James N. Bergman
Title: Managing Member

[BANK ORION]

By: _____
Its: _____

EXHIBIT A

[FORM OF NOTE]

NO. R-1

\$2,500,000

THIS SERIES 2016A NOTE AND THE OBLIGATION TO PAY PRINCIPAL OR PREMIUM, IF ANY, WITH RESPECT HERETO, AND INTEREST HEREON ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY, SECURED AS AFORESAID AND PAYABLE SOLELY OUT OF THE REVENUES AND INCOME DERIVED FROM THE BORROWER UNDER THE BOND AND LOAN AGREEMENT AND AS OTHERWISE PROVIDED THEREIN. THIS SERIES 2016A NOTE AND THE OBLIGATION TO PAY PRINCIPAL OR PREMIUM, IF ANY, WITH RESPECT HERETO, AND INTEREST HEREON SHALL NOT BE DEEMED TO CONSTITUTE AN INDEBTEDNESS OR AN OBLIGATION OF THE CITY, THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE PURVIEW OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION OR PROVISION OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS, IF ANY, OF ANY OF THEM. THE CITY DOES NOT HAVE THE POWER TO LEVY TAXES IN CONNECTION WITH THIS SERIES 2016A NOTE FOR ANY PURPOSES WHATSOEVER. NO OWNER OF THIS SERIES 2016A NOTE SHALL HAVE THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWER, IF ANY, OF THE CITY, THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF TO PAY ANY PRINCIPAL INSTALLMENT OF, PREMIUM, IF ANY, OR INTEREST ON THIS SERIES 2016A NOTE.

UNITED STATES OF AMERICA
STATE OF ILLINOIS
CITY OF CHICAGO, ILLINOIS
MULTIFAMILY MORTGAGE REVENUE NOTE
SERIES 2016A (ROSENWALD COURTS)
\$2,500,000

Dated Date: _____, 2016

Registered Owner: BANK ORION

Principal Amount: TWO MILLION FIVE HUNDRED THOUSAND DOLLARS
(\$2,500,000.00)

Interest rate: _____ % PER ANNUM

Maturity Date: _____, 20__

THE CITY OF CHICAGO, ILLINOIS, a municipality and home rule unit of government duly organized and validly existing under the Constitution and the laws of the State of Illinois (the "City"), promises to pay, solely from the sources described in this Series 2016A Note, to the

registered owner identified above, or registered assigns, on the principal payment dates described below through the Maturity Date specified above (or if this Series 2016A Note is called for earlier redemption as described herein, on the redemption date), the principal amount identified above and to pay interest solely from the sources described in this Series 2016A Note. The Series 2016A Note shall bear interest from the date hereof on the balance of said principal sum from time to time remaining outstanding and unpaid at the rate or rates described below until the payment of principal in full.

1. *Bond and Loan Agreement.* The City has loaned the proceeds of the Series 2016A Note to Rosenwald Courts Apartments, LP, an Illinois limited partnership (the "**Borrower**"), pursuant to the Bond and Loan Agreement dated as of _____, 2016 (the "**Agreement**") among the City, Bank Orion, as the registered owner of this Series 2016A Note (together with any successor owner of this Series 2016A Note, the "**Purchaser**") and the Borrower. The Borrower will use the proceeds of the Series 2016A Note, together with other funds of the Borrower, for the acquisition, construction, rehabilitation, development, and equipping of a multifamily residential project located in the City of Chicago, Cook County, Illinois, known or to be known as Rosenwald Courts and consisting of approximately 239 rental units, including approximately 225 affordable units and approximately 14 unrestricted units, community service facilities and related common areas along with 2 dedicated parking lot facilities and 1 shared parking lot facility (collectively, the "**Project**") located in Chicago, Illinois. Proceeds of the Series 2016A Note may also be used to pay costs of issuance of the Series 2016A Note. The Borrower has agreed in the Agreement to pay the Purchaser amounts sufficient to pay all amounts coming due on the Series 2016A Note and such agreement is evidenced by the Borrower Note.

This Series 2016A Note is limited to \$2,500,000 in aggregate authorized principal amount issued under the Agreement. The terms of the Series 2016A Note include those in the Agreement. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Agreement.

2. *Payments on Note.* Principal of and interest on the Series 2016A Note shall be payable as provided in the Agreement.

Principal and interest payments on this Series 2016A Note are payable in lawful money of the United States of America at the office of the Purchaser, or as otherwise provided by the Purchaser. If any payment on the Series 2016A Note is due on a non-Business Day, it will be made on the next Business Day, and no interest will accrue as a result.

This Series 2016A Note is a limited obligation of the City and, as provided in the Agreement, is payable solely from payments to be made by the Borrower under the Agreement and the Borrower Note.

3. *Redemption.* This Series 2016A Note is subject to redemption prior to maturity on the dates, in the amounts at the prices and subject to the conditions set forth in the Agreement.

4. *Denominations; Transfer; Exchange.* The Series 2016A Note is issued as a single fully registered note without coupons in the denomination equal to the then outstanding principal

amount hereof. The registered owner may transfer this Series 2016A Note only in accordance with the Agreement.

5. *Persons Deemed Owners.* The registered owner of this Series 2016A Note may be treated as the owner of it for all purposes. Any action by the registered owner of this Note shall be irrevocable and shall bind any subsequent owner of this Series 2016A Note or the Series 2016A Note delivered in substitution for this Series 2016A Note.

6. *Defaults and Remedies.* The Agreement provides that the occurrences of certain events constitute Events of Default and certain remedies therefor as provided in the Agreement. An Event of Default and its consequences may be waived as provided in the Agreement.

7. *No Recourse Against Others.* An official, officer or employee, as such, of the City shall not have any liability for any obligations of the City or the Borrower under the Series 2016A Note or the Agreement or for any claim based on such obligation or its creation. Each registered owner by accepting the Series 2016A Note waives and releases all such liability. The waiver and release are part of the consideration for the issue of the Series 2016A Note.

IN WITNESS WHEREOF, the City has caused this Series 2016A Note to be duly executed in its name by the manual or facsimile signature of its Mayor under its official seal, or a facsimile thereof, and attested by the manual or facsimile signature of its City Clerk, all as of the ____ day of _____, 2016.

CITY OF CHICAGO

By: _____
Mayor

[SEAL]

Attest:

By: _____
City Clerk

FORM OF ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Note, and does hereby irrevocably constitute and appoint _____, attorney to transfer the Series 2016A Note on the books kept for registration and transfer of the within Note, with full power of substitution in the premises.

Dated: _____

NOTE: The signature to this Assignment must correspond with the name as it appears upon the face of the within Note in every particular, without enlargement or alteration or any change whatsoever.

Signature guaranteed by:

NOTE: The signature to this assignment must correspond with the name as it appears upon the face of the within Note in every particular, without alteration or enlargement or any change whatever. Signature(s) must be guaranteed by an "eligible guarantor institution" meeting requirements which include membership or participation in STAMP or such other "signature guaranty program" in addition to or in substitution for STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

EXHIBIT B
[AMORTIZATION SCHEDULE]

EXHIBIT C

FORM OF COMPLETION CERTIFICATE

COMPLETION CERTIFICATE PURSUANT TO SECTION 5.4(d) OF THE BOND AND LOAN AGREEMENT DATED AS OF _____, 2016 (THE "AGREEMENT") BY AND AMONG THE CITY OF CHICAGO, ILLINOIS, ROSENWALD COURTS APARTMENTS, LP AND BANK ORION

Pursuant to Section 5.4(d) of the Agreement, undersigned hereby certifies to the Purchaser that the Completion Date is _____, and the total aggregate amount of the Cost of the Project is \$ _____. All initially capitalized terms which are not defined herein shall have the meaning referred to in the Agreement.

In connection with the foregoing, the undersigned further certifies that:

(a) The acquisition, construction and equipping of the Project has been completed substantially in accordance with the plans, specifications and work orders therefor and all labor, services, materials and supplies used in such work have been paid for (other than costs and expenses for which payment has been withheld);

(b) All other facilities necessary in connection with the Project have been acquired, constructed and installed in accordance with the plans, specifications and work orders therefor and all costs and expenses incurred in connection therewith (other than costs and expenses for which payment has been withheld) have been paid;

(c) All of the costs previously disbursed and to be disbursed (including moneys to be disbursed in accordance with Section 5.4 of the Agreement) are Qualified Costs;

(d) No more than 2% of the costs previously disbursed and to be disbursed (including moneys to be disbursed in accordance with Section 5.4 of the Agreement) have been used to pay costs of issuance of the Series 2016A Note (within the meaning of Section 147(g) of the Code); and

(e) This certificate is given without prejudice to any rights against third parties which may exist as of the date hereof or which may subsequently come into being.

IN WITNESS WHEREOF, the undersigned has set his hand as of the ____ day of _____, 20____.

ROSENWALD COURTS APARTMENTS, LP

By: _____
Authorized Borrower Representative

EXHIBIT D

FORM OF PURCHASER LETTER

Re: \$2,500,000 City of Chicago, Illinois
Multifamily Mortgage Revenue Note
Series 2016A (Rosenwald Courts)

Ladies and Gentlemen:

The undersigned (the "Purchaser") hereby acknowledges receipt of the above-referenced bond (the "Note"), dated _____, 2016 in fully registered form and in the outstanding principal amount of \$2,500,000. The Series 2016A Note has been checked, inspected and approved by the Purchaser.

The undersigned acknowledges that the Series 2016A Note was issued for the purpose of making a loan to assist in the financing of the rehabilitation of a multifamily housing project located in Chicago, Illinois (the "Project") and that the Series 2016A Note is issued under and the loan is evidenced by the Bond and Loan Agreement dated as of _____, 2016 (the "Agreement"), among the City of Chicago (the "City"), Rosenwald Courts Apartments, LP (the "Borrower") and Bank Orion, as Purchaser. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Agreement.

In connection with the acquisition of the Series 2016A Note by the Purchaser, the Purchaser hereby makes the following representations upon which you may rely:

1. The Purchaser has authority to acquire the Series 2016A Note and to execute this Purchaser Letter and any other instruments and documents required to be executed by the Purchaser in connection with the acquisition of the Series 2016A Note.

2. The Purchaser is an "accredited investor" as defined under Regulation D promulgated under the Securities Act of 1933 (the "Act") or a "qualified institutional buyer" as defined under Rule 144A promulgated under the Act.

3. The Purchaser understands that the Series 2016A Note is not registered under the Act and that such registration is not legally required as of the date hereof; and further understands that the Series 2016A Note (a) is not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, (c) will not carry a rating from any rating agency and (d) will be delivered in a form which may not be readily marketable.

4. The Purchaser understands that (a) the Series 2016A Note is not a debt of the City or any political subdivision thereof and none of the City or any political subdivision thereof shall be liable on the Series 2016A Note; (b) the Series 2016A Note is not an indebtedness within the meaning of any constitutional, statutory or charter debt limitation or restriction and are not payable in any manner by taxation; (c) no recourse shall be had for the payment of the principal of, or premium, if any, or interest on, the Series 2016A Note or for any claim based thereon or upon any obligation, provision, covenant or agreement contained in the Agreement, against any past, present or future director, trustee, officer, official, employee or agent of the City, or any

director, trustee, officer, official, employee or agent of any successor to the City, as such, either directly or through the City, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such director, trustee, officer, official, employee or agent as such is hereby expressly waived and released as a condition of and in consideration for the execution of the Agreement and the issuance of the Series 2016A Note; and (e) the liability of the City with respect to the Series 2016A Note is limited to the rights and revenues under the Agreement as set forth in the Agreement.

5. The Purchaser is purchasing the Series 2016A Note solely for its own account for investment purposes and has no present intention to resell or distribute the Series 2016A Note, and any transfer is subject to the restrictions described in paragraphs 5 through 7 of this Purchaser Letter and in the Agreement. The Purchaser agrees that it will not transfer the Series 2016A Note unless, after such transfer, the transferee will own all of the Series 2016A Note.

6. The Purchaser agrees that it will only offer, sell, pledge, transfer or exchange the Series 2016A Note (or any legal or beneficial interest therein) (i) in accordance with an available exemption from the registration requirements of Section 5 of the Securities Act, (ii) in accordance with any applicable state securities laws, and (iii) in accordance with the transfer restrictions set forth in the Series 2016A Note and the Agreement.

7. If the Purchaser sells the Series 2016A Note (or any legal or beneficial interest therein), the Purchaser or its agent will obtain for the benefit of each of you from any subsequent purchaser an investor letter in the form of this Purchaser Letter, with no revisions except as may be approved in writing by the Issuer (a "Subsequent Purchaser Letter"). Failure to deliver a Subsequent Purchaser Letter shall cause the purported transfer to be null and void.

8. The Purchaser hereby indemnifies the City against any failure by the Purchaser to transfer the Series 2016A Note in accordance with the restrictions set forth in the Agreement.

9. The Purchaser acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information to which a reasonable investor would attach significance in making investment decisions, and the Purchaser has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Borrower, the Project and the Series 2016A Note and the security therefor so that, as a reasonable investor, the Purchaser has been able to make its decision to purchase the Series 2016A Note. The Purchaser acknowledges that it has not relied upon the City for any information in connection with the Purchaser's purchase of the Series 2016A Note.

10. The Purchaser has made its own inquiry and analysis with respect to the Series 2016A Note and the security therefor, and other material factors affecting the security and payment of the Series 2016A Note. The Purchaser is aware that the business of the Borrower involves certain economic variables and risks that could adversely affect the security for the Series 2016A Note. The Purchaser acknowledges that in the event of a default on the Series 2016A Note, the risk of loss lies entirely with the Purchaser.

Very truly yours,

[PURCHASER]

By _____
Name _____
Authorized Signatory

EXHIBIT E

[FORM OF PROMISSORY NOTE]

\$2,500,000 _____, 2016

The undersigned, ROSENWALD COURTS APARTMENTS, LP, an Illinois limited partnership (the "Borrower"), FOR VALUE RECEIVED, promises to pay to the order of BANK ORION, an Illinois banking corporation (the "Purchaser"), as assignee of the CITY OF CHICAGO (the "City"), the principal amount of TWO MILLION FIVE HUNDRED THOUSAND DOLLARS (\$2,500,000) or, if less, the aggregate unpaid principal balance of the loan made by the City to the Borrower pursuant to the Bond and Loan Agreement dated as of _____, 2016 (the "Agreement") among the City, the Borrower and the Purchaser. The principal amount hereof is due and payable on _____, 20__ or at such earlier time as provided in the Agreement.

The undersigned also promises to pay interest on the unpaid principal amount hereof from time to time outstanding from the date hereof until maturity (whether by acceleration or otherwise) and, after maturity, until paid, at the rates per annum specified in the Agreement. Interest on this Note shall be payable as set forth in the Agreement. Principal of and interest on this Note shall be payable at such times and in such amounts as shall be sufficient to pay the City's \$2,500,000 Multifamily Housing Revenue Note, Series 2016A (Rosenwald Courts) (the "Series 2016A Note") issued under the Agreement.

This Note is secured by the Mortgage dated _____, 2016 from the Borrower to the Purchaser, as described in the Mortgage.

This Note is the "Borrower Note" described in, and is subject to the terms and provisions of the Agreement. Reference is hereby made to the Agreement for a statement of the prepayment rights and obligations of the undersigned, a description of the nature and extent of the security, and the rights of the parties to the related documents in respect of such security, and for a statement of the terms and conditions under which the due date of this Note may be accelerated. Upon the occurrence of any Event of Default as specified in the Agreement, the unpaid principal balance hereof, and interest accrued hereon, may be declared to be forthwith due and payable.

Upon payment in full of that certain Multifamily Mortgage Revenue Note, Series 2013 (Rosenwald Courts), in the principal amount of not to exceed \$58,600,000 (the "Series 2013 Note") Series 2013 Note and release of the liens of the security instruments securing the Series 2013 Note, the indebtedness evidenced by this Note shall then be a non-recourse obligation of the Borrower and in the event of default hereunder, the City and Purchaser's sole source of satisfaction of repayment of the amounts due to the City and the Purchaser shall then be limited to the collateral pledged and assigned under the Mortgage. Until payment in full of the Series 2013 Note and release of the liens of the security instruments securing the Series 2013 Note, the indebtedness evidenced by this Note shall be a recourse obligation of the Borrower.

In addition to, and not in limitation of, the foregoing and the provisions of the Agreement, the undersigned further agrees, subject only to any limitation imposed by applicable law, to pay all reasonable expenses, including, but not limited to, attorneys' fees and legal expenses, incurred by the registered owner of this Note in endeavoring to collect any amounts payable hereunder which are not paid when due, whether by acceleration or otherwise.

All parties hereto, whether as makers, endorsers or otherwise severally waive presentment for payment, demand, protest and notice of dishonor.

THIS NOTE SHALL BE DEEMED TO BE A CONTRACT MADE UNDER AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF ILLINOIS.

ROSENWALD COURTS APARTMENTS, LP, an Illinois limited partnership

By: Rosenwald Courts GP, LLC, an Illinois limited liability company, its General Partner

By: GB Rosenwald, LLC, an Illinois limited liability company, its Managing Member

By: _____

Name: James N. Bergman

Title: Managing Member

Ordinance Exhibit B

Form of Series 2016B Bond and Loan Agreement

See Attached.

BOND AND LOAN AGREEMENT

dated as of _____, 2016

among

THE CITY OF CHICAGO, ILLINOIS,

ROSENWALD COURTS APARTMENTS, LP

and

[PURCHASER]

Not to exceed \$4,500,000
City of Chicago, Illinois
Multifamily Mortgage Revenue Note
Series 2016B (Rosenwald Courts)

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BOND AND LOAN AGREEMENT dated as of _____, 2016 (the "**Agreement**"), among the CITY OF CHICAGO, ILLINOIS, a municipality and home rule unit of government duly organized and validly existing under the Constitution and the laws of the State of Illinois (the "**City**"), [_____] (the "**Purchaser**"), and ROSENWALD COURTS APARTMENTS, LP, an Illinois limited partnership (the "**Borrower**").

Pursuant to Article VII, Section 6 of the 1970 Constitution of the State of Illinois, and pursuant to the hereinafter defined Ordinance of the City, the City is authorized to exercise any power and perform any function pertaining to its government and affairs, including the power to issue its revenue bonds in order to aid in providing an adequate supply of residential housing for low and moderate income persons or families within the City of Chicago, including financing the costs of the Project (as hereinafter defined) which constitutes a valid public purpose for the issuance of revenue bonds by the City.

The City has previously issued its Multifamily Mortgage Revenue Note, Series 2013 (Rosenwald Courts), in the principal amount of not to exceed \$58,600,000 (the "**Series 2013 Note**") pursuant to a Funding Loan Agreement (the "**Funding Loan Agreement**") dated as of December 1, 2013, among the City and Citibank, N.A., as Funding Lender and Noteholder (the "**Funding Lender**" and the "**Noteholder**"), in order to loan the proceeds of the Series 2013 Note to the Borrower to be used for the purpose of financing costs of the acquisition, construction, rehabilitation, development, and equipping of a multifamily residential project located in the City of Chicago, Cook County, Illinois, known or to be known as Rosenwald Courts and consisting of approximately 239 rental units, including approximately 225 affordable units and approximately 14 unrestricted units, community service facilities and related common areas along with 2 dedicated parking lot facilities and 1 shared parking lot facility (collectively, the "**Project**").

The Borrower has requested additional financing from the City to enable it to pay or reimburse a portion of the costs of the Project which have increased since the issuance of the Series 2013 Note.

The City proposes to issue its \$2,500,000 Multifamily Mortgage Revenue Note, Series 2016A (Rosenwald Courts) (the "**Series 2016A Note**") and its not to exceed \$4,500,000 Multifamily Mortgage Revenue Note, Series 2016B (Rosenwald Courts) (the "**Series 2016B Note**"), in order to loan the proceeds of the Series 2016A Note and the Series 2016B Note to the Borrower. The Series 2016B Note proceeds will be loaned to the Borrower pursuant to this Agreement. The proceeds of the Series 2016A Note proceeds will be loaned to the Borrower pursuant to that certain Bond and Loan Agreement, dated as of _____, 2016, among the City, the Borrower and Bank Orion, an Illinois state banking corporation.

The proceeds of the Series 2016B Note, together with other funds, may also be used to pay costs of issuance of the Series 2016B Note.

Accordingly, the City, the Borrower and the Purchaser hereby agree as follows:

ARTICLE I

DEFINITIONS

For all purposes of this Agreement, unless the context clearly requires otherwise, the following terms shall have the following meanings.

"Act of Bankruptcy" means the filing of a petition in bankruptcy (or other commencement of a bankruptcy, insolvency or similar proceeding) by or against the Borrower under any applicable bankruptcy, insolvency, reorganization or similar law, as now or hereafter in effect.

"Advance" means either the Initial Advance or a Supplemental Advance.

"Agreement" means this Bond and Loan Agreement, as amended or supplemented from time to time in accordance with its terms.

"Authorized Borrower Representative" means person(s) at the time designated by the Borrower to act on behalf of the Borrower pursuant to a written instrument filed with the City and the Purchaser containing the specimen signature of such person(s). Such instrument may designate an alternate or alternates.

"Authorized Officer" means (a) the Mayor, the City Comptroller and the Chief Financial Officer of the City or any other official of the City so designated by a Certificate signed by the Mayor or the Chief Financial Officer and (b) the City Clerk or Deputy City Clerk with respect to the certification of any ordinance or resolution of the City Council or any other document filed in his or her office.

"Bond Counsel" means any designated firm of attorneys of nationally recognized expertise with respect to the tax-exempt obligations of political subdivisions, selected by the City.

"Borrower" means Rosenwald Courts Apartments, LP, an Illinois limited partnership, and its successors and assigns, and any surviving, resulting or transferee entity as provided in Section 5.5 and/or 7.1 of this Agreement.

"Borrower Documents" mean collectively, this Agreement, the Borrower Note, the Tax Certificate, the Land Use Restriction Agreement and any other agreement or instrument relating thereto.

"Borrower Note" means the Promissory Note of the Borrower in the form attached as Exhibit E hereto.

"Business Day" means any day other than a Saturday, a Sunday, legal holiday or a day on which banks located (a) in Chicago, Illinois, or (b) in the city of the Purchaser's principal office is located, and shall also exclude any day on which the offices of the City are required or authorized to remain closed.

"Closing Date" means _____, 2016, the date of initial issuance and delivery of the Series 2016B Note to the Purchaser.

"Code" means the Internal Revenue Code of 1986, as amended, and any applicable and lawful regulations promulgated or proposed under it, as the same presently exist or may from time to time be amended, supplemented or revised.

"Event of Default" is defined in Section 8.1 of this Agreement.

"Eligible Transferees" means any one or more of the following entities: (a) R&R Capital Funding, LLC, (b) any affiliate of R&R Capital Funding, LLC, (c) George Sollitt Construction Company, (d) Powers and Sons Construction Company, Incorporated, (e) Brown & Momen Incorporated or (f) The George Sollitt Construction Company/Powers & Sons/Brown & Momen Joint Venture.

"Escrow Agreement" means the [Escrow and Disbursement Agreement, dated as of December 1, 2014, by and between the City, the Borrower, Title Company, Citibank, N.A., and the Chicago Housing Authority, as amended from time to time] [Amended and Restated Escrow and Disbursement Agreement, dated as of _____, 2016, by and between the City, the Borrower, Title Company, Citibank, N.A., the Chicago Housing Authority, and [Purchasers]. as amended from time to time].

"Governmental Authority" means any nation or government, any state, department, agency or other political subdivision thereof, and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any government, and any corporation or other entity owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing.

"Initial Advance" means the Advance on the Series 2016B Note to be made by the Purchaser on the Closing Date pursuant to Section 3.2 hereof.

"Investor Limited Partner" means USA Rosenwald Courts LLC, a Delaware limited liability company, and its successors and assigns.

"Land Use Restriction Agreement" means the First Amended and Restated Land Use Restriction Agreement dated as of December 1, 2014, between the City and the Borrower.

"Notice Information" means:

With respect to the City:

City of Chicago
Department of Planning and Development
121 North LaSalle Street, Room 1000
Chicago, IL 60602
Attention: Commissioner

With a copy to:

City of Chicago
Department of Law
Finance and Economic Development Division
121 North LaSalle Street, Room 600
Chicago, IL 60602

With respect to the Purchaser:

[

_____]

With respect to the Borrower:

Rosenwald Courts Apartments, LP
Attn: Rosenwald Courts GP, LLC
20 Sandstone Court
LeClaire, Iowa 52753

GB Rosenwald, LLC
Attn: James N. Bergman
20 Sandstone Court
LeClaire, Iowa 52753

Rosenwald LGG, LLC
140 South Dearborn Street, Suite 1500A
Chicago Illinois 60603
Attention: Virginia Pace
Email: virginia@lightengalegroup.com

USA Rosenwald Courts LLC
c/o The Richman Group
340 Pemberwick Road
Greenwich, CT 06831
Attention: Joanne D. Flanagan, Esq.

with a copy to:

JDF, LLC
340 Pemberwick Road
Greenwich, CT 06831
Attention: Elaine Elisseou Serra, Esq.

"Opinion of Counsel" means a written opinion of counsel who is acceptable to the Purchaser. The counsel may be an employee of or counsel to the City or the Borrower.

"Opinion of Bond Counsel" means an Opinion of Counsel experienced in matters relating to the tax exemption of interest on obligations issued by states and their political subdivisions.

"Ordinance" means the Bond Ordinance adopted by the City Council of the City on _____, 2016 authorizing the issuance, sale and delivery of the Series 2016B Note and approving this Agreement.

The term *"outstanding"* when used with reference to the Series 2016B Note, or "Series 2016B Note outstanding" means the originally authenticated Series 2016B Note which is delivered to the Purchaser under this Agreement, except the following:

- (a) A canceled Series 2016B Note.
- (b) A Series 2016B Note in lieu of which another Series 2016B Note has been authenticated under Section 3.5 (relating to a mutilated, lost, stolen or destroyed Note).
- (c) The Series 2016B Note to the extent provision for payment thereof has been made via creation of an irrevocable escrow pursuant to Section 9.9 hereof.

"Person" means an individual, a corporation, a partnership, an association, a trust or any other entity or organization, including a government or political subdivision or any agency or instrumentality thereof.

"Plans and Specifications" mean the plans and specifications for the Project delivered to Purchaser and identified as such, which have been approved by Purchaser, together with such changes and additions as may be approved by Purchaser in writing.

"Potential Default" means an event or condition which, but for the lapse of time or the giving of notice, or both, would constitute an Event of Default.

"Project" means the facilities described in the preamble hereto, the costs of which are to be financed or reimbursed with proceeds of the Series 2016B Note.

"Project Fund" means the Project Fund created pursuant to Section 3.1 hereof.

"Property" means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible, whether now owned or hereafter acquired.

"Purchaser" means the registered owner of the Series 2016B Note, initially [_____], and its successors and assigns.

"Purchaser Letter" means the Sophisticated Investor Letter set forth in Exhibit D hereto.

"Qualified Costs" means that portion of the costs of the Project which are used for purposes consistent with the Tax Certificate and will not cause any of the representations or

certifications contained in the Tax Certificate to be untrue or result in a violation of any covenant in the Tax Certificate.

"Qualified Investments" means any of the following obligations or securities, to the extent permitted by law: (i) direct obligations of, or obligations the timely payment of the principal of, and interest on, which are fully and unconditionally guaranteed by the United States of America, which, at the time of investment, are not subject to prepayment or redemption prior to maturity, (ii) certificates of deposit issued by, or bankers' acceptances of, or time deposits with, any bank, trust company or national banking association incorporated, having a branch in or doing business under the laws of the United States of America or one of the states thereof having combined capital and surplus and retained earnings of at least \$100,000,000, (iii) commercial paper of any holding company of a bank, trust company or national banking association described in (ii), (iv) commercial paper of companies incorporated or doing business under the laws of the United States of America or one of the states thereof and in each case having a rating assigned to such commercial paper by a Rating Agency (as defined below) equal to the highest rating assigned by such organization, (v) U.S. dollar-denominated certificates of deposits issued by, or time deposits with, the European subsidiaries of any bank, trust company or national banking association incorporated or doing business under the laws of the United States of America or one of the states thereof having combined capital and surplus and retained earnings of at least \$100,000,000 and in each case having a rating assigned to its senior debt securities by a Rating Agency equal to an investment grade rating assigned by such organization, (vi) repurchase agreements with any bank, broker, dealer or other financial institution having combined capital and surplus and retained earnings of at least \$50,000,000 secured by any of the obligations described in clauses (i) through (v) above, (vii) Tax-Exempt Obligations (as defined in the Tax Certificate) rated in one of the two highest full rating categories by either Rating Agency, (viii) money market funds registered as investment companies under the federal "Investment Company Act of 1940", as amended, whose investment policies include seeking to maintain a constant share price and which invest exclusively in the investments or securities referred to in (i) through (v) above, or (ix) any other investment permitted by the Purchaser.

"Rating Agency" means Moody's Investors Service, Fitch Inc. or S&P Global Ratings, and their successors and assigns.

"Rebate Fund" means the Series 2016B Rebate Fund by that name created pursuant to Section 5.10 hereof.

"Series 2016B Note" or *"Series 2016B Notes"* mean the Series 2016B Note issued pursuant to this Agreement.

"State" means the State of Illinois.

"Supplemental Advance" means each Advance subsequent to the Initial Advance made to fund costs of the Project pursuant to Section 3.2 hereof.

"Tax Certificate" means the Tax Certificate of the Borrower and dated the Closing Date, as supplemented and amended.

"Title Company" means Near North National Title LLC, as agent for Chicago Title Insurance Company.

"Unassigned Rights" means the rights of the City under Sections 3.10, 3.11, 4.4, 5.8, 6.2, 8.6 and 9.2 hereunder and its rights to receive notices hereunder and to consent to amendments hereto.

ARTICLE II

REPRESENTATIONS

Section 2.1 Representations of Issuer. The City represents and warrants as follows:

(a) The City is a municipality and home rule unit of government duly organized and validly existing under the Constitution and laws of the State. The City is authorized to execute and deliver this Agreement and to carry out its obligations hereunder.

(b) It is the City's understanding, based upon certain representations of the Borrower, that the issuance and sale of the Series 2016B Note and the loaning of the proceeds of the Series 2016B Note to the Borrower (which proceeds, along with certain other moneys, will be applied for the benefit of the Borrower) is to provide all or a portion of the moneys required to finance costs of the Project and pay costs relating to the issuance of the Series 2016B Note.

(c) To provide funds to loan to the Borrower for the purposes described in (b) above, the City has authorized its Note in the aggregate principal amount set forth herein to be issued upon the terms set forth in this Agreement, under the provisions of which the City's interest in the payments of principal, premium, if any, interest and other revenues hereunder (other than Unassigned Rights) are pledged and assigned to the Purchaser as security for the payment of the principal of, premium, if any, and interest on the Series 2016B Note. The City covenants that it has not and will not pledge or assign its interest in this Agreement, or the revenue and receipts derived pursuant to this Agreement, excepting Unassigned Rights, other than to the Purchaser under this Agreement to secure the Series 2016B Note.

(d) To the knowledge of the undersigned representatives of the City, neither the execution and delivery of the Series 2016B Note or this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms, conditions or provisions of the Series 2016B Note or this Agreement conflict with or result in a material breach of any of the terms, conditions or provisions of any agreement, instrument, judgment, order, or decree to which the City is now a party or by which it is bound, or constitute a material default under any of the foregoing.

Section 2.2 Representations of Borrower. The Borrower represents and warrants as follows:

(a) The Borrower is a limited partnership duly organized under the laws of the State, is in good standing and duly authorized to conduct its business in this State, is duly

authorized and has full power under all applicable laws and its organizational documents to execute and deliver the Borrower Documents.

(b) The execution and delivery of the Borrower Documents on the Borrower's part have been duly authorized by all necessary corporate action, and neither the Borrower's execution and delivery of the Borrower Documents, the Borrower's consummation of the transactions contemplated on its part thereby, nor the Borrower's fulfillment of or compliance with the terms and conditions thereof, conflicts with or results in a material breach of the partnership agreement of the Borrower or any material agreement or instrument to which the Borrower is now a party or by which it is bound (except for any such breaches for which the Borrower has obtained a waiver or a required consent), or constitutes a material default (or would constitute a material default with due notice or the passage of time or both) under any of the foregoing.

(c) No litigation, proceedings or investigations are pending (for which service of process or notice has been received) or, to the knowledge of the Borrower, threatened against the Borrower seeking to restrain, enjoin or in any way limit the approval or issuance and delivery of the Borrower Documents or which would in any manner challenge or adversely affect the corporate existence or powers of the Borrower to enter into and carry out the transactions described in or contemplated by or the execution, delivery, validity or performance by the Borrower of the Borrower Documents. In addition, no litigation, proceedings or investigations are pending (for which service of process or notice has been received) or, to the knowledge of the Borrower, threatened in writing against the Borrower, except litigation, proceedings or investigations involving claims for which the probable ultimate recoveries and the estimated costs and expenses of defense, in the opinion of management of the Borrower (i) will be entirely within the applicable insurance policy limits (subject to applicable deductibles) or are not in excess of the total of the available assets held under applicable self-insurance programs or (ii) will not have a material adverse effect on the operations or condition, financial or otherwise, of the Borrower.

(d) No Event of Default or event or condition which, but for the lapse of time or the giving of notice, or both, would constitute an Event of Default has occurred and is continuing.

Section 2.3 Representations of Purchaser. The Purchaser represents, warrants and acknowledges as follows:

(a) In purchasing the Series 2016B Note, it is not relying on any representations of the City with respect to the financial quality of the Series 2016B Note. The Purchaser is relying solely on statements and representations of the Borrower and on its own knowledge and investigation of the facts and circumstances relating to the purchase of the Series 2016B Note and hereby waives any claims that it may have against the City with respect to the financial quality of the Series 2016B Note arising out of any action the City has taken or should have taken in the authorization, issuance or sale of the Series 2016B Note or with respect to any statement or representation made by the City in connection with the sale of the Series 2016B Note. Insofar as the financial quality of the Series

2016B Note is dependent solely on the ability of the Borrower to make all payments as and when due under this Agreement, the Purchaser acknowledges and agrees that it has evaluated the creditworthiness of the Borrower and has determined that, as a consequence of that evaluation, in the absence of the Series 2016B Note, the Purchaser would nevertheless be willing to finance costs of the Project through a commercial loan to the Borrower on substantially the same terms and conditions (other than the interest rate on the Series 2016B Note) as set forth in this Agreement.

(b) It intends to treat the purchase of the Series 2016B Note as a commercial loan to the Borrower. The Purchaser also represents and warrants that its business is that of a commercial bank, and as such it is an "accredited investor" within the meaning ascribed to that term under Regulation D, Section 501 through 506 of the Securities Act of 1933, as amended. In connection with its business, the Purchaser holds an extensive portfolio of investments, including tax-exempt obligations similar to the Series 2016B Note, and commercial loans, as well as other types of loans. The Purchaser has knowledge and experience in financial and business matters, including evaluating and purchasing tax-exempt obligations similar to the Series 2016B Note, and is capable of evaluating the merits and risks of making the loan hereunder and purchasing the Series 2016B Note.

(c) The Purchaser has had access to all information relative to the business of the Borrower that it has required in order to purchase the Series 2016B Note and make the loan hereunder.

(d) The City and the Borrower have made available during the course of the transaction and prior to the purchase of the Series 2016B Note, to the Purchaser, the opportunity to ask questions and receive answers from such parties concerning the terms and conditions of the Series 2016B Note offering and to obtain any additional information relative to the financial data and business of such parties, to the extent that such parties possess such information or can acquire it without unreasonable effort or expense.

(e) The Purchaser understands that the Series 2016B Note has not been registered under the Securities Act of 1933, as amended, and that such registration is not legally required. The Purchaser represents that it is purchasing the Series 2016B Note for investment for its own account and not with the present view of transferring the Series 2016B Note or any portion of it in such a manner that would require registration under the Securities Act of 1933, as amended. The Purchaser agrees not to sell or transfer the Series 2016B Note except in compliance with any applicable federal or state securities laws. The Purchaser is not acting in the capacity of a broker dealer or municipal securities underwriter in connection with its purchase of the Series 2016B Note.

(f) The Series 2016B Note may be transferred only in whole, in a single transaction whereby all right, title and interest in and to the Series 2016B Note is transferred to a single transferee and only with the prior written consent of the City and prior written notice to the Borrower. The City agrees not to withhold its consent unreasonably, when provided with reasonable evidence of the following:

(i) that the transferee has been provided copies of the Borrower Documents, all as currently then in effect;

(ii) that the Purchaser's rights under the applicable Borrower Documents have been assigned to the transferee as security for the Series 2016B Note;

(iii) that the transferee has certified as to the representations contained in this Section 2.3 to the City and the Borrower;

(iv) that the transferee has assumed and undertaken all obligations of the Purchaser under this Agreement, including the obligation to make Advances as provided herein;

(v) that the transferee has provided a "sophisticated investor" letter to the City and the Borrower, in a form substantially similar to the form attached to this Agreement as Exhibit D; and

(vi) that the transferee has been provided copies of any opinions of counsel previously delivered to the Purchaser.

Provided, however, such prior written consent of the City shall not be required if the Series 2016B Note is being transferred to an Eligible Transferee and the requirements under provisions (f)(i) to (vi) above have been satisfied.

(g) The Purchaser would have purchased the Series 2016B Note regardless of whether or not any other bond of any other Governmental Authority were purchased or issued to finance costs of the Project. The interest rate for the Series 2016B Note was determined independently from the interest rate for any other bond of any other Governmental Authority issued to finance or refinance the Project.

ARTICLE III

ISSUANCE AND SALE OF NOTE; ISSUER COVENANTS

Section 3.1 Agreement to Issue and Sell Note; Application of Note Proceeds. In order to provide funds to finance costs of the Project, the City agrees that it will issue, sell and cause to be delivered the Series 2016B Note to the Purchaser on the Closing Date. The Purchaser agrees that it will purchase the Series 2016B Note from the City at a purchase price of 100% of the principal amount thereof payable as provided below.

The purchase price for the Series 2016B Note shall be paid in multiple Advances as funds are drawn from the Purchaser from time to time pursuant to Section 3.2 hereof. The Series 2016B Note and all Advances made thereunder shall bear interest at the interest rate as set forth herein. The principal amount of the Series 2016B Note at any time outstanding shall equal the aggregate principal amount of Advances made to the Borrower, less the principal amount of all Advances paid by the Borrower, whether at maturity or upon redemption.

The proceeds received from each Advance of the Series 2016B Note shall be paid to the Borrower to be held in a separate trust fund account with the Title Company titled the "City of Chicago – Rosenwald Courts, Series 2016B Project Fund (the "**Project Fund**") to be used for the purposes described in Section 5.4 hereof. The issuance of the Series 2016B Note by the Issuer and the delivery of the Series 2016B Note to the Purchaser shall be deemed a loan by the Issuer in the principal amount equal to the aggregate principal amount of Advances made to the Borrower, less the principal amount of all Advances paid by the Borrower, whether at maturity or upon redemption. The Borrower shall be obligated hereunder to pay amounts sufficient to pay all principal of, premium, if any, and interest on the Series 2016B Note when due.

The Purchaser agrees that it will execute and deliver to the City a "sophisticated investor" letter in connection with its purchase of the Series 2016B Note in the form attached to this Agreement as **Exhibit D**. The Borrower's obligation to repay the loan is evidenced by this Agreement and the Borrower's execution and delivery to the City of a promissory note (the "**Borrower Note**") in the form attached to this Agreement as **Exhibit E**.

Section 3.2 Conditions for Advances of Note; Form; Dating; Limited Obligation. The Series 2016B Note shall be designated the "City of Chicago – Multifamily Mortgage Revenue Note, Series 2016B (Rosenwald Courts)." The total principal amount of the Series 2016B Note that may be outstanding shall not exceed \$4,500,000. The Series 2016B Note shall be substantially in the form of **Exhibit A** to this Agreement. The Series 2016B Note shall be dated the Closing Date and shall mature, subject to redemption as provided herein, on _____, 2056. The Series 2016B Note shall be issued as a single fully registered note in the amount of the \$4,500,000. The Series 2016B Note may have notations, legends or endorsements required by law or usage.

Upon purchase of the Series 2016B Note and making the Initial Advance thereunder as described above, the Purchaser shall affix Schedule I to this Agreement based upon the full funding of the Series 2016B Note, and including an estimated amortization schedule based on such assumption to final maturity for the Series 2016B Note.

As promptly as possible after the date of the final Advance, the Purchaser shall amend Schedule I hereto, showing the actual amounts advanced and the actual amortization schedule. If the final Advance is not made prior to the first principal payment on _____, 20__, the Purchaser shall, not less than seven days prior to such payment date, amend the amortization schedule to reflect the then-outstanding principal amount of the Series 2016B Note.

THE SERIES 2016B NOTE, TOGETHER WITH ALL PRINCIPAL AND INTEREST THEREON ARE LIMITED OBLIGATIONS OF THE CITY SECURED BY THIS AGREEMENT AND PAYABLE SOLELY FROM THE REVENUES AND INCOME DERIVED FROM THE BORROWER UNDER THIS AGREEMENT (EXCEPT TO THE EXTENT PAID OUT OF MONEYS ATTRIBUTABLE TO PROCEEDS OF THE SERIES 2016B NOTE, THE INCOME FROM THE TEMPORARY INVESTMENT THEREOF OR PAYMENTS MADE PURSUANT TO OR DERIVED FROM THE BORROWER DOCUMENTS), IS AND SHALL ALWAYS BE A VALID CLAIM OF THE OWNER THEREOF ONLY AGAINST THE REVENUES AND INCOME DERIVED FROM THIS AGREEMENT, WHICH REVENUES AND INCOME SHALL BE USED FOR NO OTHER

PURPOSE THAN TO PAY THE PRINCIPAL INSTALLMENTS OF AND INTEREST ON THE SERIES 2016B NOTE, EXCEPT AS MAY BE EXPRESSLY AUTHORIZED OTHERWISE IN THIS AGREEMENT.

THE SERIES 2016B NOTE AND THE OBLIGATION TO PAY PRINCIPAL AND INTEREST THEREON DO NOT NOW AND SHALL NEVER CONSTITUTE AN INDEBTEDNESS, LIABILITY, GENERAL OR MORAL OBLIGATION OR A PLEDGE OF THE FAITH OR LOAN OF THE CREDIT OF THE CITY, THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION OR PROVISION, OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS, IF ANY, OF ANY OF THEM, BUT SHALL BE SECURED AS AFORESAID, AND SHALL BE PAYABLE SOLELY FROM THE REVENUES AND INCOME DERIVED FROM PAYMENTS MADE BY THE BORROWER UNDER THIS AGREEMENT (EXCEPT AS STATED AFORESAID). NO OWNER OF THE SERIES 2016B NOTE SHALL HAVE THE RIGHT TO COMPEL THE EXERCISE OF THE TAXING POWER, IF ANY, OF THE CITY, THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF TO PAY ANY PRINCIPAL INSTALLMENT OF OR INTEREST ON THE SERIES 2016B NOTE.

Section 3.3 Principal of and Interest on the Series 2016B Note. Principal of the Series 2016B Note shall be payable in whole on its _____, 2056 maturity date. Interest on the Series 2016B Note shall be payable annually on _____ of each year, commencing on _____, 2017, and at the final maturity of the Series 2016B Note, in all cases on the then outstanding unpaid principal balance of the Series 2016B Note. Interest on the Series 2016B Note shall be payable at the rate of 5.5% per annum, compounded annually, and calculated on the basis of a 365 day year for actual days elapsed, solely to the extent of available "Net Cash Flow" pursuant to the terms of the First Amendment to the Second Amended and Restated Agreement of Limited Partnership of the Borrower dated on or about the date of this Agreement. To the extent that interest on the Series 2016B Note is not paid when due because Net Cash Flow as referenced above is not sufficient to support the full payment of interest on the Series 2016B Note on such date, such insufficiency shall not be an Event of Default hereunder, but the unpaid interest amount shall continue to be due and payable and shall be payable on the next interest payment date in addition to the scheduled interest which is then due and payable.

Following the maturity date of the Series 2016B Note, the Series 2016B Note shall bear interest on any overdue principal and, to the extent permitted by law, on overdue interest, at a rate equal to the sum of the interest rate then in effect as provided above plus 5% per annum.

Principal and interest payments on the Series 2016B Note is payable in lawful money of the United States of America at the office of the Purchaser. If any payment on the Series 2016B Note is due on a non-Business Day, it will be made on the next Business Day, and no interest will accrue as a result.

Section 3.4 Redemption. The Note is subject to optional redemption at the written direction of the Borrower upon at least 15 days written notice by the Borrower to the Purchaser in whole or in part on any date at the redemption price of 100% of the then unpaid principal amount of the Series 2016B Note, plus accrued interest, if any, to the redemption date. The Note

called for redemption shall be paid at the applicable redemption price by payment directly from the Borrower to the Purchaser.

Section 3.5 Mutilated, Lost, Stolen or Destroyed Note. If the Series 2016B Note is mutilated, lost, stolen or destroyed, the City shall issue a replacement Note in the then outstanding principal amount of the Series 2016B Note. The City may charge the Borrower for its reasonable expenses in this connection.

Section 3.6 Payment of Note. The City will promptly pay the principal of and interest on the Series 2016B Note on the dates and in the manner provided in the Series 2016B Note, but solely and only from payments to be made by the Borrower hereunder, it being agreed and understood that the Series 2016B Note and interest thereon shall be a limited obligation of the City which are not in any way a general obligation of the City nor payable in any manner from funds of the City raised by taxation.

Section 3.7 Further Assurances. The City will execute and deliver such further instruments, and do such further acts, as the Purchaser may reasonably require for the better assuring, assigning and confirming to the Purchaser the amounts assigned hereunder for the payment of the Series 2016B Note.

Section 3.8 Tax Exemption. Subject to the limitations on its liability as stated herein and to the extent permitted by law, the City covenants and agrees that it has not knowingly engaged and will not knowingly engage in any activities, and that it has not knowingly taken and will not knowingly take any action, which might result in any interest on the Series 2016B Note becoming includable in the gross income of the owners thereof for purposes of Federal income taxation.

Section 3.9 Performance of Covenants; Issuer. The City covenants that it will faithfully perform on its part at all times any and all covenants, undertakings, stipulations and provisions contained in this Agreement, in any and every Note executed, authenticated and delivered hereunder and in all of its proceedings pertaining thereto; *provided, however*, that except for the matters set forth in any documents hereof relating to payment of the Series 2016B Note, the City shall not be obligated to take any action or execute any instrument pursuant to any provision hereof until it shall have been requested to do so by the Borrower or by Purchaser, or shall have received the instrument to be executed and at the option of the City shall have received from the party requesting such action or execution assurance satisfactory to the City that the City shall be reimbursed for its reasonable expenses, including legal counsel fees, financial advisor fees, and other expenses, reasonably incurred or to be incurred by the City in connection with the Series 2016B Note. The City covenants that it is duly authorized under the Constitution, the laws of the State, and the Ordinance authorizing the issuance of the Series 2016B Note and the execution of this Agreement, to grant the security interest herein provided, to assign and pledge this Agreement (except as otherwise provided herein) and the Borrower Note and to assign and pledge the amounts hereby assigned and pledged in the manner and to the extent herein set forth, that all action on its part for the issuance of the Series 2016B Note and the execution and delivery of this Agreement has been duly and effectively taken, and that the Series 2016B Note in the hands of the owners thereof is and will be a valid and enforceable obligation of the City according to the terms thereof and hereof. Anything contained in this Agreement to

the contrary notwithstanding, it is hereby understood that none of the covenants of the City contained in this Agreement are intended to create a general or primary obligation of the City.

Section 3.10 Fees, Charges and Expenses of the City. The City shall be entitled to payment and reimbursement for all advances, reasonable fees of legal counsel and financial advisor, and other expenses reasonably made or incurred by the City in connection with the Series 2016B Note.

Section 3.11 Provisions for Payment of Expenses. The City shall not be obligated to execute any documents or take any other action under or pursuant to this Agreement or any other document in connection with the Series 2016B Note unless and until provision for the payment of expenses of the City, including reasonable fees of legal counsel and financial advisor, and other expenses reasonably made or incurred by the City in connection with the Series 2016B Note shall have been made. Provisions for expenses shall be deemed to have been made upon arrangements reasonably satisfactory to the City for the provision of expenses being agreed upon by the City and the party requesting such execution.

ARTICLE IV

REPAYMENT

Section 4.1 Loan Repayment. Principal, Premium and Interest. Each Advance under the Series 2016B Note pursuant to Section 3.1 hereof from time to time hereof shall constitute the loan of such proceeds by the City to the Borrower. As repayment of the loan made from the City to the Borrower hereunder, the Borrower agrees to pay directly to the Purchaser (as the assignee of the City) amounts sufficient to pay the principal of, premium, if any or interest on the Series 2016B Note on each day on which any payment of principal of, premium, if any or interest on the Series 2016B Note shall become due (whether on an interest payment date, at maturity, or upon redemption or acceleration or otherwise). Such amounts shall be paid in immediately available funds on or before 11:00 a.m. (local time at the principal office of the Purchaser). If the Borrower defaults in any payment required by this Section, the Borrower will pay interest (to the extent allowed by law) on such amount until paid at the rate provided for in Section 3.3 hereof.

The loan repayment obligation of the Borrower hereunder shall be evidenced by the Borrower Note which shall be executed by the Borrower in the form set forth in **Exhibit E** hereto.

Section 4.2 Prepayments. The Borrower may prepay to the Purchaser all or any part of the amounts payable under Section 4.1 at any time that the Series 2016B Note shall be subject to optional redemption, solely as provided in this Agreement and the Series 2016B Note, and at a prepayment price equal to the corresponding redemption price of the Series 2016B Note. A prepayment shall not relieve the Borrower of its obligations under this Agreement until the Series 2016B Note has been paid in full or provision for the payment of the Series 2016B Note in full has been made in accordance with this Agreement. In the event of a mandatory redemption of the Series 2016B Note, the Borrower agrees to prepay all amounts necessary for such redemption. Partial prepayments of the loan made to the Borrower hereunder shall reduce the

monthly principal installments hereunder in such manner as shall be agreed upon by the Borrower and the Purchaser, or in the absence of such agreement, in inverse order of their due date.

Section 4.3 Obligations of Borrower Unconditional. As security for the payment of the Series 2016B Note, the City, pursuant to Section 7.2 hereof, assigns and pledges to the Purchaser all right, title and interest of the City in and to (i) this Agreement, including the right to receive payments hereunder and thereunder (except its Unassigned Rights) and (ii) the Borrower Note, including the right to receive payments thereunder, and hereby directs the Borrower to make said payments directly to the Purchaser. The Borrower herewith assents to such assignment and pledge and will make payments directly to the Purchaser without defense or set-off by reason of any dispute between the Borrower and the City or Purchaser, and hereby agrees that its obligation to make payments hereunder and to perform its other agreements contained herein are absolute and unconditional. Until the principal of and interest on the Series 2016B Note shall have been fully paid or provision for the payment of the Series 2016B Note made in accordance herewith, the Borrower (a) will not suspend or discontinue any payments provided for in this Agreement, (b) will perform all its other duties and responsibilities called for by this Agreement, and (c) will not terminate for any cause including any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Project, commercial frustration of purpose, any change in the laws of the United States or of the State or any political subdivision of either or any failure of the City to perform any of its agreements, whether express or implied, or any duty, liability or obligation arising from or connected with this Agreement.

Section 4.4 Subordination. Repayment of the Series 2016B Note, the Mortgage and the other documents evidencing or securing repayment of the Series 2016B Note shall be subject and subordinate in all respects to the rights of the holders of the Series 2013 Note and to all terms, covenants, conditions and liens of the documents affecting the Series 2013 Note. Payment of the indebtedness evidenced by the Series 2016B Note is and shall be subject and subordinate in all respects, including in respect of the right to payment, to the prior payment in full of all amounts due and payable in respect of the Series 2013 Note. The owners of Series 2016B Note expressly subject and subordinate all of their right, title and interest in and to the Series 2016B Note in all respects to the payment in full of the Series 2013 Note and the liens of the security instruments securing the Series 2013 Note. By accepting the Series 2016B Note, the holders of the Series 2016B Note agree to execute such further instruments confirming the subordination set forth herein.

Section 4.5 Additional Expenses. The Borrower will also pay within 30 days after receipt of a bill therefor, (i) all reasonable expenses of the City in connection with and as provided in this Agreement, such expenses to be paid directly to the City or as otherwise directed in writing by the City; and (ii) all other reasonable fees and expenses incurred in connection with the issuance of the Series 2016B Note. The Borrower shall pay a one-time (i) issuance fee of 150 basis points of the aggregate original principal amount of the Series 2016B Note to the City and (ii) legal reserve fee of 10 basis points of the aggregate original principal amount of the Series 2016B Note to the City, in each case, prior to or contemporaneously with the issuance of the Series 2016B Note.

ARTICLE V

BORROWER COVENANTS

Section 5.1 Recording and Maintenance of Liens; Financing Statements.

(a) The Borrower will, at its own expense, take all necessary action to maintain and preserve the liens and security interest of this Agreement so long as any principal, premium, if any, or interest on the Series 2016B Note remains unpaid.

(b) The Borrower will, promptly after the execution and delivery of this Agreement and thereafter from time to time, cause a financing statement in respect of this Agreement to be filed, registered and recorded in such manner and in such places as may be required by law in order to publish notice of and fully to perfect and protect the lien and security interest herein granted to the Purchaser to the rights, if any, of the City assigned hereunder, and from time to time will perform or cause to be performed any other act as provided by law and will execute or cause to be executed any and all continuation statements and further instruments necessary for such publication, perfection and protection. Except to the extent it is exempt therefrom, the Borrower will pay or cause to be paid all filing, registration and recording fees incident to such filing, registration and recording, and all expenses incident to the preparation, execution and acknowledgment of such instruments of further assurance, and all Federal or State fees and other similar fees, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of the Borrower Documents and such instruments of further assurance.

(c) The City shall have no responsibility for the preparation, filing or recording of any instrument, document or financing statement or for the maintenance of any security interest intended to be perfected thereby. Following an appropriate review and approval, the City will execute such instruments provided to it by the Borrower as may be reasonably necessary in connection with such filing or recording.

Section 5.2 *Borrower's Obligation with Respect to Exclusion of Interest Paid on the Series 2016B Note.* The Borrower will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Series 2016B Note) if taking or omitting to take such action would cause the interest on the Series 2016B Note to be included in the gross income of the recipients thereof for federal income tax purposes. Toward that end, the Borrower covenants that it will comply with all provisions of the Tax Certificate and Land Use Restriction Agreement applicable to it. This provision shall control in case of conflict or ambiguity with any other provision of this Agreement.

Section 5.3 *Maintenance of Existence; Dissolution; Disposition of Assets; Merger or Consolidation.* The Borrower agrees that as long as the Series 2016B Note is outstanding, it will maintain its existence, will not dissolve, liquidate or otherwise dispose of all or substantially all of its assets, and will not consolidate with or merge into another corporation or entity or permit one or more other corporations or entities to consolidate with or merge into it.

Section 5.4 Project Construction. (a) The Borrower shall cause the Project to be acquired, constructed and equipped in accordance with this Section.

(b) Moneys deposited with Title Company pursuant to Section 3.1 of this Agreement shall be held in the Project Fund and disbursed in accordance with the Escrow Agreement.

(c) The completion of the Project shall be evidenced to the Purchaser by a certificate (the "**Completion Certificate**") substantially in the form of **Exhibit C** hereto, signed by an Authorized Borrower Representative. It shall be the duty of the Borrower to cause the Completion Certificate to be furnished to the Purchaser and the City within 60 days after either the Project shall have been completed or the Borrower shall have determined that the Project will not be completed. Any moneys held in the Project Fund after the completion of the Project shall at the direction of the Borrower be used with respect thereto for one or more of the following purposes:

(i) for the payment, in accordance with the provisions of this Agreement, of any Qualified Cost with respect to the Project not theretofore paid; or

(ii) for the payment of all or part of the redemption price of the Series 2016B Note at the earliest redemption date or dates on which the Series 2016B Note may be redeemed without the payment of a premium or, at the option of the Borrower, at an earlier redemption date or dates.

(d) The Borrower covenants and agrees that it will cause all of the moneys in the Project Fund (including any earnings on investment of such moneys) to be disbursed for Qualified Costs. The Borrower further covenants that no more than two percent (2%) of the par amount of the Series 2016B Note will be disbursed for payment of issuance costs within the meaning of Section 147(g) of the Code.

(e) In the event the money in the Project Fund available for payment of the costs of the Project shall not be sufficient to make such payment in full, the Borrower agrees to pay directly, or to deposit moneys in the Project Fund for the payment of, such costs of completing the Project as may be in excess of the moneys available therefor in the Project Fund. THE CITY DOES NOT MAKE ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, THAT THE MONEYS WHICH WILL BE DEPOSITED INTO THE PROJECT FUND, AND WHICH UNDER THE PROVISIONS OF THIS AGREEMENT WILL BE AVAILABLE FOR PAYMENT OF THE COSTS OF THE PROJECT, WILL BE SUFFICIENT TO PAY ALL OF THE COSTS WHICH WILL BE INCURRED IN CONNECTION THEREWITH. The Borrower agrees that if, after exhaustion of the moneys in the Project Fund, the Borrower should pay, or deposit monies in the Project Fund for the payment of, any portion of the costs of the Project pursuant to the provisions of this Section, it shall not be entitled to any reimbursement therefor from the City or Purchaser, nor shall they be entitled to any diminution of the amounts payable under Section 4.1 hereof.

(g) All moneys in the Project Fund shall be invested or reinvested by the Purchaser, at the direction of the Authority Borrower Representative, as provided in the Tax Certificate and to the extent permitted by law, in Qualified Investments. Any such investment

may be purchased at the offering or market price thereof at the time of such purchase. Any such investment shall mature on or prior to the date or dates on which such funds are anticipated to be needed under the Agreement. Any profit realized therefrom shall be credited to such moneys and any net losses resulting from such investment shall be paid by the Borrower.

Section 5.5 Operation, Sale, Lease or Sublease of the Project. The Borrower will not make any material change in its use of the Project unless the Purchaser and the City receive an Opinion of Bond Counsel to the effect that such change will not impair the exclusion of interest on the Series 2016B Note from the gross income of holders of the Series 2016B Note for federal income tax purposes.

Upon any conveyance or transfer (whether by sale, exchange, gift or assignment or other disposition) of the Borrower's interest in the Project to the extent permitted hereunder, the Borrower will obtain, or cause there to be obtained, the agreement of the receiving party to comply with the provisions of this Section, regardless of whether such receiving party assumes the obligations of the Borrower under this Agreement generally, and will provide the City and the Purchaser with an Opinion of Bond Counsel to the effect that the conveyance or transfer will not adversely affect the exclusion of the interest on the Series 2016B Note from the Federal gross income of the owners thereof.

Section 5.6 No Warranty by the City. THE BORROWER RECOGNIZES THAT THE CITY HAS NOT MADE AN INSPECTION OF THE PROJECT OR OF ANY FIXTURE OR OTHER ITEM CONSTITUTING A PORTION THEREOF, AND THE CITY MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED OR OTHERWISE, WITH RESPECT TO THE SAME OR THE LOCATION, USE, DESCRIPTION, DESIGN, MERCHANTABILITY, CONDITION, WORKMANSHIP, OR FITNESS, SUITABILITY OR USE FOR ANY PARTICULAR PURPOSE, CONDITION OR DURABILITY THEREOF. THE BORROWER FURTHER RECOGNIZES THAT THE CITY HAS NO TITLE INTEREST TO ANY PART OF THE PROJECT AND THAT THE CITY MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND AS TO THE BORROWER'S TITLE THERETO OR OWNERSHIP THEREOF OR OTHERWISE, IT BEING AGREED THAT ALL RISKS INCIDENT THERETO ARE TO BE BORNE BY THE BORROWER. IN THE EVENT OF ANY DEFECT OR DEFICIENCY OF ANY NATURE IN THE PROJECT OR ANY FIXTURE OR OTHER ITEM CONSTITUTING A PORTION THEREOF, WHETHER PATENT OR LATENT, THE CITY SHALL HAVE NO RESPONSIBILITY OR LIABILITY WITH RESPECT THERETO. THE PROVISIONS OF THIS SECTION HAVE BEEN NEGOTIATED AND ARE INTENDED TO BE A COMPLETE EXCLUSION AND NEGATION OF ANY WARRANTIES OR REPRESENTATIONS BY THE CITY, EXPRESS OR IMPLIED, WITH RESPECT TO THE PROJECT OR ANY FIXTURE OR OTHER ITEM CONSTITUTING A PORTION THEREOF, WHETHER ARISING PURSUANT TO THE UNIFORM COMMERCIAL CODE OF THE STATE OF ILLINOIS OR ANOTHER LAW NOW OR HEREAFTER IN EFFECT OR OTHERWISE.

Section 5.7 Compliance with Laws. The Borrower shall, through the term of this Agreement and at no expense to the City, promptly comply or cause compliance with all applicable laws, ordinances, orders, rules, regulations and requirements of duly constituted public authorities which may be applicable to the Project or to the repair and alteration thereof.

or to the use or manner of use of the Project, including, but not limited to, the Americans with Disabilities Act, Illinois Accessibility Code, all Federal, State and local environmental, health and safety laws, rules, regulations and orders applicable to or pertaining to the Project, Federal Worker Adjustment and Retraining Notification Act and Illinois Prevailing Wage Act.

Section 5.8 Issuer's and Purchaser's Right of Access to the Project. The Borrower agrees that during the term of this Agreement the City, the Purchaser, and their duly authorized agents shall have the right, but shall be under no duty or obligation to exercise this right, during regular business hours, with reasonable notice, to enter upon the premises and examine and inspect the Project, subject to such limitations, restrictions and requirements as the Borrower may reasonably prescribe.

Section 5.9 Maintenance and Repair; Insurance. The Borrower will maintain the Project in a safe and sound operating condition, making from time to time all needed material repairs thereto, and shall maintain reasonable amounts of insurance coverage with respect to the Project and shall pay all costs of such maintenance, repair and insurance.

Section 5.10 Rebate Fund. (a) The Borrower will cause to be created a special fund to be known as the "**Series 2016B Rebate Fund**," which shall thereafter be continuously held, invested, expended and accounted for in accordance with this Agreement and the Tax Certificate. Capitalized terms used in this Section which are not otherwise defined herein shall have the meanings specified in the Tax Certificate. Moneys in the Series 2016B Rebate Fund shall be free and clear of the lien of this Agreement and shall not be considered moneys held for the benefit of the owners of the Series 2016B Note. Except as provided in the Regulations, moneys in the Series 2016B Rebate Fund (including earnings and deposits therein) shall be held in trust for payment to the United States as required by the Regulations.

In addition to the amounts provided in this Agreement, the Borrower hereby agrees to deposit in the Series 2016B Rebate Fund for payment to the United States any amount which under the Regulations must be deposited in the Series 2016B Rebate Fund for payment to the United States with respect to the Series 2016B Note.

(b) The Borrower agrees to pay rebate in accordance with Section 148(f) of the Code and the regulations promulgated thereunder.

The Borrower and the Purchaser shall maintain a record of any investments of gross proceeds of the Series 2016B Note (within the meaning of Section 148(f) of the Code) held by the Purchaser, including without limitation investments of amounts held in the Project Fund. This record with respect to obligations in which gross proceeds of the Series 2016B Note are invested will include their date of purchase, purchase price, coupon rate and period, and the amount and date of receipt of payments of principal, premium and interest and of sale, redemption and retirement proceeds with respect thereto.

The Borrower shall obtain and keep such records of the computations made pursuant to this Section as are required under Section 148(f) of the Code. Notwithstanding the foregoing, the Borrower shall keep such records at least until three years following the final payment or maturity of the Series 2016B Note.

ARTICLE VI

NO RECOURSE TO ISSUER; INDEMNIFICATION

Section 6.1 No Recourse to Issuer. The obligations of the City under this Agreement are limited obligations of the City, payable solely out of the revenues and income derived from the Borrower under this Agreement and as otherwise provided under this Agreement and the Ordinance. The obligations of the City hereunder shall not be deemed to constitute an indebtedness or an obligation of the City, the State of Illinois or any political subdivision thereof within the purview of any constitutional limitation or statutory provision, or a charge against the credit or general taxing powers, if any, of any of them. No recourse shall be had for the payment of the principal of, redemption premium, if any, and interest on the Series 2016B Note or for any claim based thereon or upon any obligation, covenant or agreement contained in this Agreement against any past, present or future official, officer or employee of the City, as such, either directly or through the City or any successor, under any rule of law, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability is hereby expressly waived and released as a condition of and consideration for the execution of this Agreement and the issuance of the Series 2016B Note.

Section 6.2 Indemnification. The Borrower will pay, and will protect, indemnify and save the City harmless from and against, any and all liabilities, losses, damages, costs and expenses (including reasonable attorneys' fees and expenses of the City), causes of action, suits, claims, demands and judgments of whatsoever kind and nature (including those arising or resulting from any injury to or death of any person or damage to property) arising out of the following, to the extent permitted by law:

- (i) the design, construction and installation of the Project;
- (ii) the use of the Project by the Borrower;
- (iii) violation by the Borrower of any agreement, warranty, covenant or condition of this Agreement, the Land Use Restriction Agreement or the Borrower Documents;
- (iv) violation by the Borrower of any other contract, agreement or restriction relating to the Project; and
- (v) violation by the Borrower of any law, ordinance, regulation or court order affecting the Project or the ownership, occupancy or use thereof.

The City shall notify the Borrower in writing of any claim or action brought against the City in respect of which indemnity may be sought against the Borrower, setting forth the particulars of such claim or action, and the Borrower will assume the defense thereof, including the employment of counsel, and the payment of all reasonable expenses. The City, at its sole discretion, may employ separate counsel in any such action and participate in the defense thereof. The fees and expenses of such separate counsel so incurred shall be at the expense of the Borrower without regard to any authorization of such employment by the Borrower.

Section 6.3 Default by Issuer — Limited Liability. Notwithstanding any provision or obligation to the contrary hereinbefore set forth, no provision of this Agreement shall be construed so as to give rise to a pecuniary liability of the City or to give rise to a charge upon the general credit of the City, the liability of the City hereunder shall be limited to its interest in the Project, this Agreement, and all other Borrower Documents and collateral and the lien of any judgment shall be restricted thereto. In the performance of the agreements of the City herein contained, any obligation it may incur for the payment of money shall not be a debt of the City, nor shall the City be liable on any obligation so incurred. The City does not assume general liability for the repayment of the Series 2016B Note or for the costs, fees, penalties, taxes, interest, omissions, charges, insurance or any other payments recited herein, and shall be obligated to pay the same only out of the amounts payable by the Borrower hereunder. The City shall not be required to do any act whatsoever or exercise any diligence whatsoever to mitigate the damages to the Borrower if a default shall occur hereunder.

ARTICLE VII

ASSIGNMENT

Section 7.1 Assignment by Borrower. The rights of the Borrower under this Agreement may be assigned to, and the obligations of the Borrower assumed by, another party in whole or in part, but only with the prior written consent of the Purchaser and the City. No such assignment will be made, however, unless the Borrower causes there to be delivered to the Purchaser and the City an Opinion of Bond Counsel to the effect that such assignment will not cause interest on the Series 2016B Note to be includable in the gross income of the owners thereof for federal income tax purposes.

Section 7.2 Security Interest; Assignment by Issuer. The City hereby assigns and grants to the Purchaser a security interest in any and all of the City's right, title and interest in and to (a) all amounts payable by the Borrower to it hereunder and under the Borrower Note and all rights to enforce the same, excluding only the Unassigned Rights, and (b) all funds and accounts created or held by any party pursuant to this Agreement. The City will not sell, assign or otherwise dispose of its rights under or interest in this Agreement or the Borrower Note, nor create or permit to exist any lien, encumbrance or other security interest in or on such rights or interest, except as set forth above.

ARTICLE VIII

DEFAULTS AND REMEDIES

Section 8.1 Events of Default. An "Event of Default" is any of the following:

(a) There is a failure to make due and punctual payment of any interest on the Series 2016B Note when due.

(b) There is a failure to make due and punctual payment of principal of the Series 2016B Note when due, at maturity, upon acceleration or redemption or otherwise.

(c) The City fails to perform any of its agreements in this Agreement or the Series 2016B Note (except a failure that results in an Event of Default under clause (a) or (b) above, the performance of which is material to the Purchaser), and the failure continues after the notice and for the period specified in this Section.

(d) The Borrower fails to perform any of its agreements in this Agreement (except a failure that results in an Event of Default under clause (a) or (b) of this Section), and the failure continues after the notice and for the period specified in this Section.

(e) The Borrower pursuant to or within the meaning of any Bankruptcy Law (as defined below) (1) commences a voluntary case, (2) consents to the entry of an order for relief against it in an involuntary case, (3) consents to the appointment of a Custodian (as defined below) for the Borrower, or any substantial part of its property or (4) makes a general assignment for the benefit of its creditors.

(f) A court of competent jurisdiction enters an order or decree under any Bankruptcy Law that (1) is for relief against the Borrower in an involuntary case, (2) appoints a Custodian (as defined below) for the Borrower or any substantial part of its, his or her property or (3) orders the winding up or liquidation of the Borrower, and the decree or order remains unstayed and in effect for 90 days.

(g) An Event of Default occurs and is continuing under any of the Borrower Documents after the expiration of any applicable cure period.

"Bankruptcy Law" means Title 11 of the United States Code or any similar Federal or state law for the relief of debtors. **"Custodian"** means any receiver, trustee, assignee, liquidator, custodian or similar official under any Bankruptcy Law.

A default under clause (c) or (d) of this Section is not an Event of Default until the Purchaser gives the City and the Borrower a notice specifying the default, demanding that it be remedied and stating that the notice is a **"Notice of Default,"** and the City or the Borrower does not cure the default within 90 days after receipt of the notice, or within such longer period as the Purchaser shall agree.

Section 8.2 Acceleration. If any Event of Default occurs and is continuing, the Purchaser by notice to the City and the Borrower (except for an Event of Default under clause (e) or (f) of the foregoing Section, for which a declaration can be made without any notice), may declare the principal of and accrued interest on the Series 2016B Note to be due and payable immediately, and such principal and interest shall thereupon become and be immediately due and payable. Any such declaration shall also apply to the Borrower Note. The Purchaser may rescind an acceleration and its consequences if all existing Events of Default have been cured or waived, if the rescission would not conflict with any judgment or decree. Any such rescission shall also apply to the Borrower Note.

Section 8.3 Other Remedies. If an Event of Default occurs and is continuing, the Purchaser may pursue any available remedy by proceeding at law or in equity to collect the principal of or interest on the Series 2016B Note or to enforce the performance of any provision of the Series 2016B Note, this Agreement or the Borrower Note against the Borrower.

A delay or omission by the Purchaser in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default.

Section 8.4 Waiver of Past Defaults. The Purchaser by notice to the Borrower, with a copy to the City, may waive an existing Event of Default and its consequences. When an Event of Default is waived, it is cured and stops continuing, but no such waiver shall extend to any subsequent or other Event of Default or impair any right consequent to it.

Section 8.5 Purchaser May File Proofs of Claim. The Purchaser may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Purchaser allowed in any judicial proceedings relative to the Borrower, its creditors or its property and, unless prohibited by law or applicable regulations, may vote on behalf of the holders in any election of a trustee in bankruptcy or other person performing similar functions.

Section 8.6 Attorneys' Fees and Expenses. If the Borrower should default under any provision of this Agreement and the City or Purchaser employ attorneys or incur other expenses for the collection of the payments due under this Agreement, the Borrower will on demand pay to the City or the Purchaser, as the case may be the reasonable fees of such attorneys and such other reasonable expenses so incurred by the City or the Purchaser, as the case may be.

Section 8.7 No Remedy Exclusive. No remedy herein conferred upon or reserved to the City or the Purchaser is intended to be exclusive of any other available remedy or remedies but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement, now or hereafter existing, at law or in equity or by statute. No delay or omission to exercise any right or power and accruing upon any Event of Default hereunder shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 8.8 Remedies Subject to Subordination Agreements. Notwithstanding any other provisions herein to the contrary, the exercise of remedies hereunder by the Purchaser shall in all events be subject to the provisions of any subordination or security documents relating to the Series 2013 Note, during such time as the Series 2013 Note is outstanding.

Section 8.9 Investor Limited Partner Cure Rights. Notwithstanding anything to the contrary contained in this Agreement or the Borrower Documents, any Event of Default arising under this Agreement or any Borrower Document may be cured by the Investor Limited Partner, its agent or their affiliates or designees on behalf of the Borrower, and such cure shall be accepted by the City and the Purchaser on the same terms as if made by the Borrower itself.

ARTICLE IX

MISCELLANEOUS

Section 9.1 Notices.

(a) Any notice, request, direction, designation, consent, acknowledgment, certification, appointment, waiver or other communication required or permitted by this Agreement or the Series 2016B Note must be in writing except as expressly provided otherwise in this Agreement or the Series 2016B Note.

(b) Any notice or other communication shall be sufficiently given and deemed given when delivered by hand or mailed by first-class mail, postage prepaid, or delivered by national overnight courier, charges prepaid addressed using the appropriate Notice Information.

Section 9.2 Required Reporting to the City. The Purchaser shall keep, or cause to be kept, proper books of records and accounts in which complete and accurate entries shall be made of all funds and accounts established by or pursuant to this Agreement, which shall at all reasonable times be subject to the inspection by the City.

Section 9.3 Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the City, the Borrower, the Purchaser and their respective successors and assigns.

Section 9.4 Severability. If any provision of this Agreement shall be determined to be unenforceable at any time, such determination shall not affect any other provision of this Agreement or the enforceability of that provision at any other time.

Section 9.5 Amendments. After the issuance of the Series 2016B Note, this Agreement may not be effectively amended or terminated without the written consent of the parties hereto; provided, however, that the Purchaser and the Borrower may, without the consent of, or notice to, the City enter into an amendment to this Agreement, for any one or more of the following purposes: (a) to cure an ambiguity, formal defect or omission in this Agreement; (b) to elaborate on or modify any provisions relating to disbursement of the proceeds of the Series 2016B Note, so long as there is delivered to the City by the Borrower an Opinion of Bond Counsel with respect to any such addition, deletion, amendment, modification or alteration to the effect that such change does not adversely affect the exclusion of interest on the Series 2016B Note from the federal gross income of the owners thereof; (c) to add to the covenants and agreements of the Borrower contained in this Agreement other covenants and agreements thereafter to be observed by the Borrower for the protection of the Purchaser; (d) to provide that the Series 2016B Note may be secured by additional collateral; (e) to amend the notice provisions of this Agreement (other than notices to the City); and (f) to make any other change which does not, in the Opinion of Bond Counsel, have a material adverse effect upon the interests of the City.

Section 9.6 Governing Law. This Agreement shall be governed exclusively by and construed in accordance with the laws of the State of Illinois.

Section 9.7 Captions; References to Sections. The captions in this Agreement are for convenience only and do not define or limit the scope or intent of any provisions or Sections of this Agreement. References to Articles and Sections are to the Articles and Sections of this Agreement, unless the context otherwise requires.

Section 9.8 Complete Agreement/Non-Reliance. This Agreement represents the entire agreement between the City, the Purchaser and the Borrower with respect to its subject matter. The parties have not relied on any representations other than set forth herein or in the Borrower Documents as an inducement to enter into this Agreement.

Section 9.9 Terms of this Agreement; Discharge. This Agreement shall be in full force and effect from the date hereof, and shall continue in effect until the payment in full of all principal of, premium, if any, and interest on the Series 2016B Note; all fees, charges, indemnities and expenses of the City and Purchaser have been fully paid or provision made for such payment (the payment of which fees, charges, indemnities and expenses shall be evidenced by a written certification of the Borrower that it has fully paid or provided for all such fees, charges, indemnities and expenses), and all other amounts due hereunder have been duly paid or provision made for such payment. The principal of, premium, if any, and interest on the Series 2016B Note may be deemed paid in full in advance of the actual payment thereof if an irrevocable escrow is funded for such purpose in form and substance satisfactory to the Purchaser. All representations, certifications and covenants by the Borrower as to the indemnification of various parties and the payment of fees and expenses of the City as described in Sections 3.11 and 4.4 hereof, and all matters affecting the tax exempt status of the Series 2016B Note shall survive the termination of this Agreement.

Upon the termination of this Agreement as aforesaid, all amounts on deposit in any funds or accounts created hereunder shall be paid in the following order: (a) to the Purchaser, to the extent any amounts remain owing to the Purchaser hereunder, and shall be credited against any indebtedness evidenced by the Series 2016B Note or other Borrower Documents (b) to the City, to the extent any amounts remain owing to the City hereunder, and (c) to the Borrower.

Section 9.10 Payments/Actions Due on Non-Business Days. If any date for the payment of principal or purchase price of, premium, if any, or interest on the Series 2016B Note, or the taking of any other action required or permitted to be taken hereunder, is not a Business Day, then such payment shall be due, or such action shall or may be taken, as the case may be, on the first Business Day thereafter.

Section 9.11 Non-recourse. Notwithstanding anything to the contrary in this Agreement or any of the Borrower Documents, upon payment in full of the Series 2013 Note and release of the liens of the security instruments securing the Series 2013 Note, the indebtedness evidenced by this Agreement shall then be a non-recourse obligation of the Borrower, and in the Event of Default hereunder, the City and Purchaser's sole source of repayment of amounts due hereunder or under any of the Borrower Documents shall then be limited to City and Purchaser's rights with respect to the collateral pledged and assigned under the Mortgage. Further, upon payment in full of the Series 2013 Note and release of the liens of the security instruments securing the Series 2013 Note, the City and Purchaser waive any and all right to seek or demand any personal deficiency judgment against Borrower or any of its partners. Until payment in full of the Series 2013 Note and release of the liens of the security instruments securing the Series 2013 Note, the indebtedness evidenced by this Agreement shall be a recourse obligation of the Borrower.

Section 9.12 Counterparts. This Agreement may be signed in several counterparts. Each will be an original, but all of them together constitute the same instrument.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and their respective corporate seals to be hereunto affixed and attested, all as of the date and year first above written.

CITY OF CHICAGO

By: _____
Chief Financial Officer

[SEAL]

ATTEST:

By: _____
City Clerk

ROSENWALD COURTS APARTMENTS, LP, an Illinois limited partnership

By: Rosenwald Courts GP, LLC, an Illinois limited liability company, its General Partner

By: GB Rosenwald, LLC, an Illinois limited liability company, its Managing Member

By: _____
Name: James N. Bergman
Title: Managing Member

[THE GEORGE SOLLITT CONSTRUCTION COMPANY/POWERS & SONS/BROWN & MOMEN JOINT VENTURE]

By: _____
Its: _____

SCHEDULE I

PRINCIPAL PAYMENT SCHEDULE

Principal of the Series 2016B Note shall be payable in accordance with the following schedule:

SEE ATTACHED

EXHIBIT A

[FORM OF NOTE]

NO. R-1

\$4,500,000

THIS SERIES 2016B NOTE AND THE OBLIGATION TO PAY PRINCIPAL OR PREMIUM, IF ANY, WITH RESPECT HERETO, AND INTEREST HEREON ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY, SECURED AS AFORESAID AND PAYABLE SOLELY OUT OF THE REVENUES AND INCOME DERIVED FROM THE BORROWER UNDER THE BOND AND LOAN AGREEMENT AND AS OTHERWISE PROVIDED THEREIN. THIS SERIES 2016B NOTE AND THE OBLIGATION TO PAY PRINCIPAL OR PREMIUM, IF ANY, WITH RESPECT HERETO, AND INTEREST HEREON SHALL NOT BE DEEMED TO CONSTITUTE AN INDEBTEDNESS OR AN OBLIGATION OF THE CITY, THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE PURVIEW OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION OR PROVISION OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS, IF ANY, OF ANY OF THEM. THE CITY DOES NOT HAVE THE POWER TO LEVY TAXES IN CONNECTION WITH THIS SERIES 2016B NOTE FOR ANY PURPOSES WHATSOEVER. NO OWNER OF THIS SERIES 2016B NOTE SHALL HAVE THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWER, IF ANY, OF THE CITY, THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF TO PAY ANY PRINCIPAL INSTALLMENT OF, PREMIUM, IF ANY, OR INTEREST ON THIS SERIES 2016B NOTE.

UNITED STATES OF AMERICA
STATE OF ILLINOIS
CITY OF CHICAGO, ILLINOIS
MULTIFAMILY MORTGAGE REVENUE NOTE
SERIES 2016B (ROSENWALD COURTS)
\$4,500,000

Dated Date: _____, 2016

Registered Owner: [_____]

Principal Amount: FOUR MILLION FIVE HUNDRED THOUSAND DOLLARS
(\$4,500,000.00)

Interest rate: _____% PER ANNUM

Maturity Date: _____, 20__

THE CITY OF CHICAGO, ILLINOIS, a municipality and home rule unit of government duly organized and validly existing under the Constitution and the laws of the State of Illinois (the "City"), promises to pay, solely from the sources described in this Series 2016B Note, to the

registered owner identified above, or registered assigns, on the principal payment dates described below through the Maturity Date specified above (or if this Series 2016B Note is called for earlier redemption as described herein, on the redemption date), the principal amount identified above (to the extent such principal amount has been advanced by the Registered Owner to the Borrower defined below) and to pay interest solely from the sources described in this Series 2016B Note. The Series 2016B Note shall bear interest from the date hereof on the balance of said principal sum from time to time advanced by the Purchaser and remaining outstanding and unpaid at the rate or rates described below until the payment of principal in full.

1. *Bond and Loan Agreement.* The City has loaned the proceeds of the Series 2016B Note to Rosenwald Courts Apartments, LP, an Illinois limited partnership (the "**Borrower**"), pursuant to the Bond and Loan Agreement dated as of _____, 2016 (the "**Agreement**") among the City, [_____], as the registered owner of this Series 2016B Note (together with any successor owner of this Series 2016B Note, the "**Purchaser**") and the Borrower. The Borrower will use the proceeds of the Series 2016B Note, together with other funds of the Borrower, for the acquisition, construction, rehabilitation, development, and equipping of a multifamily residential project located in the City of Chicago, Cook County, Illinois, known or to be known as Rosenwald Courts and consisting of approximately 239 rental units, including approximately 225 affordable units and approximately 14 unrestricted units, community service facilities and related common areas along with 2 dedicated parking lot facilities and 1 shared parking lot facility (collectively, the "**Project**") located in Chicago, Illinois. Proceeds of the Series 2016B Note may also be used to pay costs of issuance of the Series 2016B Note. The Borrower has agreed in the Agreement to pay the Purchaser amounts sufficient to pay all amounts coming due on the Series 2016B Note and such agreement is evidenced by the Borrower Note.

The purchase price for the Series 2016B Note shall be paid in multiple Advances as funds are drawn from the Purchaser from time to time pursuant to the Agreement. The Series 2016B Note and all Advances made thereunder shall bear interest at the rate of 5.5% per annum, compounded annually, and calculated on the basis of a 365 day year for actual days elapsed, solely to the extent of available "Net Cash Flow" pursuant to the terms of the First Amendment to the Second Amended and Restated Agreement of Limited Partnership of the Borrower dated on or about the date of the Agreement. The principal amount of the Series 2016B Note at any time outstanding shall equal the aggregate principal amount of Advances made to the Borrower, less the principal amount of all Advances paid by the Borrower, whether at maturity or upon redemption.

This Series 2016B Note is limited to \$4,500,000 in aggregate authorized principal amount issued under the Agreement. The terms of the Series 2016B Note include those in the Agreement. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Agreement.

2. *Payments on Note.* Principal of and interest on the Series 2016B Note shall be payable as provided in the Agreement.

Principal and interest payments on this Series 2016B Note are payable in lawful money of the United States of America at the office of the Purchaser, or as otherwise provided by the

Purchaser. If any payment on the Series 2016B Note is due on a non-Business Day, it will be made on the next Business Day, and no interest will accrue as a result.

This Series 2016B Note is a limited obligation of the City and, as provided in the Agreement, is payable solely from payments to be made by the Borrower under the Agreement and the Borrower Note.

3. *Redemption.* This Series 2016B Note is subject to redemption prior to maturity on the dates, in the amounts at the prices and subject to the conditions set forth in the Agreement.

4. *Denominations; Transfer; Exchange.* The Series 2016B Note is issued as a single fully registered note without coupons in the denomination equal to the then outstanding principal amount hereof. The registered owner may transfer this Series 2016B Note only in accordance with the Agreement.

5. *Persons Deemed Owners.* The registered owner of this Series 2016B Note may be treated as the owner of it for all purposes. Any action by the registered owner of this Note shall be irrevocable and shall bind any subsequent owner of this Series 2016B Note or the Series 2016B Note delivered in substitution for this Series 2016B Note.

6. *Defaults and Remedies.* The Agreement provides that the occurrences of certain events constitute Events of Default and certain remedies therefor as provided in the Agreement. An Event of Default and its consequences may be waived as provided in the Agreement.

7. *No Recourse Against Others.* An official, officer or employee, as such, of the City shall not have any liability for any obligations of the City or the Borrower under the Series 2016B Note or the Agreement or for any claim based on such obligation or its creation. Each registered owner by accepting the Series 2016B Note waives and releases all such liability. The waiver and release are part of the consideration for the issue of the Series 2016B Note.

IN WITNESS WHEREOF, the City has caused this Series 2016B Note to be duly executed in its name by the manual or facsimile signature of its Mayor under its official seal, or a facsimile thereof, and attested by the manual or facsimile signature of its City Clerk, all as of the ____ day of _____, 2016.

CITY OF CHICAGO

By: _____
Mayor

[SEAL]

Attest:

By: _____
City Clerk

FORM OF ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Note, and does hereby irrevocably constitute and appoint _____, attorney to transfer the Series 2016B Note on the books kept for registration and transfer of the within Note, with full power of substitution in the premises.

Dated: _____

NOTE: The signature to this Assignment must correspond with the name as it appears upon the face of the within Note in every particular, without enlargement or alteration or any change whatsoever.

Signature guaranteed by:

NOTE: The signature to this assignment must correspond with the name as it appears upon the face of the within Note in every particular, without alteration or enlargement or any change whatever. Signature(s) must be guaranteed by an "eligible guarantor institution" meeting requirements which include membership or participation in STAMP or such other "signature guaranty program" in addition to or in substitution for STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

EXHIBIT B

[INTENTIONALLY DELETED]

EXHIBIT C

FORM OF COMPLETION CERTIFICATE

COMPLETION CERTIFICATE PURSUANT TO SECTION 5.4(d) OF THE BOND AND LOAN AGREEMENT DATED AS OF _____, 2016 (THE "AGREEMENT") BY AND AMONG THE CITY OF CHICAGO, ILLINOIS, ROSENWALD COURTS APARTMENTS, LP AND [THE GEORGE SOLLITT CONSTRUCTION COMPANY/POWERS & SONS/BROWN & MOMEN JOINT VENTURE]

Pursuant to Section 5.4(d) of the Agreement, undersigned hereby certifies to the Purchaser that the Completion Date is _____, and the total aggregate amount of the Cost of the Project is \$_____. All initially capitalized terms which are not defined herein shall have the meaning referred to in the Agreement.

In connection with the foregoing, the undersigned further certifies that:

(a) The acquisition, construction and equipping of the Project has been completed substantially in accordance with the plans, specifications and work orders therefor and all labor, services, materials and supplies used in such work have been paid for (other than costs and expenses for which payment has been withheld);

(b) All other facilities necessary in connection with the Project have been acquired, constructed and installed in accordance with the plans, specifications and work orders therefor and all costs and expenses incurred in connection therewith (other than costs and expenses for which payment has been withheld) have been paid;

(c) All of the costs previously disbursed and to be disbursed (including moneys to be disbursed in accordance with Section 5.4 of the Agreement) are Qualified Costs;

(d) No more than 2% of the costs previously disbursed and to be disbursed (including moneys to be disbursed in accordance with Section 5.4 of the Agreement) have been used to pay costs of issuance of the Series 2016B Note (within the meaning of Section 147(g) of the Code); and

(e) This certificate is given without prejudice to any rights against third parties which may exist as of the date hereof or which may subsequently come into being.

IN WITNESS WHEREOF, the undersigned has set his hand as of the ____ day of _____, 20____.

ROSENWALD COURTS APARTMENTS, LP

By: _____

Authorized Borrower Representative

EXHIBIT D

FORM OF PURCHASER LETTER

Re: \$4,500,000 City of Chicago, Illinois
Multifamily Mortgage Revenue Note
Series 2016B (Rosenwald Courts)

Ladies and Gentlemen:

The undersigned (the "Purchaser") hereby acknowledges receipt of the above-referenced bond (the "Note"), dated _____, 2016 in fully registered form and in the outstanding principal amount of \$4,500,000. The Series 2016B Note has been checked, inspected and approved by the Purchaser.

The undersigned acknowledges that the Series 2016B Note was issued for the purpose of making a loan to assist in the financing of the rehabilitation of a multifamily housing project located in Chicago, Illinois (the "Project") and that the Series 2016B Note is issued under and the loan is evidenced by the Bond and Loan Agreement dated as of _____, 2016 (the "Agreement"), among the City of Chicago (the "City"), Rosenwald Courts Apartments, LP (the "Borrower") and [The George Sollitt Construction Company/Powers & Sons/Brown & Momen Joint Venture], as Purchaser. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Agreement.

In connection with the acquisition of the Series 2016B Note by the Purchaser, the Purchaser hereby makes the following representations upon which you may rely:

1. The Purchaser has authority to acquire the Series 2016B Note and to execute this Purchaser Letter and any other instruments and documents required to be executed by the Purchaser in connection with the acquisition of the Series 2016B Note.

2. The Purchaser is an "accredited investor" as defined under Regulation D promulgated under the Securities Act of 1933 (the "Act") or a "qualified institutional buyer" as defined under Rule 144A promulgated under the Act.

3. The Purchaser understands that the Series 2016B Note is not registered under the Act and that such registration is not legally required as of the date hereof; and further understands that the Series 2016B Note (a) is not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, (c) will not carry a rating from any rating agency and (d) will be delivered in a form which may not be readily marketable.

4. The Purchaser understands that (a) the Series 2016B Note is not a debt of the City or any political subdivision thereof and none of the City or any political subdivision thereof shall be liable on the Series 2016B Note; (b) the Series 2016B Note is not an indebtedness within the meaning of any constitutional, statutory or charter debt limitation or restriction and are not payable in any manner by taxation; (c) no recourse shall be had for the payment of the principal of, or premium, if any, or interest on, the Series 2016B Note or for any claim based thereon or upon any obligation, provision, covenant or agreement contained in the Agreement, against any

past, present or future director, trustee, officer, official, employee or agent of the City, or any director, trustee, officer, official, employee or agent of any successor to the City, as such, either directly or through the City, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such director, trustee, officer, official, employee or agent as such is hereby expressly waived and released as a condition of and in consideration for the execution of the Agreement and the issuance of the Series 2016B Note; and (e) the liability of the City with respect to the Series 2016B Note is limited to the rights and revenues under the Agreement as set forth in the Agreement.

5. The Purchaser is purchasing the Series 2016B Note solely for its own account for investment purposes and has no present intention to resell or distribute the Series 2016B Note, and any transfer is subject to the restrictions described in paragraphs 5 through 7 of this Purchaser Letter and in the Agreement. The Purchaser agrees that it will not transfer the Series 2016B Note unless, after such transfer, the transferee will own all of the Series 2016B Note.

6. The Purchaser agrees that it will only offer, sell, pledge, transfer or exchange the Series 2016B Note (or any legal or beneficial interest therein) (i) in accordance with an available exemption from the registration requirements of Section 5 of the Securities Act, (ii) in accordance with any applicable state securities laws, and (iii) in accordance with the transfer restrictions set forth in the Series 2016B Note and the Agreement.

7. If the Purchaser sells the Series 2016B Note (or any legal or beneficial interest therein), the Purchaser or its agent will obtain for the benefit of each of you from any subsequent purchaser an investor letter in the form of this Purchaser Letter, with no revisions except as may be approved in writing by the Issuer (a "Subsequent Purchaser Letter"). Failure to deliver a Subsequent Purchaser Letter shall cause the purported transfer to be null and void.

8. The Purchaser hereby indemnifies the City against any failure by the Purchaser to transfer the Series 2016B Note in accordance with the restrictions set forth in the Agreement.

9. The Purchaser acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information to which a reasonable investor would attach significance in making investment decisions, and the Purchaser has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Borrower, the Project and the Series 2016B Note and the security therefor so that, as a reasonable investor, the Purchaser has been able to make its decision to purchase the Series 2016B Note. The Purchaser acknowledges that it has not relied upon the City for any information in connection with the Purchaser's purchase of the Series 2016B Note.

10. The Purchaser has made its own inquiry and analysis with respect to the Series 2016B Note and the security therefor, and other material factors affecting the security and payment of the Series 2016B Note. The Purchaser is aware that the business of the Borrower involves certain economic variables and risks that could adversely affect the security for the Series 2016B Note. The Purchaser acknowledges that in the event of a default on the Series 2016B Note, the risk of loss lies entirely with the Purchaser.

Very truly yours,

[THE GEORGE SOLLITT CONSTRUCTION COMPANY/POWERS & SONS/BROWN
& MOMEN JOINT VENTURE]

By _____
Name _____
Authorized Signatory

EXHIBIT E

[FORM OF PROMISSORY NOTE]

\$4,500,000 _____, 2016

The undersigned, ROSENWALD COURTS APARTMENTS, LP, an Illinois limited partnership (the "Borrower"), FOR VALUE RECEIVED, promises to pay to the order of [THE GEORGE SOLLITT CONSTRUCTION COMPANY/POWERS & SONS/BROWN & MOMEN JOINT VENTURE] (the "Purchaser"), as assignee of the CITY OF CHICAGO (the "City"), the principal amount of FOUR MILLION FIVE HUNDRED THOUSAND DOLLARS (\$4,500,000) or, if less, the aggregate unpaid principal balance of the loan made by the City to the Borrower pursuant to the Bond and Loan Agreement dated as of _____, 2016 (the "Agreement") among the City, the Borrower and the Purchaser. The principal amount hereof is due and payable on _____, 20__ or at such earlier time as provided in the Agreement.

The undersigned also promises to pay interest on the unpaid principal amount hereof from time to time outstanding from the date hereof until maturity (whether by acceleration or otherwise) and, after maturity, until paid, at the rates per annum specified in the Agreement. Interest on this Note shall be payable as set forth in the Agreement. Principal of and interest on this Note shall be payable at such times and in such amounts as shall be sufficient to pay the City's \$4,500,000 Multifamily Housing Revenue Note, Series 2016B (Rosenwald Courts) (the "Series 2016B Note") issued under the Agreement.

This Note is the "Borrower Note" described in, and is subject to the terms and provisions of the Agreement. Reference is hereby made to the Agreement for a statement of the prepayment rights and obligations of the undersigned, a description of the nature and extent of the security, and the rights of the parties to the related documents in respect of such security, and for a statement of the terms and conditions under which the due date of this Note may be accelerated. Upon the occurrence of any Event of Default as specified in the Agreement, the unpaid principal balance hereof, and interest accrued hereon, may be declared to be forthwith due and payable.

Upon payment in full of that certain Multifamily Mortgage Revenue Note, Series 2013 (Rosenwald Courts), in the principal amount of not to exceed \$58,600,000 (the "Series 2013 Note") Series 2013 Note and release of the liens of the security instruments securing the Series 2013 Note, the indebtedness evidenced by this Note shall then be a non-recourse obligation of the Borrower and in the event of default hereunder, the City and Purchaser's sole source of satisfaction of repayment of the amounts due to the City and the Purchaser shall then be limited to the collateral pledged and assigned under the Mortgage. Until payment in full of the Series 2013 Note and release of the liens of the security instruments securing the Series 2013 Note, the indebtedness evidenced by this Note shall be a recourse obligation of the Borrower.

In addition to, and not in limitation of, the foregoing and the provisions of the Agreement, the undersigned further agrees, subject only to any limitation imposed by applicable law, to pay all reasonable expenses, including, but not limited to, attorneys' fees and legal expenses, incurred by the registered owner of this Note in endeavoring to collect any amounts payable hereunder which are not paid when due, whether by acceleration or otherwise.

All parties hereto, whether as makers, endorsers or otherwise severally waive presentment for payment, demand, protest and notice of dishonor.

THIS NOTE SHALL BE DEEMED TO BE A CONTRACT MADE UNDER AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF ILLINOIS.

ROSENWALD COURTS APARTMENTS, LP, an Illinois limited partnership

By: Rosenwald Courts GP, LLC, an Illinois limited liability company, its General Partner

By: GB Rosenwald, LLC, an Illinois limited liability company, its Managing Member

By: _____

Name: James N. Bergman

Title: Managing Member



Fin
20

OFFICE OF THE MAYOR
CITY OF CHICAGO

RAHM EMANUEL
MAYOR

June 22, 2016

TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Commissioner of Planning and Development, I transmit herewith an ordinance authorizing an issuance of notes and an amendment to Neighborhood Stabilization Funds for Rosenwald Courts.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

Mayor

CHICAGO July 20, 2016

To the President and Members of the City Council:

Your Committee on Finance having had under consideration

An ordinance concerning the authority to enter into and execute a Loan Restructuring Agreement and to approve the issuance of Multi-Family Housing Revenue Notes for Rosenwald Courts Apartments, LP.

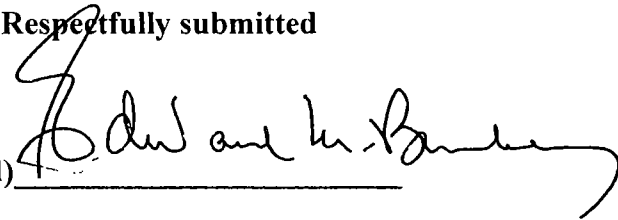
O2016-5466

Amount of Notes
not to exceed: \$7,000,000

Having had the same under advisement, begs leave to report and recommend that your Honorable Body pass the Ordinance Transmitted Herewith

This recommendation was concurred in by _____ (a viva voce vote of members of the committee with _____ dissenting vote(s).

Respectfully submitted

(signed) 

Chairman

APPROVED

Michael R. Pate

CORPORATION COUNSEL

APPROVED

Robin E. Emmert

8/3/16

MAYOR