



City of Chicago



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Sponsor(s):	Dept./Agency
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Title:	Notification of sale of City of Chicago Multi-Family Housing Revenue Bonds, Series 2015 (St. Edmond's Oasis Project)
Committee(s) Assignment:	



DEPARTMENT OF FINANCE
CITY OF CHICAGO

December 15, 2015

Susana Mendoza
City Clerk
121 North LaSalle Street
Room 107
Chicago, Illinois 60602

RE: City of Chicago, Illinois
Multi-Family Housing Revenue Bonds,
(St. Edmund's Oasis Project), Series 2015

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Dear Ms. Mendoza:

Attached is the Notification of Sale which is required to be filed with your office pursuant to Section 8 of the ordinance issuing City of Chicago Multi-Family Housing Revenue Bonds, (St. Edmund's Oasis Project), Series 2015, which was passed by the City Council on July 29th, 2015.

Please direct this filing to the City Council.

Very Truly Yours

Carole L. Brown
Chief Financial Officer

**NOTIFICATION
OF SALE**

\$10,220,000

**City of Chicago
Multi-Family Housing Revenue Bonds
(St. Edmund's Oasis Project), Series 2015**

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To: The City Council of the City of Chicago

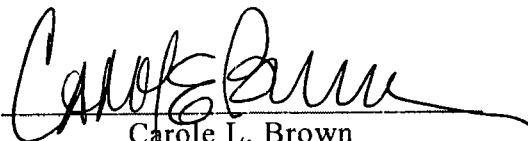
Please be advised that responsive to authority contained in the Ordinance adopted by the City Council (the "*City Council*") of the City of Chicago (the "*City*") on July 29, 2015 (the "*Ordinance*"), providing for the execution and delivery of (i) the Bond Issuance Agreement dated as of December 1, 2015 (the "*Bond Issuance Agreement*") among the City, BMO Harris Bank, N.A., as bondholder (the "*Bank*"), and BMO Harris Bank, N.A. as fiscal agent (the "*Fiscal Agent*"), and the sale pursuant thereto of \$10,220,000 aggregate principal amount of Multi-Family Housing Revenue Bonds (St. Edmund's Oasis Project), Series 2015 (the "*Bonds*"), and (ii) the Loan Agreement dated as of December 1, 2015 (the "*Loan Agreement*") between the City and St. Edmund's Oasis LLC, an Illinois limited liability company (the "*Borrower*"), providing for the making of a loan (the "*Loan*") by the City of the proceeds of the Bonds (the "*Loan*") to the Borrower, the Bond Issuance Agreement and the Loan Agreement were entered into by me, as the Chief Financial Officer, on behalf of the City with the Bondholder. Capitalized terms not otherwise defined herein, including the Appendices hereto, and defined in the Ordinance have the meaning ascribed to them therein or in the Bond Issuance Agreement, as applicable.

The Ordinance provides that (i) the Bonds may be issued in an aggregate principal amount not to exceed \$12,000,000; (ii) the maximum term of the Loan shall not exceed forty (40) years from the date of execution and delivery of the Bonds; (iii) the interest rate on the Bonds shall not exceed the lesser of 12% or the maximum rate of interest allowable under state law, payable on the interest payment dates set forth in the Bond Issuance Agreement, provided that, subject to such limitation, the Bonds may bear interest at variable interest rates computed from time to time at such rates and on such basis as shall be determined by reference to an established market index as shall be identified in the Bond Issuance Agreement; (iv) the Bonds shall be dated, shall be subject to redemption prior to maturity, shall be payable in such places and in such manner and shall have such other details and provisions as are prescribed by the Bond Issuance Agreement. The Ordinance further provides that the aggregate costs of origination of the Loan paid from the proceeds of the Loan shall not exceed one and one half percent (1.5%) of the aggregate principal amount of the Bonds. The administrative fee that may be charged by DPD in connection with the delivery and administration of the Bond Issuance Agreement and the Bonds which may be charged and collected shall initially be an amount equal to 1.5% of the original principal amount of the Bonds payable upon issuance of the Bonds plus an ongoing compliance fee of 15 basis points (0.0015%) of the outstanding principal amount, accruing monthly and payable semi-annually.

The aggregate original principal amount of the Bonds is \$10,220,000; the Bonds are issued on a single series and mature initially on December 1, 2032, which may be extended for a period of six months and which may be further extended up to December 1, 2047 as provided under Section 2.02(h) of the Bond Issuance Agreement. The interest rate, redemption provisions and other details of the Bonds are further described in the attached Appendix A and in the Bond Issuance Agreement. BMO Harris Bank, N.A., a national banking association, is the purchaser of the Bonds and has been appointed as the Fiscal Agent for the Bonds. I have determined that the sale of the Bonds to the Bank and the Bank's appointment as Fiscal Agent for the Bonds is desirable and in the best interests of the City. The final forms of the Bond Issuance Agreement and the Loan Agreement and exhibits to both of them are attached as Appendices B and C, respectively.

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Respectfully submitted this 14 day of December, 2015.

By: 
Carole L. Brown
Chief Financial Officer

NOTIFICATION OF SALE

APPENDIX A- NOTIFICATION OF SALE

\$10,220,000
City of Chicago
Multi-Family Housing Revenue Bonds
(St. Edmund's Oasis Project), Series 2015

INTEREST RATE

The Bonds are being issued as variable rate Bonds. The interest rate calculation methodology varies depending on the calculation period and whether or not the Bonds are in default. During the Construction Period, the unpaid portion of the principal amount of the Bonds that has been advanced shall bear interest at the Construction Period Interest Rate. From and after the Conversion Date, the unpaid portion of the principal amount of the Bonds shall bear interest at the Permanent Interest Rate, subject to adjustment as described in the Bond Issuance Agreement. As set forth in the Bond Issuance Agreement (and the Definitions relating thereto appearing in Exhibit A to the Bond Issuance Agreement ("Exhibit A")), each of which is attached to this Notification Of Sale as Appendix B, the following definitions apply:

"Construction Period" means the period from the Closing Date to but excluding the Conversion Date.

"Construction Period Interest Rate" means a per annum floating rate equal to the lesser of (i) 74% times the sum of (a) the LIBOR Monthly Rate, plus (b) 2.52%, increasing or decreasing with each increase or decrease of the LIBOR Monthly Rate, and (ii) the Maximum Rate.

"Conversion Date" is described in the Bond Issuance Agreement.

"Initial Maturity Date" means December 1, 2032, provided that if the Conversion Date is extended by six months as provided in Section 2.02(g) hereof, the Initial Maturity Date shall automatically be extended to June 1, 2033.

"Maturity Date" means the Initial Maturity Date and any Subsequent Maturity Date established as set forth in Section 2.02(h) of the Bond Issuance Agreement.

"Maximum Rate" means twelve percent (12%) per annum.

"Permanent Interest Rate" means (a) a variable rate per annum commencing on the Conversion Date and ending on the Initial Maturity Date equal to the lesser of (i) 74% times the sum of (1) the LIBOR Monthly Rate, plus (2) 2.52%, increasing or decreasing with each increase or decrease in the LIBOR Monthly Rate, and (ii) the Maximum Rate. The Permanent Interest Rate shall be established by the Bondholder on the Conversion Date and shall remain in effect through the Initial Maturity Date. If the Maturity Date is extended pursuant to Section 2.02(h) hereof, "Permanent Interest Rate" shall mean a fixed rate of interest equal to the lesser of (i) 74% times the sum of (1) the Five Year LIBOR Swap Rate in effect on such date, plus (2) 3.25% per

annum and (ii) the Maximum Rate, to be effective for the new five-year period commencing on the extension date and effective through the new Subsequent Maturity Date (which Permanent Interest Rate shall be set by the Bondholder on the extension date).

“Subsequent Maturity Date” has the meaning set forth in Section 2.02(g) of the Bond Issuance Agreement.

Further details about the interest rate applicable to the Bonds and the calculation thereof (including, but not limited to the LIBOR Monthly Rate and the 5-year LIBOR Swap Rate), may be found in Section 2.03 of the Bond Issuance Agreement and Exhibit A thereto, each of which is attached to this Notification Of Sale as Appendix B.

REDEMPTION.

Optional Redemption. The Bonds are subject to optional redemption prior to maturity on any Business Day by the Issuer pursuant to the request of the Owner in accordance with Section 3.1(a) of the Loan Agreement (attached hereto as Appendix C), in whole or in part (and, if in part, at the direction of the Owner as to what principal amount), at a redemption price of 100% of the principal amount thereof being redeemed, without premium, plus accrued interest to the date fixed for redemption upon notice as required by the Bond Issuance Agreement attached to this Notification Of Sale as Appendix B, by the Owner giving written notice to the Bondholder and the Issuer not less than 2 Business Days prior to such applicable redemption date.

Mandatory Redemption. The Bonds are subject to redemption prior to maturity on any Business Day by the Issuer in accordance with the Loan Agreement, in whole or in part, at a redemption price of 100% of the principal amount thereof being redeemed plus accrued interest to the date fixed for redemption upon the occurrence of certain events set forth in Section 3.1(b) of the Loan Agreement attached to this Notice of Sale as Appendix C.

Further details on the terms of redemption of the Bonds are set forth in Article III of the Bond Issuance Agreement.

PAYMENT.

The Bonds are payable solely from Revenues and otherwise in accordance with the provisions of the Bond Issuance Agreement attached to this Notification Of Sale as Appendix B.

BOND ISSUANCE AGREEMENT

among

CITY OF CHICAGO

BMO HARRIS BANK N.A.,
as Bondholder

and

BMO HARRIS BANK N.A.,
as Fiscal Agent

Dated as of December 1, 2015

\$10,220,000
City of Chicago
Multi-Family Housing Revenue Bonds
(St. Edmund's Oasis Project), Series 2015

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BOND ISSUANCE AGREEMENT

This BOND ISSUANCE AGREEMENT, dated as of December 1, 2015 (this "Bond Issuance Agreement"), among the CITY OF CHICAGO, a municipal corporation and home rule unit of local government under the Constitution and laws of the State of Illinois (the "Issuer"), BMO HARRIS BANK N.A., a national banking association, as purchaser of the Bonds hereafter described (in such capacity, the "Bondholder"), and BMO HARRIS BANK N.A., a national banking association, as fiscal agent for the Bonds (in such capacity, the "Fiscal Agent"),

WITNESSETH:

WHEREAS, by virtue of Section 6(a) of Article VII of the 1970 Constitution of the State of Illinois, the Issuer 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 Issuer is authorized and empowered to issue multi-family housing revenue bonds for the purpose of financing the cost of acquiring, constructing, and equipping an affordable multi-family housing facility for low- and moderate-income families located in the City; and

WHEREAS, the Issuer has determined to issue, sell and deliver the \$10,220,000 Multi-Family Housing Revenue Bonds (St. Edmund's Oasis Project), Series 2015 (the "Bonds"), as provided herein, and to lend the proceeds thereof to St. Edmund's Oasis LLC, an Illinois limited liability company (the "Owner"), for the purpose of financing a portion of the cost of acquiring, constructing, and equipping the Project (as hereinafter defined); and

WHEREAS, the Issuer and the Owner have entered into the Loan Agreement (as hereinafter defined) providing for the loan of the proceeds of the Bonds to the Owner for the purposes described in the preceding paragraph; and

WHEREAS, the Loan Agreement provides for the issuance by the Owner of the Owner Note (as hereinafter defined); and

WHEREAS, pursuant to the terms hereof, the Issuer will pledge and assign the Owner Note and the Loan Agreement to the Bondholder; and

WHEREAS, the Bonds are secured by and payable from Revenues (as hereinafter defined) and the other security provided herein, including the Owner Collateral Documents (as hereinafter defined); and

WHEREAS, it has been determined that the Bonds should be issued, sold and delivered, to provide funds in order to make loans to the Owner to pay a portion of the cost of acquiring, constructing, and equipping the Project and related expenses; and

WHEREAS, all things necessary to make the Bonds, when authenticated by the Fiscal Agent and issued as provided in this Bond Issuance Agreement, the legal, valid and binding limited obligations of the Issuer according to the terms thereof, and to constitute this Bond Issuance Agreement a valid assignment and pledge of the amounts assigned and pledged to the payment of the principal of and interest on the Bonds, and a valid assignment and pledge of the right, title and interest of the Issuer under the Loan Agreement (except that Issuer shall retain certain rights thereunder which rights may also be enforced, to the extent applicable, by the Bondholder) and the Owner Note, have been done and

performed, and the creation, execution and delivery of this Bond Issuance Agreement, and the creation, execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized;

NOW, THEREFORE, THIS BOND ISSUANCE AGREEMENT WITNESSETH:

That the Issuer in consideration of the promises and the mutual covenants contained herein, and of the purchase and acceptance of the Bonds by the Bondholder, and of the sum of one dollar, in lawful money of the United States of America, to it duly paid by the Bondholder at or before the execution and delivery of these presents, and for other good and valuable consideration (the receipt, sufficiency and adequacy of which are hereby acknowledged), in order to secure the payment of the principal of and interest on the Bonds according to their tenor and effect, and in order to secure the performance and observance by the Issuer of all the covenants and conditions expressed or implied herein and in the Bonds, does hereby grant, bargain, sell, convey, assign and pledge, and grant a security interest in, the following described property (collectively, the "Security for the Bonds"), to the Bondholder, forever, to the extent provided in this Bond Issuance Agreement:

GRANTING CLAUSE FIRST

All right, title, interest and benefits of the Issuer in and to the Loan Agreement (except that Issuer shall retain the Issuer Reserved Rights) and the Owner Note (including all extensions and renewals of the term thereof, if any), including, but without limiting the generality of the foregoing, the present and continuing right to make claim for, collect, receive and receipt for any of the income, revenues, issues and profits and other sums of money payable or receivable thereunder, whether payable in respect of the indebtedness thereunder or otherwise, to issue approvals, authorizations and directions, to receive notices, to bring actions and proceedings thereunder or for the enforcement thereof, and to do any and all things that the Issuer is or may become entitled to do under the Loan Agreement and the Owner Note, provided that the assignment made by this clause shall not impair or diminish any obligation of the Issuer under the Loan Agreement to the extent provided therein;

GRANTING CLAUSE SECOND

All moneys and securities of the Issuer from time to time held by the Fiscal Agent or by the Bondholder under the terms of this Bond Issuance Agreement, and any and all other real or personal property of every type and nature from time to time hereafter by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred, as and for additional security hereunder, by the Issuer or by anyone on its behalf, or with its written consent, to the Fiscal Agent or the Bondholder, each of whom is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof; and

GRANTING CLAUSE THIRD

All right, title and interest of the Issuer in and to the Owner Collateral Documents, if any, including moneys and investments held pursuant thereto, subject to the provisions thereof permitting the use of funds held thereunder to or for the uses therein provided.

TO HAVE AND TO HOLD all and singular the Security for the Bonds, whether now owned or hereafter acquired, unto the Bondholder and its successors and assigns forever.

THIS BOND ISSUANCE AGREEMENT FURTHER WITNESSETH, and it is expressly declared, that the Bonds issued, from time to time, pursuant to the Ordinance and secured hereunder are to

be issued, authenticated and delivered, and all said property, rights and interest, including, without limitation, the amounts hereby assigned and pledged, are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Issuer has agreed and covenanted, and does hereby agree and covenant with the Fiscal Agent and with the Bondholder as follows (subject, however, to the provisions of Section 2.08 hereof):

ARTICLE I

DEFINITIONS AND INTERPRETATIONS

Section 1.01. Definitions. Capitalized terms used in this Bond Issuance Agreement without definition shall have the respective meanings given to such terms in Section 1.1 of the Loan Agreement and in Exhibit A attached hereto and made a part hereof, unless the context or use clearly indicates another or different meaning or intent.

Section 1.02. Interpretation. In this Bond Issuance Agreement, except as otherwise expressly provided or unless the context otherwise requires:

(i) the words “hereby,” “hereof,” “herein,” “hereunder” and any similar words used in this Bond Issuance Agreement refer to this Bond Issuance Agreement as a whole and not to any particular Article, Section or other subdivision, the word “heretofore” shall mean before, the word “hereafter” shall mean after, the date of this Bond Issuance Agreement, and the word “including” shall mean “including, without limitation;”

(ii) all accounting terms not otherwise defined herein shall have the meanings assigned to them in accordance with generally accepted accounting principles;

(iii) any headings preceding the text of the several Articles and Sections of this Bond Issuance Agreement, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall neither constitute a part of this Bond Issuance Agreement nor affect its meaning, construction or effect;

(iv) words importing the redemption or redeeming of the Bonds or the calling of the Bonds for redemption do not include or connote the payment of the Bonds at their stated maturity or the purchase of the Bonds;

(v) any certificate, letter or opinion required to be given pursuant to this Bond Issuance Agreement shall mean a signed document attesting to or acknowledging the circumstances, representations, opinions of law or other matters therein stated or set forth, or setting forth matters to be determined pursuant to this Bond Issuance Agreement; and

(vi) the recitals and granting clauses appearing above are an integral part hereof and are fully incorporated herein by this reference.

ARTICLE II

BONDS

Section 2.01. Authorization of Bonds. The Bonds shall be issued, from time to time, under the provisions of this Bond Issuance Agreement in accordance with this Article.

Section 2.02. Issuance of Bonds; Payments. (a) The Bonds shall be designated "City of Chicago Multi-Family Housing Revenue Bonds (St. Edmund's Oasis Project), Series 2015," and shall be issued in substantially the form of Exhibit B hereto. The Bonds shall mature on the Maturity Date, shall bear interest on disbursed amounts from the respective dates of disbursement, and shall be issuable only as a registered bond without coupons. The Bonds shall be lettered and numbered R-1.

(b) The Bonds shall be dated the Closing Date. Any Bond issued in substitution therefor at any time thereafter shall be dated its respective date of delivery.

(c) Except to the extent that the provisions of Article III or Section 7.02 hereof with respect to redemption or acceleration prior to maturity may become applicable hereto, the Bonds shall mature as to principal as provided above.

(d) All payments on the Bonds shall be first applied to interest on the unpaid principal balance and then to the unpaid principal balance. The Bondholder shall make all notations upon the Bonds or in the Bondholder's books and records as provided in Section 2.3(c) of the Loan Agreement.

(e) The principal of and interest on the Bonds shall be payable in lawful money of the United States of America. Such principal and interest shall be payable at the principal office of the Bondholder or as otherwise directed in writing by the Bondholder.

(f) The Conversion Date shall be such date specified by the Owner in writing to the Bondholder stating that the following conditions have been satisfied: (i) the Project is Complete as provided in Section 7.11(b) of the Loan Agreement and the partial redemption of the Bonds pursuant to Section 3.1(b)(iii) of the Loan Agreement shall have been funded in full, (ii) the "Net Operating Income" (as defined below) for the Project for each of the three calendar months preceding the Conversion Date has been at least 1.15 times the interest on the Bonds and any other Indebtedness of the Owner payable during each such month; (iii) all disbursements of funds from the subordinate debt financings for the Project (the CHA Loan, the City of Chicago \$5,482,393 loan and the \$155,692 loan from St. Edmund's Redevelopment Corporation) have been funded in full in accordance with the Funding Schedule set forth in Exhibit F to the Loan Agreement; (iv) all capital contributions required to have been paid to date by the Investor Member under the Operating Agreement, including the \$4,528,066 capital contribution from which the Bonds will be redeemed in part pursuant to Section 3.1(b)(iv) of the Loan Agreement, shall have been paid in full, and (v) the Project is at least 90% occupied by tenants qualified under the applicable regulatory agreements. Notwithstanding the foregoing, the Conversion Date shall in no event be later than December 1, 2017, subject to extension as provided below. For purposes of clause (ii) above, "Net Operating Income" means the excess of the operating revenues of the Project less the operating expenses of the Project, plus interest, amortization and depreciation, all as shown in the Owner's unaudited monthly financial statements.

(g) The Conversion Date may be extended on a one time basis for six months until June 1, 2018 upon the occurrence of the following:

(i) the Owner shall have made a written request to the Bondholder at least 30 days and not more than 90 days prior to December 1, 2017 to extend the Conversion Date for six months to the date specified above;

(ii) there shall not exist any Default or Event of Default at the time of the extension request or at the time of the extension;

(iii) the Project is Complete within the meaning of Section 7.11(b) of the Loan Agreement;

(iv) the Owner and the Guarantor are in compliance with all financial covenants set forth in the Loan Agreement or the Owner Collateral Documents, as applicable, as reflected in the most recent financial statements of the Owner and the Guarantor provided pursuant to this Loan Agreement or Owner Collateral Documents and there shall have been no material adverse change in the business or financial condition of the Owner or the Guarantor;

(v) the Owner pays to the Bondholder all out-of-pocket expenses associated with the extension including, without limitation, the fee referenced in clause (vii)(3) below;

(vi) all applicable regulatory requirements, including appraisal requirements, shall have been satisfied with respect to the extension; and

(vii) (1) the extension shall have been documented to the satisfaction of the Bondholder; (2) the Bondholder shall have received updated title coverage and endorsements and UCC, judgment and lien searches satisfactory to it; and (3) the Owner shall have paid to the Bondholder a non-refundable extension fee equal to 0.25% of the then outstanding principal amount of the Bonds.

(h) The Maturity Date for the Bonds may be extended beyond the Initial Maturity Date for up to three consecutive five-year periods to December 1, 2037, December 1, 2042 and December 1, 2047, respectively (each, a "Subsequent Maturity Date"), in each case upon delivery by the Owner to the Issuer and the Bondholder of a written notice and direction to extend the Maturity Date, which notice must be received by the Issuer and the Bondholder at least 60 but no more than 180 days prior to the then current Maturity Date. Such extension shall also be conditioned upon the following: (i) no Default or Event of Default exists at the time of delivery of the notice or on the extension date, (ii) there has been no material adverse change in the financial condition of the Project or the Owner, (iii) receipt of an opinion of Bond Counsel, in form acceptable to the Bondholder, to the effect that the extension does not affect the exclusion of interest on the Bonds from the gross income of the Bondholder for federal income tax purposes, and (iv) the satisfaction of such other conditions set forth in Section 2.16 hereof. Upon satisfaction of the conditions set forth above, the interest rate on the Bonds and the monthly principal and interest payment schedule shall be adjusted as set forth in Section 2.03(d) below.

Section 2.03. Interest Rates on Bonds. (a) During the Construction Period, the unpaid portion of the principal amount of the Bonds that has been advanced shall bear interest at the Construction Period Interest Rate. From and after the Conversion Date, the unpaid portion of the principal amount of the Bonds shall bear interest at the Permanent Interest Rate, subject to adjustment as described herein. Interest on the outstanding principal balance of the Bonds shall be calculated by multiplying (a) the actual number of days elapsed in the period for which the calculation is being made by (b) a daily rate based on a 360-day year (that is, the Construction Period Interest Rate, the Permanent Interest Rate or the Past Due Rate, as then applicable, expressed as an annual rate divided by 360) by (c) the outstanding principal balance. The parties acknowledges this will result in a higher rate of interest than if interest were calculated based on a 365-366 day year and waives any right to object to said basis of calculation. The accrual period for calculating interest due on each Interest Payment Date shall be the calendar month immediately prior to such Interest Payment Date.

(b) LIBOR Monthly Rate. For purposes of calculating the interest rates on the Bonds from the Closing Date through the Initial Maturity Date, the term "LIBOR Monthly Rate" shall mean the one-month London Interbank Offered Rate (LIBOR) as reported on Bloomberg Financial Market's terminal

screen entitled “Official ICE LIBOR Fixings” as reported two London Business Days prior to the effective date, unless such rate is no longer available or published, in which case such rate shall be at a comparable index rate selected by the Bondholder with notice to the Owner. The term “London Business Day” means any date on which dealings in U.S. dollar deposits are transacted in the London interbank market. The Bondholder shall determine the LIBOR Monthly Rate based on the foregoing, and its determination thereof shall be conclusive and binding except in the case of manifest error.

(c) Five Year LIBOR Swap Rate. For purposes of calculating the interest rate on the Bonds as of any date on which the Maturity Date is extended pursuant to Section 2.02(h) hereof, the term “Five Year LIBOR Swap Rate” shall mean the Five Year LIBOR Swap Rate as published by the *The Wall Street Journal*.

(d) Permanent Interest Rate Adjustments. During the period from the Conversion Date through the Initial Maturity Date, the LIBOR Monthly Rate component of the Permanent Interest Rate shall be adjusted as described in Section 2.03(b) above and the definition of Permanent Interest Rate. Further, if the Maturity Date is extended pursuant to Section 2.02(h) hereof, the Permanent Interest Rate shall be reset on each such date of extension, to be effective for the five-year period commencing on the date of such extension through the next subsequent Maturity Date. On each extension date, the monthly payment of principal and interest shall be adjusted for the following five years to reflect the new Permanent Interest Rate in effect and the remainder of the 30-year amortization period.

(e) Alternate Rates. During the period from the Closing Date through the Maturity Date, if the Bondholder determines that no adequate basis exists for determining the LIBOR Monthly Rate or the Five Year LIBOR Swap Rate, as the case may be, or that the LIBOR Monthly Rate or the Five Year LIBOR Swap Rate, as the case may be, will not adequately and fairly reflect the cost to the Bondholder of purchasing the Bonds for the purpose of funding the Loan, or that any applicable law or regulation or compliance therewith by the Bondholder prohibits, restricts or makes impossible the charging of interest based on the LIBOR Monthly Rate or the Five Year LIBOR Swap Rate, as the case may be, and the Bondholder so notifies the Owner, then until the Bondholder notifies the Owner that the circumstances no longer exist which rendered the LIBOR Monthly Rate or the Five Year LIBOR Swap Rate, as the case may be, unavailable (or under which the Bondholder determined that the LIBOR Monthly Rate or the Five Year LIBOR Swap Rate, as the case may be, did not adequately and fairly reflect the cost to the Bondholder of purchasing the Bonds for the purpose of funding the Loan), interest shall accrue and be payable on the unpaid principal balance of the Bonds from the date the Bondholder so notifies the Owner until the Maturity Date of the Bond (whether by acceleration, declaration, extension or otherwise) at a fluctuating rate of interest equal to the Alternate Rate.

(f) Past Due Rate. If any amount payable by the Owner under the Loan Agreement or the Owner Note is not paid when due (without regard to any applicable grace periods), such amount shall thereafter bear interest at the Past Due Rate to the fullest extent permitted by applicable Law. Accrued and unpaid interest on past due amounts (including interest on past due interest) shall be due and payable on demand, at the Past Due Rate.

Section 2.04. Payment Dates.

(a) Interest Payment Dates. Interest on disbursed amounts under the Bonds and the Owner Note shall be payable monthly commencing on the first day of the calendar month following the Closing Date and continuing on the first day of each month thereafter, on any date of redemption and on the Maturity Date.

(b) Principal Payment Dates. Principal under the Bonds and the Owner Note, calculated based on a 30-year amortization from the Conversion Date, shall be payable monthly commencing on the first day of the calendar month following the Conversion Date and continuing on the first day of each month thereafter, on any date of redemption and on the Maturity Date (in an amount equal to the unpaid principal amount outstanding).

Section 2.05. Interest on Amounts Past Due. Notwithstanding anything in this Article II to the contrary, if the Issuer shall fail to make any of the payments required to be made by it under this Bond Issuance Agreement, including, without limitation, any mandatory redemption required by Section 3.02 of this Bond Issuance Agreement, or under the Bonds, such payment shall continue as an obligation of the Issuer until the unpaid amount overdue shall have been fully paid and interest on the principal amount of the Bonds so overdue shall continue to accrue at the applicable Past Due Rate, from the date such payment was due until the date such payment is made or the date the Bonds have been repaid in full, whichever is earlier.

Section 2.06. Transfers of Bonds. The Bonds may be transferred in whole, and not in part, but only to a single Qualified Transferee that is reasonably acceptable to the Issuer, which Qualified Transferee shall execute and deliver to the Issuer a letter in the form of the Qualified Transferee letter attached hereto as Exhibit D; all of the Bonds shall be so transferred if any of the Bonds are so transferred. Successive transfers of the Bonds are permitted, subject to the limitations set forth in this Section. Notwithstanding the foregoing, the Bondholder may sell participating interests in the Bonds in accordance with applicable law.

Section 2.07. Intentionally Omitted.

Section 2.08. Execution; Limited Obligation. (a) The Bonds shall be executed on behalf of the Issuer with the manual or facsimile signature of its Mayor and shall be acknowledged by the manual or facsimile signature of the City Clerk of the Issuer, and the seal of the Issuer shall be impressed, imprinted or reproduced thereon. In case any officer whose signature shall appear on the Bonds shall cease to be such officer before the delivery of the Bonds, such signature shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until delivery. The Bonds may be signed on behalf of the Issuer by such persons who, at the time of the execution of the Bonds, are duly authorized or hold the appropriate offices of the Issuer, although on the date of the Bonds such persons were not so authorized or did not hold such offices.

(b) THE BONDS AND THE INTEREST THEREON CONSTITUTE SPECIAL, LIMITED OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY FROM THE PAYMENTS TO BE MADE BY THE OWNER UNDER THE LOAN AGREEMENT OR FROM THE OTHER SOURCES SPECIFIED OR REFERRED TO IN THIS BOND ISSUANCE AGREEMENT, ALL OF WHICH ARE SPECIFICALLY ASSIGNED AND PLEDGED TO SUCH PURPOSES IN THE MANNER AND TO THE EXTENT PROVIDED HEREIN. THE BONDS AND ALL OTHER OBLIGATIONS OF THE ISSUER IN CONNECTION THEREWITH DO NOT CONSTITUTE A DEBT OF THE ISSUER, THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF, AND NEITHER THE ISSUER NOR THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF, SHALL BE LIABLE THEREON, NOR IN ANY EVENT SHALL THE BONDS OR OTHER OBLIGATIONS BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN THOSE PLEDGED UNDER THIS BOND ISSUANCE AGREEMENT. THE BONDS SHALL NOT CONSTITUTE AN INDEBTEDNESS OF THE ISSUER, THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT PROVISION.

Section 2.09. Authentication. No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Issuance Agreement unless and until a certificate of authentication on such Bond, substantially in the form herein set forth, shall have been duly executed by the Fiscal Agent, and such executed certificate of the Fiscal Agent upon a Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Bond Issuance Agreement. The Fiscal Agent's certificate of authentication on a Bond shall be deemed to have been executed by it if manually signed by an authorized signatory of the Fiscal Agent.

Section 2.10. Form of the Bonds and Temporary Bonds. (a) The Bonds, and the Fiscal Agent's certificates of authentication to be endorsed thereon, shall be in substantially the form herein set forth, with such variations, omissions and insertions as are permitted or required by this Bond Issuance Agreement. The Bonds shall provide that the principal thereof and interest thereon shall be payable only out of Revenues.

(b) A Bond may be initially issued in temporary form exchangeable for a definitive Bond when ready for delivery. Each temporary Bond shall be in the same denomination as the Bond it is issued in lieu of, and such temporary Bond may contain such reference to any of the provisions of this Bond Issuance Agreement as the Issuer may deem appropriate. Every temporary Bond shall be executed by the Issuer and shall be authenticated by the Fiscal Agent upon the same conditions, and in substantially the same manner, as the definitive Bond it is issued in lieu of. If the Issuer issues a temporary Bond in lieu of a definitive Bond, the Issuer shall execute and furnish the definitive Bond without delay, and thereupon the temporary Bond shall be surrendered for cancellation in exchange therefor at the Designated Office of the Fiscal Agent, and the Fiscal Agent shall authenticate and deliver in exchange for such temporary Bond a definitive registered Bond of the same series and maturity, and in the same denomination bearing the same interest rate. Until so exchanged, the temporary Bond shall be entitled to the same benefits under this Bond Issuance Agreement as the definitive Bond it is issued in lieu of, but only to the extent that such temporary Bond is authenticated and delivered hereunder.

Section 2.11. Delivery of the Bonds. (a) Upon (i) receipt by the Issuer of a duly executed Investor Letter from the Bondholder, (ii) the execution and delivery of this Bond Issuance Agreement, the Loan Agreement, the Bonds, the Owner Note, the Owner Collateral Documents and the Tax Certificate and the delivery of the Security for the Bonds, (iii) the execution, delivery and recording of the Land Use Restriction Agreements, and the receipt by the Issuer of evidence of the priority of the Land Use Restriction Agreements over the Owner Collateral Documents, (iv) delivery by the Issuer to the Fiscal Agent of a copy of the Ordinance, certified by the Issuer to be in full force and effect, and (v) receipt by the Issuer of an opinion of Bond Counsel to the effect that the Bonds have been duly authorized and issued, and that interest thereon is excluded from gross income of the owners thereof for Federal income tax purposes, the Issuer shall execute and deliver to the Fiscal Agent and the Fiscal Agent shall authenticate the Bonds and deliver the Bonds to the Bondholder as directed by the Issuer.

(b) Advances of proceeds under the Bonds shall be paid by the Bondholder over to the Fiscal Agent as received from time to time and deposited in the Construction Fund pursuant to Article IV hereof. Promptly following the approval by the Bondholder of each written request for a disbursement of Bond proceeds in accordance with the provisions of the Loan Agreement, the Bondholder shall advance to the Fiscal Agent sufficient moneys to permit the Fiscal Agent to make the approved disbursement in question (taking into account for such purpose any available moneys in the Construction Fund that were previously advanced under paragraph (c) of this Section 2.11 and not yet disbursed).

(c) At the time of the authentication and delivery of the Bonds to the Bondholder as directed by the Issuer, the Bondholder shall fund a drawing on the Bonds of an amount in excess of \$50,000.

Section 2.12. Mutilated, Lost, Stolen or Destroyed Bonds. In the event any Bond is mutilated, lost, stolen or destroyed, the Issuer may execute, and the Fiscal Agent shall authenticate and deliver, a new Bond of like date, maturity, series, interest rate and denomination as the Bond mutilated, lost, stolen or destroyed. In each such case, the applicant for a substitute Bond shall furnish to the Issuer and the Fiscal Agent such security or indemnity as may be required by them to save each of them harmless. In each case of loss, theft or destruction, the applicant shall furnish to the Issuer and the Fiscal Agent evidence to their satisfaction of the loss, theft or destruction of such Bond and of the ownership thereof, and in each case of the mutilation of any Bond, the applicant shall surrender the mutilated Bond to the Fiscal Agent. Upon the issuance of a substitute Bond, the Issuer and the Fiscal Agent may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses and fees connected therewith. In the event any Bond has matured or is about to mature and is mutilated, lost, stolen, or destroyed, the Issuer may, instead of the issuing a substitute Bond as permitted by this Section, pay or authorize the payment of the same upon satisfaction of the conditions set forth above.

Section 2.13. Bond Registrar; Registration Books; Persons Treated as Bondholder; Restrictions on Transfer. (a) The Fiscal Agent, which is hereby constituted and appointed the Bond Registrar of the Issuer, shall keep books for the registration and transfer of the Bonds, as provided in this Bond Issuance Agreement. Upon surrender for transfer of the Bonds at the Designated Office of the Fiscal Agent, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Fiscal Agent and duly executed by the registered owner or his attorney duly authorized in writing, and accompanied by a Qualified Transferee Letter executed by the party to whom the Bonds are to be transferred, the Issuer shall execute, and the Fiscal Agent shall authenticate and deliver in the name of the transferee, new Bonds of the same series, interest rates and maturities for like principal amounts. No Bond may be transferred in part, and all Bonds shall be transferred as a whole, so at all times there is but one registered owner of all of the Bonds issued and outstanding hereunder; provided that the Bondholder may, subject to applicable law, transfer participations in the Bonds. Upon the making of any such transfer, the transferor may assign to the transferee its interests in, to and under the Owner Note and the Owner Collateral Documents, and in the event of any such assignment, the transferor shall notify the Issuer and the Owner of such assignment.

(b) Any exchange of a temporary Bond for a definitive Bond shall be without charge, except for the payment of any tax, fee or other governmental charge. With respect to any other exchange or transfer, the Fiscal Agent may charge a sum not exceeding the actual cost (if any) of printing new Bonds to be issued upon such exchange or transfer, together with reasonable expenses of the Fiscal Agent in connection therewith. In each case the Fiscal Agent shall require the payment by the registered owner of the Bond requesting exchange, registration or transfer, of any tax, fee or other governmental charge required to be paid with respect to such exchange, registration or transfer. All Bonds surrendered upon exchange or transfer provided for in this Bond Issuance Agreement shall be promptly cancelled by the Fiscal Agent and thereafter disposed of in accordance with Section 2.14 hereof.

(c) The Person in whose name the Bonds shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of principal thereof or interest thereon, shall be made only to or upon the order of the registered owner thereof or his legal representative, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon the Bonds to the extent of the sum or sums so paid.

Section 2.14. Cancellation of Bonds. Whenever any Bond shall be delivered to the Fiscal Agent for cancellation pursuant to this Bond Issuance Agreement, upon payment of the principal and interest represented thereby, or for replacement, transfer or exchange pursuant to Section 2.13 hereof,

such Bond shall be promptly cancelled and destroyed by the Fiscal Agent, and a certificate as to such cancellation and destruction shall be furnished by the Fiscal Agent to the Issuer and the Owner.

Section 2.15. Conditions to Bondholder's Purchase of Bonds. The Bondholder's obligation to purchase and accept the delivery of the Bonds is expressly conditioned upon the following:

- (a) No Event of Default or Default shall exist hereunder;
- (b) The representations and warranties of the Issuer contained herein and in the Loan Agreement shall not prove to be incorrect or misleading in any material respect;
- (c) The Bondholder shall have received an opinion of Bond Counsel in form acceptable to Bondholder to the effect that the interest payable on the Bonds is excludable from the Federal gross income of the Bondholder;
- (d) the Bondholder shall have received all of the Owner Collateral Documents in form acceptable to Bondholder;
- (e) the conditions precedent to the first disbursement of the proceeds of the Loan set forth in Articles X and XI of the Loan Agreement have been satisfied; and
- (f) the Bondholder shall have received payment of its transaction fees relating to the purchase of the Bonds equal to \$102,200.

Section 2.16. Conditions to Extension of Maturity Date of Bonds. In addition to the conditions set forth in Section 2.02(h) hereof, the extension of the Maturity Date of the Bonds shall be conditioned upon receipt by the Bondholder of a certificate of an authorized officer of the Owner, demonstrating compliance with the following financial covenants:

- (a) Debt Service Coverage Ratio. The average of the Annual Net Operating Income for the Project for the immediately preceding two years is at least 1.15 times the Projected Annual Debt Service on the Project. "Annual Net Operating Income" means the excess of the annual operating revenues of the Project less the annual operating expenses of the Project, plus interest, amortization and depreciation, all as shown in the Owner's audited financial statements. "Projected Annual Debt Service" means the projected annual principal of and interest on the Bonds and any other Indebtedness of the Owner for the upcoming period. In determining the interest on the Bonds, it shall be assumed that the Bonds bear interest at the greater of 6% per annum or the interest rate on the Bonds during the upcoming period calculated as provided in Section 2.03 hereof. Principal of the Bonds shall be determined in accordance with the amortization schedule to be in effect during such new five-year period.
- (b) Loan-to-Value Requirement. The then outstanding principal amount of the Bonds shall not then be greater than 75% of the Value (as defined below) of the Premises. "Value" means the value of the Premises as shown in an appraisal dated no more than six months prior to the extension date. Such appraisal shall be paid for by the Owner, shall be prepared by a licensed appraiser acceptable to the Bondholder and shall be addressed to the Bondholder.

ARTICLE III

REDEMPTION OF BONDS BEFORE MATURITY; CHANGES IN CIRCUMSTANCE

Section 3.01. Optional Redemption. The Bonds are subject to optional redemption prior to maturity on any Business Day by the Issuer pursuant to the request of the Owner in accordance with Section 3.1(a) of the Loan Agreement, in whole or in part (and, if in part, at the direction of the Owner as to what principal amount), at a redemption price of 100% of the principal amount thereof being redeemed, without premium, plus accrued interest to the date fixed for redemption, by the Owner giving written notice to the Bondholder and the Issuer not less than 2 Business Days prior to such applicable redemption date. Such notice shall be given in the manner provided in Section 9.05 hereof. The Owner may withdraw any such notice, and revoke the election made therein, by giving written notice of such withdrawal and revocation to the Bondholder and the Issuer on or before the date fixed for redemption. Any partial redemption of the Bonds shall be applied pro rata amongst all principal amortization payments, except as otherwise agreed by the Owner and the Bondholder.

Section 3.02. Mandatory Redemption. The Bonds are subject to redemption prior to maturity on any Business Day by the Issuer in accordance with Section 3.1(b) of the Loan Agreement, in whole or in part, at a redemption price of 100% of the principal amount thereof being redeemed plus accrued interest to the date fixed for redemption upon the occurrence of any of the events set forth in said Section 3.1(b).

Section 3.03. Funding Losses. As provided in the Loan Agreement, the Owner will indemnify the Bondholder upon demand against any loss or expense, including, without limitation, reasonable attorneys' fees and expenses, which the Bondholder may sustain or incur (including, without limitation, any loss or expense sustained or incurred in obtaining, liquidating or employing deposits or other funds acquired to effect, fund or maintain the Loan and/or the Bonds) as a consequence of any failure of Owner to make any payment when due of any amount due hereunder. Determinations by the Bondholder for purposes of this Section of the amount required to indemnify the Bondholder shall be conclusive in the absence of manifest error.

ARTICLE IV

REVENUES AND FUNDS

Section 4.01. Revenues; Payment Notations. (a) The Fiscal Agent is authorized and directed, subject to Section 7.06 of this Bond Issuance Agreement, to apply all available Revenues to the payment of the principal of and interest on the Bonds as and when received, including, without limitation, (i) any amount in the Construction Fund or the escrow account referred to in Section 9.4 of the Loan Agreement, in either case to the extent provided in such Section; (ii) all payments specified in Section 2.2 (except payments under paragraph (c) thereof) of the Loan Agreement, including, without limitation, payments on the Owner Note and amounts applied to payment of the Owner Note under the Owner Collateral Documents; (iii) all prepayments specified in Article III of the Loan Agreement, including, without limitation, prepayments made on the Owner Note; and (iv) all other moneys received by the Bondholder under and pursuant to any of the provisions of the Loan Agreement that are required or are accompanied by directions that such moneys are to be applied to the payment of the principal of and interest on the Bonds. Except as otherwise directed in Article III hereof, all Revenues shall be applied (i) first, to the payment of interest on the Bonds, and (ii) second to the payment of principal of the Bonds.

(b) Subject to Section 2.08 hereof, the Issuer hereby covenants and agrees that as long as the Bonds are outstanding it will pay, or cause to be paid, to the Bondholder, sufficient sums from Revenues promptly to meet and pay the principal of and interest on the Bonds as the same become due and payable. Nothing herein shall be construed as requiring the Issuer to use any funds or revenues from any source other than Revenues.

(c) The Fiscal Agent shall note on the payment record attached as Schedule A to the Bonds, or in the Fiscal Agent's books and records relating to the Bonds, the date and amount of (i) each draw increasing the principal amount of the Bonds, and (ii) each payment of principal (whether at maturity or upon acceleration or prior redemption) and/or interest on the Bonds. The information so recorded shall be rebuttable presumptive evidence of the accuracy thereof. The failure to so record any such information or any error in so recording any such information shall not, however, limit or otherwise affect the obligations of the Issuer hereunder or under the Bonds to repay the principal amount thereof together with all interest accruing thereon.

Section 4.02. Creation of Construction Fund; Disbursements. (a) There is hereby created by the Issuer and ordered established with the Fiscal Agent a Fund in the name of the Issuer to be designated "City of Chicago Construction Fund (St. Edmund's Oasis Project)" (the "Construction Fund"). Within the Construction Fund are hereby created by the Issuer and ordered established with the Fiscal Agent two Accounts in the name of the Issuer to be designated (i) "City of Chicago Construction Fund (St. Edmund's Oasis Project) – Project Cost Account" (the "Project Account") and (ii) "City of Chicago Construction Fund (St. Edmund's Oasis Project) – Capitalized Interest Account" (the "Capitalized Interest Account"). Advances of proceeds under the Bonds shall be deposited in the Construction Fund.

(b) The Issuer hereby authorizes and directs the Fiscal Agent to use the moneys in the Project Account, pursuant to written requests therefor submitted by the Owner (except as otherwise provided in Section 4.04 hereof), and approved in writing by the Bondholder, for payment of the Costs of the Project, and for payment of principal of and interest on the Bonds in accordance with Sections 4.01 and 3.02 hereof and Article IX of the Loan Agreement. The Fiscal Agent shall keep and maintain adequate records pertaining to the Project Account and all disbursements therefrom, and shall promptly, following a written request therefor, submit to the Issuer, the Owner or the Bondholder copies of all reports, statements of receipts and disbursements and the like relating to the Project Account and any other funds held by the Fiscal Agent under this Bond Issuance Agreement. Moneys remaining in the Project Account when the Project is Complete shall be applied to prepay the Bonds, pursuant to Section 3.02 of this Bond Issuance Agreement.

(c) Upon the occurrence of an Event of Default under Section 12.1(f) of the Loan Agreement, a declaration of acceleration following the occurrence of any Event of Default hereunder, or a redemption in whole of the Bonds, any moneys remaining in the respective accounts of the Construction Fund shall be used to pay the principal and interest then due and unpaid on the Bonds.

(d) No Bond proceeds shall be deposited in the Capitalized Interest Account on the Closing Date. Future advances of Bond proceeds may be made to fund capitalized interest on the Bonds through the last Interest Payment Date prior to the date that the Project is Complete, but only upon receipt by the Issuer and the Fiscal Agent of a certification from the Owner that the amount so advanced represents interest chargeable to the Owner's capital account for federal tax law purposes. Any amounts so advanced shall be deposited in the Capitalized Interest Account and shall be applied to pay interest on the Bonds as it next comes due.

Section 4.03. Fiscal Agent's Fees, Charges and Expenses. The Fiscal Agent agrees that the Issuer shall have no liability for any fees, charges and expenses of the Fiscal Agent, and the Fiscal Agent

agrees to look only to the Owner for the payment of all reasonable fees, charges and expenses of the Fiscal Agent as provided in the Loan Agreement and in this Bond Issuance Agreement.

Section 4.04. Moneys to be Held in Trust. All moneys required to be deposited with or paid to the Fiscal Agent for the account of the Construction Fund or the escrow account referred to in Section 9.4 of the Loan Agreement under any provision of this Bond Issuance Agreement or the Loan Agreement shall be held by the Fiscal Agent in trust and applied for the purposes herein or therein specified. No Person not a party hereto shall have any rights to the money in the Construction Fund or the escrow account referred to in Section 9.4 of the Loan Agreement.

Section 4.05. Repayment of Excess Moneys. Any amounts remaining in any fund, or otherwise paid to the Fiscal Agent on behalf of the Issuer under this Bond Issuance Agreement or the Loan Agreement, after payment in full of the principal of and interest on the Bonds, the fees, charges and expenses of the Issuer and the Fiscal Agent, and all other amounts required to be paid under this Bond Issuance Agreement and the Loan Agreement shall be paid (a) first, to the Issuer to the extent of any moneys owed by the Owner to the Issuer, and (b) second, to the Owner.

Section 4.06. Cash Collateral Agreement. Reference is hereby made to the Cash Collateral Agreement. Moneys held under the Cash Collateral Agreement shall be applied to pay the principal of and interest on the Bonds as provided in the Cash Collateral Agreement.

Section 4.07. Security Agreement. Reference is hereby made to the Security Agreement. Moneys held under the Security Agreement shall be available to pay the principal of and interest on the Bonds as provided in the Security Agreement.

ARTICLE V

INVESTMENT OF MONEYS

Section 5.01. Investment of Moneys. Any moneys held as part of any Account of the Construction Fund, to the extent not disbursed on the date of deposit therein, shall be invested or reinvested by the Fiscal Agent in Eligible Investments in accordance with the provisions of Section 9.6 of the Loan Agreement. The direction and written confirmation specified in Section 9.6 of the Loan Agreement shall specify to the extent applicable the issuer or obligor, the principal amount, maturity date and interest rate of each such Eligible Investment. All such Eligible Investments shall be held by or under the control of the Fiscal Agent and shall be deemed at all times a part of such Account, and the interest accruing thereon, if any, and any profit realized from such Eligible Investments shall be credited to such Account. Any loss resulting from such investments shall be charged to such Account. The Fiscal Agent shall be entitled to rely conclusively on all written investment instructions provided by the Owner pursuant to Section 9.6 of the Loan Agreement, and the Fiscal Agent shall have no responsibility or liability for any depreciation in the value of any investment or for any loss, direct or indirect, resulting from any investment made in accordance with such direction and written confirmation from the Owner specified in Section 9.6 of the Loan Agreement.

Section 5.02. Investments through Fiscal Agent's Investment Department. The Fiscal Agent may make any and all investments permitted by the provisions of Sections 5.01 through its own investment department or that of an affiliate. Upon the written direction of the Owner or the Issuer, the Fiscal Agent shall confirm in writing any investment made with the moneys in the Construction Fund. The Fiscal Agent shall answer all reasonable inquiries from the Owner or the Issuer as to the status of moneys in each of such Fund or account. The Fiscal Agent shall file with the Issuer a copy of its

statements that it delivers to the Owner with respect to the investment of any funds held under this Bond Issuance Agreement.

ARTICLE VI

GENERAL COVENANTS OF ISSUER

Until payment in full of the Bonds, the Issuer covenants and agrees that each of the covenants, undertakings and agreements set forth in this Section shall be complied with:

Section 6.01. Payment of Principal and Interest. The Issuer covenants that it will promptly pay the principal of and interest on the Bonds at the place, on the dates and in the manner provided herein and in the Bonds according to the true intent and meaning hereof and thereof; provided, however, that the Bonds shall be a special, limited obligation of the Issuer payable as to principal and interest solely from the Revenues as provided in Section 2.08 of this Bond Issuance Agreement.

Section 6.02. Performance of Covenants. The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations of and provisions applicable to the Issuer contained in this Bond Issuance Agreement and in the Bonds; provided, however, that the Issuer 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 Owner or the Bondholder, and, at the option of the Issuer, until it shall have received from the Owner or the Bondholder assurance satisfactory to the Issuer that the Issuer shall be reimbursed for its reasonable expenses incurred or to be incurred in connection with taking such action or executing such instrument. The Issuer represents that it is duly authorized pursuant to the Ordinance to issue the Bonds, to execute this Bond Issuance Agreement, to pledge and assign the Loan Agreement, the Owner Note and the Security for the Bonds, and the amounts payable under the Loan Agreement, the Owner Note and the Security for the Bonds, in the manner and to the extent set forth herein; that all action on its part required for the issuance of the Bonds and the execution and delivery of this Bond Issuance Agreement has been duly and effectively taken; and that each of the Bonds in the hands of the Bondholder is and will be a valid and enforceable obligation of the Issuer according to the terms thereof and hereof. Anything contained in this Bond Issuance Agreement to the contrary notwithstanding, it is hereby understood that none of the covenants of the Issuer contained in this Bond Issuance Agreement are intended to create a pecuniary obligation of the Issuer with respect to payment of principal of and interest on the Bonds.

Section 6.03. Assigned Rights; Instruments of Further Assurance. The Issuer represents that the pledge and assignment of the Security for the Bonds to the Bondholder hereby made is valid and lawful. The Issuer covenants that it will defend its interest in and to the Loan Agreement, the Owner Note, the Security for the Bonds and the Revenues, and the pledge and assignment thereof to the Bondholder, against the claims and demands of all Persons whomsoever; provided, however, that all reasonable attorneys' fees and expenses incurred by the Issuer in the performance of its obligations under this covenant shall be paid by the Owner. The Issuer covenants that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such agreements supplemental hereto and such further acts, instruments and transfers as the Bondholder may reasonably require for the better assuring, transferring, conveying, pledging, assigning and confirming unto the Bondholder of the Loan Agreement, the Owner Note, the Security for the Bonds and the Revenues, the rights pledged and assigned hereby, and the amounts pledged to the payment of the principal of and interest on the Bonds; provided, however, that the Issuer undertakes no responsibility for the preparation or filing of any such instrument or the maintenance of any security interest intended to be perfected thereby, all of which shall be the responsibility of the Bondholder and the Owner. The Issuer covenants and agrees that, except as herein and in the Loan Agreement provided, it will not sell, convey, mortgage, encumber or otherwise

dispose of any part of its interest in and to the Loan Agreement, the Owner Note, the Security for the Bonds or the Revenues.

Section 6.04. Recordation and Other Instruments. In order to perfect the security interest of the Bondholder in the Security for the Bonds, the Issuer, to the extent permitted by law, will execute such assignments, security agreements or financing statements, naming the Bondholder as assignee and pledgee of the Security for the Bonds assigned and pledged under this Bond Issuance Agreement for the payment of the principal of and interest on the Bonds and as otherwise provided herein, as the Bondholder shall reasonably request in writing, and the Owner will cause the same to be duly filed and recorded, as the case may be, in the appropriate state and county offices as required by the provisions of the Uniform Commercial Code or other similar law as adopted in Illinois, as from time to time amended. To continue the security interest evidenced by the financing statements, the Bondholder shall file and record, or cause to be filed and recorded, such necessary continuation statements or supplements thereto and other instruments from time to time as may be required pursuant to the provisions of the said Uniform Commercial Code or other similar law to fully preserve and protect the security interest of the Bondholder in the Security for the Bonds and to perfect the lien hereof and the rights of the Bondholder hereunder. The Issuer, to the extent permitted by law, at the expense of the Owner, shall execute and cause to be executed any and all further instruments as shall be reasonably requested in writing by the Bondholder for such protection and perfection of the interests of the Bondholder, and the Issuer or its agent shall, upon written direction from the Bondholder, file and refile or cause to be filed and refiled such instruments as shall be necessary to preserve and perfect the lien of this Bond Issuance Agreement upon the Security for the Bonds until the principal of and interest on the Bonds issued hereunder shall have been paid or provision for payment shall be made as herein provided.

Section 6.05. Inspection of Books. The Issuer, the Fiscal Agent and the Bondholder covenant and agree that all books and documents in their possession relating to the Project and the Revenues shall at all reasonable times be open to inspection by such accountants or other agencies as the other parties may from time to time designate.

Section 6.06. Rights Under Loan Agreement. The Loan Agreement, a duly executed copy of which has been delivered to the Bondholder, sets forth the covenants and obligations of the Issuer and the Owner, including provisions to the effect that subsequent to the issuance of the Bonds and prior to its payment in full or provision for payment thereof in accordance with the provisions hereof, the Loan Agreement may not be effectively amended, changed, modified, altered or terminated without the written consent of the Issuer and the Bondholder, and reference is hereby made to the same for a detailed statement of said covenants and obligations of the Issuer and the Owner thereunder. The Issuer agrees that the Bondholder, in its name or in the name of the Issuer, may enforce all rights of the Issuer and all obligations of the Owner under and pursuant to the Loan Agreement, and the Issuer will not enforce such rights and obligations itself except at the written direction of the Bondholder, in each case whether or not the Issuer is in Default hereunder; provided, however, that the foregoing shall not apply to Issuer Reserved Rights.

Section 6.07. Prohibited Activities. The Issuer covenants and agrees that it has not engaged, and will not engage, in any activities, and that it has not taken, and will not take, any action, that might result in any interest on the Bonds becoming includible in the gross income of the owner of the Bonds under Federal income tax laws.

Section 6.08. Arbitrage. The Issuer shall not take any action within its power or fail to take any action of which it has knowledge with respect to the investment of the proceeds of the Bonds, including, without limitation, moneys on deposit in any Fund or Account in connection with the Bonds, whether or not such moneys were derived from the proceeds of the sale of the Bonds or from any other

sources, or with respect to the payments derived from the Owner Note which may result in constituting the Bonds an “arbitrage bond” within the meaning of such term as used in Section 148 of the Code and the Regulations. The Issuer further covenants to create a rebate fund upon direction by the Owner to facilitate the payment of any rebatable arbitrage that may arise.

Section 6.09. Representations of the Issuer Contained in Loan Agreement. Article V of the Loan Agreement is hereby restated and incorporated into this Bond Issuance Agreement by reference for the benefit of the Bondholder.

ARTICLE VII

DEFAULT PROVISIONS AND REMEDIES OF BONDHOLDER

Section 7.01. Events of Default. Each of the following is hereby defined and declared to be and shall constitute an “Event of Default” hereunder:

(a) default in the due and punctual payment of any amount required to be paid under the Bonds or this Bond Issuance Agreement, whether by way of principal, interest or otherwise, including, without limitation, any mandatory redemption required by Section 3.02 of this Bond Issuance Agreement; provided that such default shall not constitute an Event of Default hereunder if such default is cured within five days after written notice thereof to the Issuer and the Owner from the Bondholder; or

(b) default in the performance or observance of any other of the covenants, agreements or conditions on the part of the Issuer in this Bond Issuance Agreement or in the Bonds (and not constituting an Event of Default under any of the other provisions of this Section 7.01); provided that such default shall not constitute an Event of Default hereunder if such default is cured within 90 days after written notice thereof to the Issuer and the Owner from the Bondholder as long as during such period the Issuer and/or the Owner is using its best efforts to cure such default and such default can be cured in such period; or

(c) any Event of Default shall occur under the Loan Agreement or any Owner Collateral Document (following the expiration of applicable notice and cure periods); or

(d) any material representation or warranty made by the Issuer herein is breached or is false or misleading in any material respect, or any schedule, certificate, financial statement, report, notice or other writing furnished by the Issuer to the Bondholder is false or misleading in any material respect on the date as of which the facts therein set forth are stated or certified; or

(e) this Bond Issuance Agreement or the Bonds or any of the Owner Collateral Documents, or any lien granted by the Owner or the Issuer to the Bondholder, shall (except in accordance with its terms), in whole or in part, terminate, cease to be effective or cease to be the legally valid, binding and enforceable obligations of the Issuer; or the Issuer shall directly or indirectly, contest in any manner such effectiveness, validity, binding nature or enforceability.

Notwithstanding anything to the contrary contained herein, the Fiscal Agent and the Issuer hereby agree that any cure of any default made or tendered by one or more of the Owner’s members be deemed to be a cure by the Owner and shall be accepted or rejected on the same basis as if made or tendered by the Owner.

Section 7.02. Acceleration. Upon the occurrence of an Event of Default hereunder and as long as such Event of Default is continuing, the Bondholder may, by notice in writing delivered to the Issuer

and the Owner, declare the entire principal amount of the Bonds then outstanding and the interest accrued thereon immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable, subject, however, to the right of the Bondholder, by written notice to the Issuer and the Owner, to annul such declaration and rescind its effect as hereinafter provided.

Section 7.03. Other Remedies; Rights of Bondholder. (a) Upon the occurrence of an Event of Default hereunder, the Bondholder may exercise and enforce such rights as exist under the Loan Agreement and the Owner Collateral Documents or pursue any available remedy by suit at law or in equity or by statute to enforce the payment of the principal of and interest on the Bonds, or to enforce any obligations of the Issuer hereunder.

(b) No remedy by the terms of this Bond Issuance Agreement conferred upon or reserved to the Bondholder is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and in addition to any other remedy given to the Bondholder hereunder or now or hereafter existing at law or in equity or by statute.

(c) No delay or omission to exercise any right or power accruing upon any Event of Default hereunder shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or acquiescence therein; and such right and power may be exercised from time to time as often as may be deemed expedient. No waiver of any Event of Default hereunder shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

(d) All remedies for which provision is made in this Bond Issuance Agreement shall be available only to the extent such remedies are not prohibited by the laws of the State of Illinois, decisions of courts of the State of Illinois or any other applicable law, statute, ordinance, regulation or court decision.

Section 7.04. Appointment of Receivers. Upon the occurrence of an Event of Default hereunder, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Bondholder under this Bond Issuance Agreement, the Bondholder shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Security for the Bonds and of the revenues, earnings and income thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

Section 7.05. Waiver of Rights. Except as specified in Section 7.09 hereof, upon the occurrence of an Event of Default hereunder, to the extent that such rights may then lawfully be waived, neither the Issuer, nor anyone claiming through or under the Issuer, shall set up, claim, or seek to take advantage of any appraisal, valuation, stay, extension, exemption or redemption laws now or hereafter in force, in order to prevent or hinder the enforcement of this Bond Issuance Agreement, and the Issuer, for itself and all who may claim through or under it, hereby waives, to the extent that it lawfully may do so, the benefit of all such laws.

Section 7.06. Application of Funds. All funds received by the Bondholder pursuant to any right given or action taken under the provisions of this Article, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Bondholder or the Issuer, shall be applied to pay the principal of and interest on the Bonds on the basis set forth in Section 4.01 hereof. Notwithstanding any other provision of this Bond Issuance Agreement to the contrary, funds received by the Bondholder may be applied (a) as long as an Event of Default has not occurred and is not continuing, with respect to payments and other amounts then due under the Owner Note, or, if all such payments and other amounts, if any, have been paid, may be

applied as directed by the Owner, and (b) if an Event of Default has occurred and is continuing, to satisfy amounts due the Bondholder as directed and in such order as determined by the Bondholder.

Section 7.07. Termination of Proceedings. In case the Bondholder shall have proceeded to enforce any right under this Bond Issuance Agreement by the appointment of a receiver or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Issuer, the Owner, the Fiscal Agent and the Bondholder shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Bondholder shall continue as if no such proceedings had been taken.

Section 7.08. Termination of Bond Issuance Agreement. This Bond Issuance Agreement shall terminate when the Bonds have been finally, indefeasibly and fully paid, at which time the Bondholder shall, on a timely basis, reassign and redeliver (or cause to be reassigned and redelivered) to the Issuer, or to such Person or Persons as the Issuer shall designate in writing, against receipt, such of the Security for the Bonds (if any) assigned by the Issuer to the Bondholder as shall not have been sold or otherwise applied by the Bondholder pursuant to the terms hereof, and as shall still be held by it hereunder, together with appropriate instruments of reassignment and release, including, without limitation, any Uniform Commercial Code termination statements. Any such reassignment shall be without recourse upon, or representation or warranty by, the Bondholder and shall be at the cost and expense of the Owner. Should a claim ("Recovery Claim") be made upon the Bondholder at any time for recovery of any amount received by the Bondholder in payment of the Bonds (whether received from the Issuer, the Owner or otherwise), and should the Bondholder repay all or part of said amount by reason of (a) any judgment, decree or order of any court or administrative body having jurisdiction over the Bondholder or any of its property, or (b) any settlement or compromise of any such Recovery Claim effected by the Bondholder with any such claimant (including, without limitation, the Owner), this Bond Issuance Agreement and the security interests granted to the Bondholder pursuant hereto shall continue in effect with respect to the amount so repaid to the same extent as if such amount had never originally been received by the Bondholder, notwithstanding any prior termination of this Bond Issuance Agreement, the return of this Bond Issuance Agreement to the Issuer or cancellation of the Bonds.

Section 7.09. Waivers of Events of Default. Except for an Event of Default with respect to any Issuer Reserved Rights, the Bondholder may in its discretion waive in writing any Event of Default hereunder or under the Owner Note not involving any Issuer Reserved Rights and its consequences and rescind in writing any declaration of acceleration of principal of and interest on the Bonds, and in case of any such waiver or rescission, or in case any proceeding taken by the Bondholder on account of any such default shall have been discontinued or abandoned or determined adversely, then and in every such case the Issuer, the Owner, the Fiscal Agent and the Bondholder shall be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other Event of Default, or impair any right consequent thereon.

Section 7.10. Cooperation of the Issuer. If an Event of Default hereunder shall occur, the Issuer shall cooperate with the Bondholder and use its best efforts to protect the interests of the Bondholder with respect to this Bond Issuance Agreement, the Bonds, the Security for the Bonds and the Revenues.

ARTICLE VIII

FISCAL AGENT

Section 8.01. Appointment of Fiscal Agent. (a) BMO Harris Bank N.A. shall serve as the initial Fiscal Agent hereunder. The Fiscal Agent may resign at any time upon 30 days' prior written notice to the Owner, the Issuer and the Bondholder.

(b) Upon the resignation of any Fiscal Agent, the Bondholder, with the prior written consent of the Issuer, shall designate a successor Fiscal Agent and shall so notify the Owner in writing. If a successor Fiscal Agent has not been appointed and has not accepted such appointment by the end of the 30-day period, the Fiscal Agent may apply to a court of competent jurisdiction for the appointment of a successor Fiscal Agent, and the costs, expenses and reasonable attorneys' fees which are incurred in connection with such a proceeding shall be paid by the Owner. Any successor Fiscal Agent shall be a bank or savings and loan association located in the City of Chicago, and shall at all times be a member of the Federal Deposit Insurance Corporation. No resignation shall become effective until a successor has been designated and accepted such designation in writing.

(c) Removal of Fiscal Agent. The Fiscal Agent may be removed at any time, by instrument in writing delivered to the Fiscal Agent, the Issuer and the Owner and signed by the Bondholder. No removal shall become effective until a successor has been designated and accepted such designation in writing.

Section 8.02. Successor Fiscal Agents. (a) Any corporation or association into which the Fiscal Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, shall be and become successor Fiscal Agent hereunder and vested with all of the title to the Security for the Bonds and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding; provided, however, that such successor Fiscal Agent shall satisfy the requirements of Section 8.01(b) hereof relating to the qualifications of successor Fiscal Agents.

(b) In case the Fiscal Agent hereunder shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the Bondholder, by an instrument in writing signed by it, or by its attorneys in fact, duly authorized. In case of any such vacancy, the Issuer, by an instrument executed by its Chief Financial Officer and attested by its Secretary under its seal, may appoint a temporary Fiscal Agent to fill such vacancy until a successor Fiscal Agent shall be appointed by the Bondholder in the manner above provided; and any such temporary Fiscal Agent so appointed by the Issuer shall immediately and without further act be superseded by the Fiscal Agent so appointed by the Bondholder.

Section 8.03. Indemnification and Reimbursement of Fees of Fiscal Agent and Issuer. The Fiscal Agent and the Issuer shall be entitled to payment and reimbursement for fees for services rendered under this Bond Issuance Agreement and all advances, reasonable counsel fees and other expenses made or incurred by the Fiscal Agent or the Issuer in connection with such services. The Fiscal Agent shall be entitled to payment and reimbursement for its reasonable fees and charges as Bond Registrar for the Bonds as hereinabove provided. The Fiscal Agent and the Issuer shall look solely to the Owner for the payment of such amounts as provided herein and in the Loan Agreement, and the Issuer shall not be liable

therefor. The Fiscal Agent, the Bondholder and the Issuer are indemnified as provided in the Loan Agreement.

ARTICLE IX

MISCELLANEOUS

Section 9.01. Unclaimed Moneys. Any moneys deposited with the Fiscal Agent by the Issuer, in accordance with the terms and covenants of this Bond Issuance Agreement, in order to redeem or pay the Bonds, and remaining unclaimed by the Bondholder at any time after two years after the date fixed for redemption or of maturity, as the case may be, shall be repaid by the Fiscal Agent to the Issuer, or to such party (the "Designee") as is directed by the Issuer, upon its Written Request therefor; and thereafter the registered owner of the Bonds shall be entitled to look only to the Issuer or the Designee for payment thereof; provided, however, that the Fiscal Agent, before being required to make any such repayment, shall, at the expense of the Owner, effect publication at least once in a newspaper of general circulation in the City of Chicago, Illinois, printed in the English language and customarily published on each Business Day, of a notice to the effect that said moneys have not been so applied and that after the date named in said notice any unclaimed balance of said moneys then remaining shall be returned to the Issuer or the Designee. If the amount remaining unclaimed has been paid by the Owner under the Owner Note, the unclaimed amount will be paid to the Owner, and the Owner shall be the Designee (unless the Issuer has fully released the Owner under the Owner Note).

Section 9.02. Consents of Bondholder. Any consent, request, direction, approval, objection or other instrument required by this Bond Issuance Agreement to be signed and executed by the Bondholder may be executed by the Bondholder in person or by its agent appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection or other instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Bond Issuance Agreement, and shall be conclusive in favor of the Fiscal Agent and the Issuer with regard to any action taken by either of them under such request or other instrument, namely:

(a) the fact and date of the execution by any Person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the Person signing such writing acknowledged before him the execution thereof, or by an affidavit of any witness to such execution; and

(b) the ownership of the Bonds shall be proved by the registration books maintained by the Bond Registrar.

Section 9.03. Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Bond Issuance Agreement or the Bonds is intended or shall be construed to give to any Person other than the parties hereto and the Owner any legal or equitable right, remedy or claim under or with respect to this Bond Issuance Agreement or any covenants, conditions and provisions herein contained, this Bond Issuance Agreement and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and the Owner.

Section 9.04. Severability. If any provision of this Bond Issuance Agreement shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other

reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses or Sections contained in this Bond Issuance Agreement shall not affect the remaining portions of this Bond Issuance Agreement, or any part thereof; provided, however, that no holding of invalidity shall require the Issuer to make any payments from any moneys other than Revenues.

Section 9.05. Notices. Any notice, request, complaint, demand, communication or other paper shall be in writing and shall be sufficiently given, and shall be deemed given, when delivered or mailed as provided in Section 14.3 of the Loan Agreement.

A duplicate copy of each notice required to be given hereunder by the Bondholder or the Fiscal Agent to the Issuer or the Owner shall also be given to the others. The Issuer, the Owner, the Fiscal Agent and the Bondholder may designate any further or different addresses to which subsequent notices, requests, complaints, demands, communications and other papers shall be sent.

Section 9.06. Payments Due on Saturdays, Sundays and Holidays. In any case where the date of maturity of interest on or principal of the Bonds or the date fixed for prepayment of all or a portion of the Bonds shall be on Saturday, Sunday or other day which is not a Business Day, then such payment need not be made on such date but may be made on the next succeeding Business Day and the Bonds shall continue to bear interest until such date.

Section 9.07. Duplicates. This Bond Issuance Agreement may be executed in several duplicates, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 9.08. Governing Law. This Bond Issuance Agreement, the Bonds and the rights and obligations of the parties hereunder and thereunder shall be construed in accordance with and be governed by the laws of the State of Illinois, without regard to its conflict of laws principles.

Section 9.09. Immunity of Issuer's Officers. No recourse shall be had for the payment of the principal of and interest on the Bonds or for any claim based thereon or upon any obligation, covenant or agreement contained in this Bond Issuance Agreement, against any past, present or future officer, official, supervisor, director, agent or employee of the Issuer, or any officer, official, supervisor, director, agent or employee of any successor public body or entity, as such, either directly or through the Issuer or any successor corporation or entity, 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 officer, official, supervisor, director, agent or employee as such is hereby expressly waived and released as a condition of and consideration for the execution of this Bond Issuance Agreement and the issuance of the Bonds.

Section 9.10. Continuing Assignment and Security Interest Upon Transfer of Bonds. This Bond Issuance Agreement shall create a continuing assignment of, and security interest in, the Security for the Bonds, and shall (i) remain in full force and effect until payment in full of the Bonds, (ii) be binding upon the Issuer, its successors and assigns, and (iii) inure to the benefit of the Bondholder and its successors, permitted transferees and assigns. Without limiting the generality of the foregoing clause (iii), the Bondholder may assign or otherwise transfer, subject to Section 2.13 hereof, all of the Bonds held by it to any other Persons as provided in this Bond Issuance Agreement, and such other Persons shall thereupon become vested with all the benefits in respect thereof granted to the Bondholder herein or otherwise upon delivery to the Issuer in writing of an acknowledgment of such other Persons of such

assignment or transfer, and agreeing to accept and perform any duties or obligations imposed upon it under this Bond Issuance Agreement.

Section 9.11. Amendments, Changes and Modifications. Subsequent to the initial issuance of the Bonds and prior to its payment in full (or provision for payment thereof having been made in accordance with the provisions of this Bond Issuance Agreement), this Bond Issuance Agreement may not be effectively amended, changed, modified, altered or terminated without the written consent of the Bondholder, the Issuer and, to the extent affecting the Owner, the Owner.

Section 9.12. Term of this Bond Issuance Agreement. This Bond Issuance Agreement shall be in full force and effect from the date hereof, and shall continue in effect until the indefeasible payment in full of the Bonds and all other obligations due hereunder. All matters affecting the tax-exempt status of the Bonds shall survive the termination of this Bond Issuance Agreement.

Section 9.13. Binding Effect. This Bond Issuance Agreement shall inure to the benefit of, and shall be binding upon, the Issuer and the Bondholder and their respective successors and assigns.

Section 9.14. Waivers. If any agreement contained in this Bond Issuance Agreement should be breached by the Issuer and thereafter waived by the Bondholder, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder. All waivers by the Bondholder of breaches hereof by the Issuer shall be in writing.

Section 9.15. Participation. (a) The Bondholder shall have the right to grant participations in or to the Bonds hereunder and to the Owner Note all without notice to or consent from the Issuer, but subject to the restriction on transfer (including, but not limited to, the provision of a Qualified Transferee Letter to the Issuer) set forth herein and in the Bonds, and provided that there shall at all times be but one registered owner of all of the Bonds. No holder of a participation in all or any part of the Bonds and the Owner Note shall have any rights under this Bond Issuance Agreement.

(b) The Issuer hereby consents to the disclosure of any information about the Issuer provided by the Issuer obtained in connection herewith (i) by the Bondholder to any Person which is a participant or potential participant pursuant to clause (a) above, it being understood that the Bondholder and its assigns shall advise any such Person of its obligation to keep confidential any non-public information disclosed to it pursuant to this Section 9.15. The Bondholder shall advise the Issuer of each Person which becomes a participant pursuant to clause (a) above.

Section 9.16. Entire Agreement. This Bond Issuance Agreement, together with the Owner Note, the Loan Agreement and the Bonds, constitutes the entire agreement among the parties with respect to the subject matter hereof, and supersedes all written or oral understandings with respect thereto.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have executed this instrument as of the date first above written.

(SEAL)

CITY OF CHICAGO

ATTEST:

Summa A. Mendez

By: [Signature]

BMO HARRIS BANK N.A., as Bondholder

By: _____

Name:

Its:

BMO HARRIS BANK N.A., as Fiscal Agent

By: _____

Name:

Its:

Acknowledged and agreed to:

ST. EDMUND'S OASIS, LLC,
an Illinois limited liability company

By: **St. Edmund's Oasis MM, LLC,**
an Illinois limited liability company,
its Manager Member

By: **St. Edmund's Oasis II Inc.,**
an Illinois corporation,
its manager

By: _____
Rev. Richard L. Tolliver,
President

[SIGNATURE PAGE TO BOND ISSUANCE AGREEMENT]

IN WITNESS WHEREOF, the parties have executed this instrument as of the date first above written.

(SEAL)

CITY OF CHICAGO

ATTEST:

By: _____

BMO HARRIS BANK N.A., as Bondholder

By: *[Signature]*

Name: *Alison Porter-Bell*

Its: *Vice President*

BMO HARRIS BANK N.A., as Fiscal Agent

By: *[Signature]*

Name: *Alison Porter-Bell*

Its: *Vice President*

Acknowledged and agreed to:

ST. EDMUND'S OASIS, LLC,
an Illinois limited liability company

By: **St. Edmund's Oasis MM, LLC,**
an Illinois limited liability company,
its Manager Member

By: **St. Edmund's Oasis II Inc.,**
an Illinois corporation,
its manager

By: _____
Rev. Richard L. Tolliver,
President

[SIGNATURE PAGE TO BOND ISSUANCE AGREEMENT]

IN WITNESS WHEREOF, the parties have executed this instrument as of the date first above written.

(SEAL)

CITY OF CHICAGO

ATTEST:

By: _____

BMO HARRIS BANK N.A., as Bondholder

By: _____

Name:

Its:

BMO HARRIS BANK N.A., as Fiscal Agent

By: _____

Name:

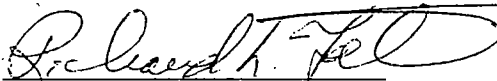
Its:

Acknowledged and agreed to:

ST. EDMUND'S OASIS, LLC,
an Illinois limited liability company

By: **St. Edmund's Oasis MM, LLC,**
an Illinois limited liability company,
its Manager Member

By: **St. Edmund's Oasis II Inc.,**
an Illinois corporation,
its manager

By: 
Rev. Richard L. Tolliver,
President

[SIGNATURE PAGE TO BOND ISSUANCE AGREEMENT]

EXHIBIT A

DEFINITIONS

“Affiliate” means, with respect to any Person, any Person that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such first Person. A Person shall be deemed to control another Person for the purposes of this definition if such first Person possesses, directly or indirectly, the power to direct, or cause the direction of, the management and policies of the second Person, whether through the ownership of voting securities, common directors, trustees or officers, by contract or otherwise.

“Alternate Rate” means the lesser of (i) the Prime Rate and (ii) the Maximum Rate.

“Assignment of Contracts” means that certain Collateral Assignment of Contracts, Permits and Licenses, of even date herewith, from the Owner to the Bondholder, as the same may be amended, modified or supplemented from time to time.

“Assignment of Leases” means that certain Assignment of Leases, Rents and Profits, of even date herewith, from the Owner to the Bondholder, as the same may be amended, modified or supplemented from time to time.

“Bond Counsel” means nationally recognized municipal bond counsel selected by the Issuer and reasonably acceptable to the Bondholder.

“Bond Issuance Agreement” means this Bond Issuance Agreement, among the Issuer, the Bondholder and the Fiscal Agent, as the same may be amended, modified or supplemented from time to time.

“Bond Registrar” means BMO Harris Bank N.A., a national banking association, as registrar of the Bonds pursuant to Section 2.13 of this Bond Issuance Agreement, and any successors thereto which shall, from time to time, be appointed by the Issuer.

“Bondholder” means BMO Harris Bank N.A., a national banking association, and its successors and assigns as the registered owner of the Bonds. There shall only be one Bondholder at a time hereunder, provided that the Bondholder may sell, subject to applicable law, participations in the Bonds.

“Bonds” means the Issuer’s \$10,220,000 Multi-Family Housing Revenue Bonds (St. Edmund’s Oasis Project), Series 2015, issued under the Ordinance and secured by this Bond Issuance Agreement and by the other Security for the Bonds, substantially in the form of Exhibit B to this Bond Issuance Agreement, as the same may be amended, modified or supplemented from time to time.

“Business Day” means other than (a) a Saturday or Sunday, or (b) a day on which banks located in the City of Chicago are authorized or required to remain closed.

“Capitalized Interest Account” has the meaning set forth in Section 4.02 of this Bond Issuance Agreement.

“Cash Collateral Agreement” means the Cash Collateral Assignment and Security Agreement, of even date herewith, among the Owner, the Chicago Housing Authority, BMO Harris Bank N.A., as Bondholder, and BMO Harris Bank N.A., as Cash Collateral Agent.

“Closing Date” means December 14, 2015.

“Code” means the Internal Revenue Code of 1986, as amended.

“Completion Guaranty” means the Guaranty of Completion of even date herewith from the Owner and the Guarantor to the Bondholder, as the same may be amended, modified or supplemented from time to time.

“Construction Fund” has the meaning set forth in Section 4.02 of this Bond Issuance Agreement.

“Construction Period” means the period from the Closing Date to but excluding the Conversion Date.

“Construction Period Interest Rate” means a per annum floating rate equal to the lesser of (i) 74% times the sum of (a) the LIBOR Monthly Rate, plus (b) 2.52%, increasing or decreasing with each increase or decrease of the LIBOR Monthly Rate, and (ii) the Maximum Rate.

“Conversion Date” means the date specified in Section 2.02(f) hereof, as the same may be extended as provided therein.

“Costs of the Project” means any reasonable or necessary costs incidental to the acquisition, construction, and equipping of the Project which are in compliance with the provisions of the Tax Certificate, and as set forth in the Development Cost Budget. Without limiting the generality of the foregoing, such costs, to the extent permitted, may include the items listed in subparagraphs (a) through (i) of Section 9.3 of the Loan Agreement.

“Default” means any event, act or condition which, with lapse of time or the giving of notice, or both, would constitute an Event of Default.

“Designated Office” means the corporate office of the Fiscal Agent set forth in Section 9.05 of this Bond Issuance Agreement, or such other address as may be specified in writing by the Fiscal Agent as provided herein.

“Determination of Taxability” means with respect to the Bonds (a) the receipt by the Owner of a written notice from the Bondholder or any former registered owner of the Bonds of the issuance of a statutory notice of deficiency by the Internal Revenue Service which holds, in effect, that the interest payable on the Bonds is includable in the Federal gross income of the taxpayer named therein (other than a taxpayer who is a “substantial user” of the facilities financed with the proceeds of the Bonds or a “related person” thereto within the meaning of Section 147 of the Code); (b) the receipt by the Owner of an opinion of Bond Counsel to the effect that the interest payable on the Bonds is includable in the Federal gross income of the taxpayer named therein; (c) the filing by the Owner with the Bondholder or the Internal Revenue Service of any certificate, statement or other tax schedule, return or document which concludes or discloses that the interest payable on the Bonds, or any installment thereof, is includable in the Federal gross income of the Bondholder or any former owner of the Bonds (other than a taxpayer who is a “substantial user” of the facilities financed with the proceeds of the Bonds or a “related person” thereto within the meaning of Section 147 of the Code); or (d) any amendment, modification, addition or change shall be made in Section 103 or any other provision of the Code or in any Regulation, or any ruling shall be issued or revoked by the Internal Revenue Service, or any other action shall be taken by the Internal Revenue Service, the Department of Treasury or any other governmental agency, authority or instrumentality, or any opinion of any Federal court or of the United States Tax Court shall be rendered, and the Bondholder or any former owner of the Bonds shall have notified the Owner and the Issuer in

writing that, as a result of any such event or condition, Bond Counsel is unable to give an unqualified opinion that the interest payable on the Bonds on or after a date specified in said notice is excludable from the Federal gross income of the taxpayer named therein.

“Developer Fee Agreement” means the Inter-Creditor Agreement (Deferred Developer Fee) of even date herewith among the Owner, the Guarantor and the Bondholder, as the same may be amended, modified or supplemented from time to time.

“Development Cost Budget” means the initial breakdown of the Costs of the Project prepared by the Owner and approved in writing by the Bondholder, of the total cost required to acquire, construct and equip the Project. The analysis shall break down that total amount into the following three cost categories: (a) “land acquisition cost,” (b) “hard construction costs,” and (c) “soft costs.” The categories of “hard costs” and “soft costs” shall be further broken down by detailed line items, each for a specific type of cost associated with the Project.

“Dollars” means United States Dollars.

“Eligible Investment” means, to the extent permitted by the applicable laws and regulations of the Issuer and the State of Illinois, Issuer investment policy and with the approval of the Bondholder, any one or more of the following: (1) Government Obligations; (2) interest-bearing accounts at BMO Harris Bank N.A.; (3) interest in money market mutual funds registered under the Investment Company Act of 1940, as amended; provided, that the governing instrument or order directs, requires, authorizes or permits investment in obligations described in (1) above and to repurchase agreements fully collateralized by such obligations; and (4) such other investments approved in writing by the Owner, the Issuer and the Bondholder.

“Environmental Indemnity Agreement” means the Environmental Indemnity Agreement of even date herewith from the Owner in favor of the Bondholder, as amended from time to time.

“Event of Default” means (a) with respect to the Loan Agreement, those events of default specified in Section 12.1 of the Loan Agreement, and (b) with respect to this Bond Issuance Agreement, those events of default specified in Section 7.01 of this Bond Issuance Agreement.

“Fiscal Agent” means BMO Harris Bank N.A., a national banking association, and its successors and any corporation or association resulting from or surviving any consolidation or merger to which it or its successors may be a party, and any successor fiscal agent at the time serving as such under this Bond Issuance Agreement.

“Five Year LIBOR Swap Rate” shall have the meaning set forth in Section 2.03(c) hereof.

“GAAP” or “generally accepted accounting principles” means generally accepted accounting principles as defined by the Financial Accounting Standards Board.

“Government Obligations” means direct obligations of, and obligations fully guaranteed as to the timely payment of principal and interest by the full faith and credit of, the United States of America or any agency or instrumentality thereof when such obligations are backed by the full faith and credit of the United States of America.

“Governmental Body” means the United States of America, the State of Illinois and any political subdivision thereof, and any agency, department, commission, board, bureau or instrumentality of any of

them which exercises jurisdiction over the Project, the use of improvements thereto or the availability of ingress or egress thereto or of gas, water, electricity, sewerage or other utility facilities therefor.

“Government Regulation” means any law, ordinance, order, rule or regulation of a Governmental Body.

“Guarantor” means St. Edmund’s Redevelopment Corporation, an Illinois corporation, and its successors and assigns.

“Indebtedness” means, with respect to any Person, as of the date of determination thereof: (a) all of such Person’s indebtedness for borrowed money; (b) all indebtedness of such Person or any other Person secured by any Lien with respect to any Property owned or held by such Person, regardless whether the indebtedness secured thereby shall have been assumed by such Person; (c) all indebtedness of other Persons which such Person has directly or indirectly guaranteed (whether by discount or otherwise), endorsed (otherwise than for collection or deposit in the ordinary course of operations), discounted with recourse to such Person or with respect to which such Person is otherwise directly or indirectly, absolutely or contingently, liable, including indebtedness in effect guaranteed by such Person through any agreement (contingent or otherwise) to (i) purchase, repurchase or otherwise acquire such Indebtedness or any security therefor, (ii) provide funds for the payment or discharge of such indebtedness or any other liability of the obligor of such indebtedness (whether in the form of loans, advances, stock purchases, capital contribution or otherwise), (iii) maintain the solvency of any balance sheet or other financial condition of the obligor of such indebtedness, or (iv) make payment for any products, materials or supplies or for any transportation or services regardless of the nondelivery or nonfurnishing thereof, if in any such case the purpose or intent of such agreement is to provide assurance that such indebtedness will be paid or discharged or that any agreements relating thereto will be complied with or that the holders of such indebtedness will be protected against loss in respect thereof; (d) all of such Person’s capitalized lease obligations; (e) all actual or contingent reimbursement obligations with respect to letters of credit issued for such Person’s account; and (f) all other items which, in accordance with GAAP, would be included as liabilities on the liability side of the balance sheet of such Person.

“Indemnified Persons” has the meaning given to such term in Section 13.1 of the Loan Agreement.

“Initial Maturity Date” means December 1, 2032, provided that if the Conversion Date is extended by six months as provided in Section 2.02(g) hereof, the Initial Maturity Date shall automatically be extended to June 1, 2033.

“Interest Payment Date” means each date for the payment of interest on the Bonds as determined pursuant to Section 2.04 of this Bond Issuance Agreement.

“Investor Letter” means a letter substantially in the form of Exhibit E hereto.

“Issuer” means the City of Chicago, a municipal corporation and home rule unit of local government duly organized and validly existing under the Constitution and laws of the State of Illinois, and any successor body to the duties or functions of said Issuer.

“Issuer Reserved Rights” means (1) rights under Sections 4.1, 7.4, 7.5, 7.8(a), 12.4, 12.5, 12.6, 13.1, 14.1 (second paragraph thereof), 14.6, 14.7 and 14.12 of the Loan Agreement, which rights may be enforced directly by the Issuer and, where appropriate, also by the Bondholder, (2) the Issuer’s right to consent to amendments of the Loan Agreement and the Owner Note, and (3) the Issuer’s right to receive

additional notices as provided in the Loan Agreement, which rights may be enforced directly by the Issuer and, where appropriate, also by the Bondholder.

“Land Use Restriction Agreements” means, collectively, (i) the Land Use Restriction Agreement (Site A), dated as of December 1, 2015, between the Issuer and the Owner, and (ii) the Land Use Restriction Agreement (Site B), dated as of December 1, 2015, between the Issuer and the Owner, in each case as the same may be amended, modified or supplemented from time to time.

“LIBOR Monthly Rate” shall have the meaning set forth in Section 2.03(b) hereof.

“Lien” means any mortgage, pledge, lien, hypothecation, security interest or other charge, encumbrance or preferential arrangement, including the retained security title of a conditional vendor or lessor.

“Loan” shall mean the loan of the proceeds of the Bonds to the Owner under the Loan Agreement

“Loan Agreement” means that certain Loan Agreement, of even date herewith, between the Issuer and the Owner, as the same may be amended, modified or supplemented from time to time.

“Maturity Date” means the Initial Maturity Date and any Subsequent Maturity Date established as set forth in Section 2.02(h) hereof.

“Maximum Rate” means twelve percent (12%) per annum.

“Mortgage” has the meaning assigned to such term in the Loan Agreement.

“Ordinance” means the ordinance duly adopted by the City Council of the Issuer on July 29, 2015, authorizing, among other things, the execution and delivery of this Bond Issuance Agreement, the Loan Agreement and the Land Use Restriction Agreements and the issuance of the Bonds.

“Outstanding” means that portion of the Bonds that has not been finally and fully paid hereunder.

“Owner” means St. Edmund’s Oasis, LLC, an Illinois limited liability company, and its successors and assigns.

“Owner Collateral Documents” means, collectively, (a) the Mortgage, (b) the Cash Collateral Agreement, (c) the Security Agreement, (d) the Assignment of Contracts, (e) the Assignment of Leases, (f) the Environmental Indemnity Agreement; (g) the Developer Fee Agreement, (h) the Completion Guaranty, (i) the Payment Guaranty, (j) the Subordination Agreement, and (k) such other collateral security documents as the Bondholder may require.

“Owner Note” means the promissory note of the Owner, of even date herewith, payable to the order of the Issuer in the principal amount of \$10,220,000, substantially in the form of Exhibit A to the Loan Agreement, as the same may be amended, modified or supplemented from time to time.

“Past Due Rate” means a fluctuating rate per annum equal to the LIBOR Monthly Rate or the Prime Rate (as defined in Section 2.03(d) hereof), as applicable, plus five hundred (500) basis points, but in no event greater than the Maximum Rate.

“Payment Guaranty” means the Guaranty of even date herewith from the Owner and the Guarantor to the Bondholder, as the same may be amended, modified or supplemented from time to time.

“Permanent Interest Rate” means (a) a variable rate per annum commencing on the Conversion Date and ending on the Initial Maturity Date equal to the lesser of (i) 74% times the sum of (1) the LIBOR Monthly Rate, plus (2) 2.52%, increasing or decreasing with each increase or decrease in the LIBOR Monthly Rate, and (ii) the Maximum Rate. The Permanent Interest Rate shall be established by the Bondholder on the Conversion Date and shall remain in effect through the Initial Maturity Date. If the Maturity Date is extended pursuant to Section 2.02(h) hereof, “Permanent Interest Rate” shall mean a fixed rate of interest equal to the lesser of (i) 74% times the sum of (1) the Five Year LIBOR Swap Rate in effect on such date, plus (2) 3.25% per annum and (ii) the Maximum Rate, to be effective for the new five-year period commencing on the extension date and effective through the new Subsequent Maturity Date (which Permanent Interest Rate shall be set by the Bondholder on the extension date).

“Permitted Exceptions” has the meaning given to such term in Section 10.2 of the Loan Agreement.

“Person” means an individual, partnership, joint venture, corporation, trust, limited liability company, unincorporated organization or foundation, and a governmental agency or political subdivision thereof.

“Premises” means the real estate located within the corporate boundaries of the City of Chicago, Illinois, which is described in Exhibit C hereto, and any additional real estate that from time to time may be acquired, including all buildings, structures and other improvements now and hereafter located thereon, which constitutes the site of the Project.

“Prime Rate” means, on any day, the rate of interest per annum then most recently established by the Bondholder as its “prime rate.” Any such rate is a general reference rate of interest, may not be related to any other rate, and may not be the lowest or best rate actually charged by the Bondholder to any customer or a favored rate and may not correspond with future increases or decreases in interest rates charged by other lenders or market rates in general, and the Bondholder may make various business or other loans at rates of interest having no relationship to such rate. Each time the Prime Rate changes, the per annum rate of interest on the Bonds shall change immediately and contemporaneously with such change in the Prime Rate. If the Bondholder (including any subsequent holder of the Bonds) ceases to exist or to establish or publish a prime rate from which the Prime Rate is then determined, the applicable variable rate from which the Prime Rate is determined thereafter shall be instead the prime rate reported in *The Wall Street Journal* (or the average prime rate if a high and a low prime rate are therein reported), and the Prime Rate shall change without notice with each change in such prime rate as of the date such change is reported.

“Project” means the multi-family housing project to be developed on the Premises, consisting of four (4) buildings containing a total of approximately 58 residential dwelling units and related common facilities, located on scattered sites in the City at 6100 S. Prairie Avenue, 300-310 E. 61st Street and 6141-6153 S. Indiana Avenue.

“Project Account” has the meaning set forth in Section 4.02 of this Bond Issuance Agreement.

“Property” means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible, including, without limitation, all cash and pledge receivables.

“Qualified Transferee” means a Person who is either (i) a “qualified institutional buyer” as defined in Rule 144A promulgated under the United States Securities Act of 1933, as amended, or (ii) any transferee of the Bonds to the extent the Bonds are transferred pursuant to another exemption from registration under the 1933 Act, executing and delivering to the Issuer a Qualified Transferee Letter.

“Qualified Transferee Letter” means a letter substantially in the form of Exhibit D hereto.

“Rating Agency” means Standard & Poor’s Ratings Services or Moody’s Investors Service, and their respective successors and assigns.

“Regulations” mean any regulations promulgated or proposed by the Internal Revenue Service under Sections 103 and 141 through 150 of the Code, as amended.

“Revenues” means (a) all payments of principal and interest made on the Owner Note (other than those relating to the obligation of the Owner to rebate certain investment income to the United States Government pursuant to Section 148 of the Code), (b) all moneys held in any fund established under this Bond Issuance Agreement, including investment income earned thereon, and (c) all moneys received by the Bondholder pursuant to the provisions of the Loan Agreement.

“Security Agreement” means the Security Agreement (Assignment of Capital Contributions and Membership Interests), of even date herewith, between the Owner and the Bondholder, for the benefit of the Bondholder.

“Security for the Bonds” means the property described in the granting clauses of this Bond Issuance Agreement.

“Subordination Agreement” means the Subordination of Mortgages and Intercreditor Agreement, dated as of December 1, 2015, among the Owner, the Bondholder, and the holders of all subordinated indebtedness contemplated in this Bond Issuance Agreement or in the Loan Agreement.

“Subsequent Maturity Date” has the meaning set forth in Section 2.02(g) hereof.

“Tax Certificate” means the Tax Certificate and Agreement, dated as of the date of issuance of the Bonds, between the Issuer and the Owner, as amended from time to time.

“Written Request” means (a) with reference to the Issuer, a request in writing signed by its Chairman or any other officer or official designated by the Issuer, and (b) with reference to the Owner or the Bondholder, a request in writing signed by the authorized representative of the Owner or the Bondholder, as applicable.

EXHIBIT B

FORM OF BOND

THIS BOND IS TRANSFERABLE ONLY AS A WHOLE AS PROVIDED HEREIN

**UNITED STATES OF AMERICA
STATE OF ILLINOIS
CITY OF CHICAGO**

**MULTI-FAMILY HOUSING REVENUE BOND
(ST. EDMUND'S OASIS PROJECT), SERIES 2015**

PAYABLE BY THE ISSUER SOLELY AND ONLY FROM REVENUES REFERRED TO HEREIN, INCLUDING, WITHOUT LIMITATION, REVENUES AND RECEIPTS DERIVED FROM AND PURSUANT TO THE LOAN AGREEMENT, THE OWNER NOTE AND THE SECURITY DOCUMENTS REFERRED TO HEREIN.

THIS BOND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE. ACCORDINGLY, THIS BOND MAY BE SOLD OR OTHERWISE TRANSFERRED ONLY IN TRANSACTIONS IN WHICH THIS BOND IS REGISTERED UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS, OR IN TRANSACTIONS IN WHICH THIS BOND IS EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. THE ISSUER HAS NOT UNDERTAKEN ANY OBLIGATION TO CAUSE THIS BOND TO BE REGISTERED UNDER THE SECURITIES ACT OR APPLICABLE STATE SECURITIES LAWS, OR TO COMPLY WITH ANY EXEMPTION THAT MAY BE AVAILABLE UNDER THE SECURITIES ACT OR APPLICABLE STATE SECURITIES LAWS, INCLUDING, WITHOUT LIMITATION, RULE 144A UNDER THE SECURITIES ACT. THE REGISTERED OWNER OF THIS BOND AGREES THAT ANY TRANSFER OF THIS BOND WILL BE IN ACCORDANCE WITH THE PROVISIONS OF THE BOND ISSUANCE AGREEMENT.

No. R-1

Dated: December 14, 2015

\$10,220,000

KNOW ALL MEN BY THESE PRESENTS, that the CITY OF CHICAGO, a municipal corporation and home rule unit of local government duly organized and validly existing under the Constitution and the laws of the State of Illinois (the "Issuer"), for value received, promises to pay (but only out of the source hereinafter described) to BMO HARRIS BANK N.A., a national banking association, or registered assigns (the "Bondholder"), the unrepaid portion of the principal amount specified above that has been advanced by the Bondholder pursuant to the Bond Issuance Agreement (as described herein, the "Advanced Principal") on December 1, 2032, except to the extent that the provisions hereinafter set forth with respect to redemption prior to maturity or extension of maturity may become applicable hereto, and to pay (but only out of the sources hereinafter described) interest on the unpaid Advanced Principal balance hereof from the date or dates such principal was advanced as follows. Interest shall be computed on the unpaid Advanced Principal balance of this Bond at the interest rate or rates as provided in the Bond Issuance Agreement payable on the first day of each month, at redemption and on the Maturity Date, commencing on the first day of the month following the date hereof. Principal on this Bond, calculated based on a 30-year amortization from the Conversion Date (as defined in the Bond Issuance Agreement), shall be payable monthly commencing on the first day of the calendar month

following the Conversion Date and continuing on the first day of each month thereafter, on any date of redemption and on the Maturity Date (in an amount equal to the unpaid principal amount outstanding).

This Bond is the “Bond” described in, and is subject to the terms and provisions of the Bond Issuance Agreement (the “Bond Issuance Agreement”), dated as of December 1, 2015, among the Issuer, the Bondholder and BMO Harris Bank N.A., as fiscal agent (the “Fiscal Agent”), and payment of this Bond is secured as described in the Bond Issuance Agreement. Capitalized terms not defined herein have the same meaning as given in the Bond Issuance Agreement. Reference is hereby made to the Bond Issuance Agreement for a statement of the prepayment rights and obligations of the undersigned, a description of the security therefor, and for a statement of the terms and conditions under which the due date of this Bond may be accelerated. Upon the occurrence of any Event of Default as specified in the Bond Issuance Agreement, the principal balance hereof and the interest accrued hereon may be declared to be forthwith due and payable.

This Bond is secured by the Security for the Bonds as provided in the Bond Issuance Agreement.

Notwithstanding anything herein or in the Bond Issuance Agreement to the contrary, if the Issuer shall fail to make any of the payments required to be made by it under this Bond, such payments shall continue as a limited obligation of the Issuer until the amount in default shall have been fully paid and interest on this Bond shall continue to accrue at the rate specified in the Bond Issuance Agreement from the date such payment was due until the date such payment is made or the date this Bond has been repaid in full, whichever is earlier.

In any case where the date of payment of interest on or principal of this Bond or the date fixed for prepayment of all or a portion of this Bond shall not be a Business Day, then such payment need not be made on such date but may be made on the next succeeding Business Day and this Bond shall continue to bear interest until such date.

All funds received by the Bondholder pursuant to any right given or action taken under this Bond, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Bondholder, shall be applied first to interest on the unpaid principal balance and the remainder to principal remaining due under this Bond. Notwithstanding any other provision of this Bond or the Bond Issuance Agreement to the contrary, funds received by the Bondholder may be applied (a) so long as an Event of Default has not occurred and is not continuing, with respect to the payment then due under this Bond if due, or, if all such payments have been made may be applied as directed by the Owner (defined herein), and (b) if an Event of Default has occurred and is continuing, as directed and in such order as determined by the Bondholder.

This Bond is issued for the purpose of funding a loan by the Issuer to St. Edmund’s Oasis, LLC, an Illinois limited liability company (the “Owner”) pursuant to the Loan Agreement dated as of December 1, 2015 (the “Loan Agreement”) between the Issuer and the Owner for the purpose of financing a portion of the costs of acquiring, constructing, and equipping the Project (as defined in the Bond Issuance Agreement). The terms and conditions of the acquisition, construction, and equipping of the Project, the loan of the proceeds of this Bond to the Owner for such purpose, the issuance of this Bond, and the terms upon which the Bonds are issued and secured are contained in the Bond Issuance Agreement and the Loan Agreement.

This Bond shall only be transferable in whole to a Qualified Transferee delivering to the Issuer a Qualified Transferee Letter in the form of Exhibit D to the Bond Issuance Agreement.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution, delivery of and the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law; and that the issuance of this Bond, together with all other obligations of the Issuer, does not exceed or violate any constitutional or statutory limitation.

This Bond is issued pursuant to an Ordinance adopted by the City Council of the Issuer on July 29, 2015. The Bonds shall not be a debt of any city, village, incorporated town, county, the State of Illinois or any political subdivision thereof and neither the city, village, incorporated town or the county, nor the State of Illinois or any political subdivision thereof shall be liable thereon, nor in any event shall the Bonds be payable out of any funds or properties other than those of the Issuer as provided under the Bond Issuance Agreement. The Bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

The Bonds have been issued by the Issuer to aid in financing a housing project to provide dwelling accommodations for persons of low and moderate income.

As provided in the Bond Issuance Agreement, this Bond is subject to prepayment, in whole or in part, and with or without premium, as specified and subject to the limitations set forth in the Bond Issuance Agreement. The Issuer agrees to make required prepayments on account of this Bond in accordance with the provisions of the Bond Issuance Agreement.

This Bond and the rights and obligations of the parties hereunder shall be construed in accordance with and be governed by the laws of the State of Illinois, without regard to its conflict of laws principles.

The Bondholder shall note on the payment record attached as Schedule A hereto the date and amount of each payment of principal (whether at maturity or upon acceleration or prior redemption) and of interest paid, and of any principal and interest theretofore paid and not yet noted thereon. The information so recorded shall be rebuttable presumptive evidence of the accuracy thereof absent manifest error. The failure to so record any such information or any error in so recording any such information shall not, however, limit or otherwise affect the obligations of the Issuer hereunder to repay the principal amount hereunder together with all interest accruing hereon.

IN WITNESS WHEREOF, the City of Chicago has caused this Bond to be executed in its name by the manual or facsimile signature of its Mayor and attested by the manual or facsimile signature of its City Clerk, all as of the date of delivery of this Note.

(SEAL)

CITY OF CHICAGO

ATTEST:

By: _____
Mayor

Susana A. Mendoza, City Clerk

(Form of Fiscal Agent's Certificate of Authentication)

CERTIFICATE OF AUTHENTICATION

This Bond is one of the "Bonds" described in the within mentioned Bond Issuance Agreement.

BMO HARRIS BANK N.A., as Fiscal Agent

By: _____
Authorized Signatory

Date of Authentication: December 14, 2015

SCHEDULE A

[illegible]

(End of Bond Form)

EXHIBIT C
LEGAL DESCRIPTION

SITE A:

LOT 34, 35, 36, 37, 38, 39 AND 40 (EXCEPT THAT PART THEREOF DEDICATED FOR A PUBLIC ALLEY BY DOCUMENT NUMBER 4644550) IN SNOW AND DICKINSON'S SUBDIVISION OF LOTS 5 AND 9 IN WILSON, HEALD AND STEBBIN'S SUBDIVISION OF THE EAST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 15, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PINS: 20-15-315-004, 20-15-315-035, 20-15-315-036, 20-15-315-037, 20-15-315-038, 20-15-315-039 AND 20-15-315-040

C/K/A: 6100 S. PRAIRIE AVENUE, CHICAGO, ILLINOIS.

A/K/A: 219-223 EAST 61ST STREET AND 227-233 EAST 61ST STREET/6100-6124 SOUTH PRAIRIE AVENUE, CHICAGO, ILLINOIS 60637-2207.

ALSO:

LOTS 6, 7, 8, 9, 10, 11 AND 12 IN THOMAS F. O'NEILL'S SUBDIVISION OF LOTS 11 TO 20 INCLUSIVE IN BLOCK 2 IN PARKER'S RESUBDIVISION OF BLOCKS 1, 2 AND 3 (EXCEPT LOT 18 IN SAID BLOCK 3) OF LOT 4 IN WILSON, HEALD AND STEBBIN'S SUBDIVISION OF THE EAST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 15, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PINS: 20-15-310-013, 20-15-310-014, 20-15-310-015, 20-15-310-016, AND 20-15-310-017

C/K/A: 300-310 E. 61ST STREET, CHICAGO, ILLINOIS.

A/K/A: 310-312 EAST 61ST STREET/6049-6059 SOUTH PRAIRIE AVENUE, CHICAGO, ILLINOIS 60637.

SITE B:

LOTS 10, 11, 12, 13, 14, 15, 16 AND 17 IN BLOCK 3 IN ISAAC PFLAUM'S SUBDIVISION OF LOT 6 AND PART OF LOT 12 LYING NORTH OF THE SOUTH LINE OF LOT 6 AFORESAID PRODUCED TO INDIANA AVENUE IN WILSON, HEALD AND STEBBIN'S SUBDIVISION OF THE EAST 1/2 OF THE SOUTHWEST 1/4 OF SECTION

15, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN,
IN COOK COUNTY, ILLINOIS.

PINS: 20-15-315-008 AND 20-15-315-009

C/K/A: 6141-6153 S. INDIANA AVENUE, CHICAGO, ILLINOIS.

A/K/A: 6141-6157 SOUTH INDIANA AVENUE, CHICAGO, ILLINOIS 60637-2207.

EXHIBIT D
FORM OF QUALIFIED TRANSFEREE LETTER

[Letterhead of Investor]

[Date]

City of Chicago
Department of Finance
33 N. LaSalle Street, Suite 600
Chicago, Illinois 60602
Attention: Comptroller

Re: \$10,220,000
City of Chicago
Multi-Family Housing Revenue Bonds
(St. Edmund's Oasis Project), Series 2015

Ladies and Gentlemen:

The undersigned (the "Investor") hereby represents and warrants to you as follows:

1. The Investor proposes to purchase the above-referenced Bonds (the "Bonds") issued pursuant to that certain Bond Issuance Agreement, dated as of December 1, 2015 (the "Bond Issuance Agreement"), among the City of Chicago (the "Issuer"), BMO Harris Bank N.A., as Bondholder, and BMO Harris Bank N.A., as Fiscal Agent. The Investor understands that the Bonds have not been registered under the Securities Act of 1933, as amended (the "1933 Act"), or the securities laws of any state, and will be sold to the Investor as a whole in reliance upon certain exemptions from registration and in reliance upon the representations and warranties of the Investor set forth herein.

2. The Investor has sufficient knowledge and experience in business and financial matters in general, and investments such as the Bonds in particular, and is capable of evaluating the merits and risks involved in an investment in the Bonds. The Investor is able to bear the economic risk of, and an entire loss of, an investment in the Bonds.

3. The Investor is purchasing the Bonds solely for its own account for investment purposes and has no intention to resell or distribute the Bonds; provided that the Investor reserves the right to transfer or dispose of the Bonds, as a whole, at any time, and from time to time, in its complete and sole discretion, subject, however, to the restrictions described in paragraphs 4, 5 and 6 of this letter.

4. The Investor agrees that it will only offer, sell, pledge, transfer or exchange the Bonds (or any legal or beneficial interest therein) (i) in accordance with an available exemption from the registration requirements of the 1933 Act, (ii) in accordance with any applicable state securities laws, and (iii) in accordance with the provisions of the Bonds and the Bond Issuance Agreement.

5. The Investor is a "qualified institutional buyer" as defined in Rule 144A promulgated under the 1933 Act ("Rule 144A"); it is aware that the sale of the Bonds to it is

made in reliance on Rule 144A, and understands that the Bonds may be offered, resold, pledged or transferred only (1)(i) to a person who is a “qualified institutional buyer,” as defined in Rule 144A, in compliance with Rule 144A, or (ii) pursuant to another exemption from registration under the 1933 Act; and (2) as a whole in compliance with the Bonds, the Bond Issuance Agreement and applicable state securities laws.

6. If the Investor sells the Bonds (or any legal or beneficial interest therein), the Investor or its agent will obtain for your benefit, and deliver to you, from any subsequent purchaser a Qualified Transferee Letter in the form of Exhibit D to the Bond Issuance Agreement or such other materials (including, but not limited to, an opinion of counsel) as are required by you to evidence compliance of such sale and purchase with the requirements of the 1933 Act effecting an exemption from registration. The Investor hereby agrees to indemnify the Issuer against any costs to the Issuer resulting from any failure by the Investor to transfer the Bonds in accordance with the restrictions relating thereto set forth in the Bond Issuance Agreement and the Bonds.

Very truly yours,

[Name of Investor]

Dated: _____

By: _____

Name: _____

Title: _____

EXHIBIT E
FORM OF INVESTOR LETTER

December 14, 2015

City of Chicago
Department of Finance
33 N. LaSalle Street, Suite 600
Chicago, Illinois 60602
Attention: Comptroller

Re: \$10,220,000
City of Chicago
Multi-Family Housing Revenue Bonds
(St. Edmund's Oasis Project), Series 2015

Ladies and Gentlemen:

The undersigned (the "Investor") hereby represents and warrants to you as follows:

1. The Investor proposes to purchase the above-referenced Bonds (the "Bonds") issued pursuant to that certain Bond Issuance Agreement, dated as of December 1, 2015 (the "Bond Issuance Agreement"), among the City of Chicago (the "Issuer"), BMO Harris Bank N.A., as Bondholder, and BMO Harris Bank N.A., as Fiscal Agent. The Investor understands that the Bonds have not been registered under the Securities Act of 1933, as amended (the "1933 Act"), or the securities laws of any state, and will be sold to the Investor as a whole in reliance upon certain exemptions from registration and in reliance upon the representations and warranties of the Investor set forth herein.

2. The Investor has sufficient knowledge and experience in business and financial matters in general, and investments such as the Bonds in particular, and is capable of evaluating the merits and risks involved in an investment in the Bonds. The Investor is able to bear the economic risk of, and an entire loss of, an investment in the Bonds. In the normal course of the Investor's business, the Investor invests in and purchases securities (including restricted securities) similar in investment character to the Bonds.

3. The Investor is purchasing the Bonds solely for its own account for investment purposes and has no intention to resell or distribute the Bonds; provided that the Investor reserves the right to transfer or dispose of the Bonds as a whole at any time, and from time to time, in its complete and sole discretion, subject, however, to the restrictions described in paragraphs 4, 5 and 7 of this letter.

4. The Investor agrees that it will only offer, sell, pledge, transfer or exchange the Bonds (or any legal or beneficial interest therein) (i) in accordance with an available exemption from the registration requirements of the 1933 Act, (ii) in accordance with any applicable state securities laws, and (iii) in accordance with the provisions of the Bonds and the Bond Issuance Agreement.

5. The Investor understands that the Bonds may be offered, resold, pledged or transferred only (1)(i) to a person who is a "qualified institutional buyer," as defined in Rule 144A (promulgated under the 1933 Act), in compliance with Rule 144A, or (ii) pursuant to another exemption from registration under the 1933 Act; and (2) as a whole in compliance with the Bonds, the Bond Issuance Agreement and applicable state securities laws.

6. The Investor acknowledges that it has had access to such financial and other information, and has been afforded the opportunity to ask such questions of representatives of the Issuer and the

Owner (as defined in the Bond Issuance Agreement), and receive answers thereto, as the Investor deems necessary in order to evaluate the merits and risks involved in an investment in the Bonds.

7. If the Investor sells the Bonds (or any legal or beneficial interest therein), the Investor or its agent will obtain for your benefit, and deliver to you, from any subsequent purchaser a Qualified Transferee Letter in the form of Exhibit D to the Bond Issuance Agreement, or such other materials (including, but not limited to, an opinion of counsel) as are required by you to evidence the compliance of such sale and purchase with the requirements of the 1933 Act effecting an exemption from registration. The Investor hereby agrees to indemnify the Issuer against any costs to the Issuer resulting from any failure by the Investor to transfer the Bonds in accordance with the restrictions relating thereto set forth in the Bond Issuance Agreement and the Bonds.

Very truly yours,

BMO HARRIS BANK N.A.

By: _____

Name:

Title:

AM 32951814 13

LOAN AGREEMENT

between

CITY OF CHICAGO

and

ST. EDMUND'S OASIS, LLC,
an Illinois limited liability company

Dated as of December 1, 2015

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LOAN AGREEMENT

This LOAN AGREEMENT, dated as of December 1, 2015 (this "Loan Agreement"), between the CITY OF CHICAGO, an Illinois municipal corporation and home rule unit of local government duly organized and validly existing under the Constitution and the laws of the State of Illinois (the "Issuer"), located in Cook and DuPage Counties, Illinois, and ST. EDMUND'S OASIS, LLC, an Illinois limited liability company (the "Owner"),

WITNESSETH:

WHEREAS, as a home rule unit of local government and pursuant to the Constitution of the State of Illinois, the Issuer is authorized to issue its revenue notes and 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, which constitutes a valid public purpose for the issuance of revenue notes and bonds by the Issuer; and

WHEREAS, the Issuer has determined to issue, sell and deliver its \$10,220,000 Multi-Family Housing Revenue Bonds (St. Edmund's Oasis Project), Series 2015 (the "Bonds") pursuant to a Bond Issuance Agreement dated as of December 1, 2015 (the "Bond Issuance Agreement") among the Issuer, BMO Harris Bank N.A., as Bondholder and BMO Harris Bank N.A., as Fiscal Agent, and to lend the proceeds thereof to the Owner for the purpose of financing a portion of the cost of acquiring, constructing, and equipping the Project (as defined in the Bond Issuance Agreement); and

WHEREAS, the Issuer and the Owner have entered into this Loan Agreement providing for the loan of the proceeds of the Bonds to the Owner for the purposes described in the preceding paragraph; and

WHEREAS, this Loan Agreement provides for the issuance by the Owner of the Owner Note (as hereinafter defined); and

WHEREAS, the Issuer will pledge and assign the Owner Note and this Loan Agreement to the Bondholder under the Bond Issuance Agreement; and

WHEREAS, additional security for the repayment of the Owner Note is provided by the Owner pursuant to the Cash Collateral Agreement and certain Owner Collateral Documents (as defined in the Bond Issuance Agreement);

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein, and for other good and valuable consideration (the receipt, sufficiency and adequacy of which are hereby acknowledged), the parties hereto agree as follows, provided that in the performance of the agreements of the Issuer herein contained, any obligation it may thereby incur for the payment of money shall not constitute an indebtedness or give rise to a pecuniary liability of the Issuer, the State of Illinois or any political subdivision thereof, or a charge against the Issuer's general credit or the taxing powers of the State of Illinois or any political subdivision thereof, but shall be payable solely and only from the Revenues (as defined in the Bond Issuance Agreement):

ARTICLE I

DEFINITIONS, INTERPRETATION AND EXHIBITS

Section 1.1. Definitions. Capitalized terms used in this Loan Agreement without definition shall have the respective meanings given to such terms in Exhibit A attached to the Bond Issuance Agreement unless the context or use clearly indicates another or different meaning or intent.

“Additional Funding Sources” means (a) the City Loan, (b) the CHA Loan, (c) the proceeds from the sale of the Low Income Tax Credits, (d) and the proceeds from the SERC Loan.

“Buildings” means the buildings in which the Project is located.

“Cash Collateral Agreement” means the Cash Collateral Assignment and Security Agreement, of even date herewith, among the Owner, the CHA, BMO Harris Bank N.A., as Bondholder, and BMO Harris Bank N.A., as Escrow Agent.

“Cash Collateral Fund” has the meaning assigned to such term in the Cash Collateral Agreement.

“CHA” means the Chicago Housing Authority.

“CHA Loan” means the loan to be made by the Chicago Housing Authority to the Owner in the principal amount of \$5,750,000 to fund the costs of construction, furnishing and equipping the Project, secured by a second mortgage on the Premises.

“CHA Loan Agreement” means the Chicago Housing Authority Loan Agreement dated as of December 1, 2015 between the CHA and the Owner, relating to the CHA Loan.

“CHA Portion” means the \$4,141,134 principal amount of the Bonds to be repaid with proceeds of the CHA Loan on deposit in the Cash Collateral Fund established pursuant to the Cash Collateral Agreement.

“City Loan” means the loan in the approximate amount of \$5,482,393 to the Owner from the Issuer, derived from moneys available under one or more funding sources, which sources may include funds available under the HOME Investment Partnership Program authorized under the Cranston-Gonzalez National Affordable Housing Act (42 U. S. C. Section 12701 *et seq.*) and funds available to its Multi-Family Loan Program from density bonus corporate moneys, which City Loan shall be secured by a third mortgage on the Premises.

“Complete” or “Completed” has the meaning assigned to such term in Section 7.11.

“Construction Escrow” means the escrow established pursuant to the Construction Escrow Agreement.

“Construction Escrow Agreement” means the Escrow Agreement by and among Owner, Issuer, the Chicago Housing Authority, BMO Harris Bank N.A., St. Edmund’s Redevelopment Corporation and the title company, as escrow agent and acknowledged and consented to by the General Contractor.

“Conversion Date” has the meaning assigned to such term in the Bond Issuance Agreement.

“Developer” means St. Edmund’s Oasis MM, LLC an Illinois limited liability company, together with its successors and assigns.

“Donation Tax Credits” means the tax credits available with respect to the Project pursuant to 20 ILCS 3805/7.28.

“Environmental Indemnity Agreement” means the Environmental Indemnity Agreement, of even date herewith, from the Owner in favor of the Bondholder, as the same may be amended and supplemented from time to time.

“Funding Order” has the meaning assigned to such term in Section 10.15 hereof.

“General Contractor” means O.A.K.K. Construction Co. Inc., an Illinois corporation, and its successors and assigns.

“Guarantor” means St. Edmund’s Redevelopment Corporation, an Illinois not-for-profit corporation, and its successors and assigns.

“Insurance Requirements” means those requirements with respect to the maintenance of insurance with respect to the Project and the Owner’s obligations hereunder and under the other Owner Documents.

“Investor Member” means HCP-ILP, LLC, a Nevada limited liability company and member of the Owner (holding an approximately 99.99 percent equity interest in the Owner), together with its permitted successors and assigns.

“Issuer Documents” means, collectively, the Bond Issuance Agreement, this Loan Agreement, the Land Use Restriction Agreements and the Tax Certificate.

“Liabilities” means any and all of the Owner’s obligations, liabilities and indebtedness to the Issuer or the Bondholder, now or hereafter existing or arising, or due or to become due, under or by reason of this Loan Agreement, the Owner Note, the Bond Issuance Agreement, the Bonds, the Security for the Bonds, the Owner Collateral Documents or any other document, instrument or agreement executed in connection therewith, by operation of law or otherwise, and any refinancings, substitutions, extensions, renewals, replacements and modifications for or of any or all of the foregoing, including all principal of and interest accrued on the Bonds and the Owner Note, all fees, charges, expenses, disbursements, costs and indemnities of the Owner thereunder.

“Loan” means the loan to the Owner of the proceeds of the Bonds pursuant to this Loan Agreement.

“Low Income Tax Credits” means the tax credits described in Section 42 of the Code with respect to the Project.

“Manager Member” means St. Edmund’s Oasis MM, LLC, an Illinois limited liability company and manager of the Owner (holding an approximately 0.01 percent equity interest in the Owner), together with its permitted successors and assigns.

“Maturity Date” shall have the meaning specified in the Bond Issuance Agreement.

“Mortgage” means the Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Filing, dated as of December 1, 2015, from the Owner to the Bondholder, securing the Loan.

“Operating Agreement” means the operating agreement or similar governing document of the specified limited liability company and, if no limited liability company is specified, refers to the Operating Agreement of the Owner.

“Owner Documents” means, collectively, the Bond Issuance Agreement, this Loan Agreement, the Cash Collateral Agreement, the Land Use Restriction Agreements, the Tax Certificate, the Owner Note and the Owner Collateral Documents (as defined in the Bond Issuance Agreement).

“Owner Note” means the promissory note of the Owner evidencing the obligation of the Owner to pay the Loan in substantially the form attached hereto as Exhibit A.

“Plans and Specifications” means the plans and specifications for the Project provided to the Issuer and the Bondholder and dated September 29, 2015.

“Security” means the “Security for the Bonds” described in the Bond Issuance Agreement and mortgaged, assigned and pledged as security for the obligations evidenced by the Bonds.

“SERC Loan” means the loan to be made by St. Edmund’s Redevelopment Corporation to the Owner in the approximate principal amount of \$155,692, from Donation Tax Credits.

“Tax Certificate” means the Tax Certificate and Agreement, dated as of the date of issuance of the Bonds, between the Issuer and the Owner, as amended from time to time.

Section 1.2. Interpretation. In this Loan Agreement, except as otherwise expressly provided or unless the context clearly otherwise requires:

(a) the words “hereby,” “hereof,” “herein,” “hereunder” and any similar words used in this Loan Agreement refer to this Loan Agreement as a whole and not to any particular Article, Section or other subdivision, and the word “heretofore” shall mean before, and the word “hereafter” shall mean after, the date of this Loan Agreement, and the word “including” shall mean including, without limitation;

(b) all accounting terms not otherwise defined herein shall have the meanings assigned to them in accordance with generally accepted accounting principles (“GAAP”);

(c) any headings preceding the text of the several Articles and Sections of this Loan Agreement, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall neither constitute a part of this Loan Agreement nor affect its meaning, construction or effect; and

(d) any certificates, letters or opinions required to be given pursuant to this Loan Agreement shall mean a signed document attesting to or acknowledging the circumstances, representations, opinions of law or other matters therein stated or set forth or setting forth matters to be determined pursuant to this Loan Agreement.

ARTICLE II

LOAN TO OWNER; REPAYMENT PROVISIONS

Section 2.1. Loan to Owner. The Issuer covenants and agrees to finance a portion of the Costs of the Project through the issuance of the Bonds pursuant to the Bond Issuance Agreement and the loan of the proceeds of the Bonds to the Owner, such Loan to be advanced from time to time by making deposits into the Construction Fund and, subject to satisfaction of the conditions set forth in Articles X and XI hereof, disbursed and applied as provided in Article IX hereof.

Section 2.2. Repayment of Loan and Payment of Other Amounts.

(a) *Owner Note*. In order to evidence its obligation to repay the Loan made hereunder by the Issuer, the Owner shall authorize, execute and deliver the Owner Note, which Owner Note shall be in substantially the form attached hereto as Exhibit A. The terms and conditions of the Owner Note are hereby incorporated into this Section with the same effect as if fully set forth herein. The Owner agrees to pay all of its obligations in full under this Loan Agreement and the Owner Note, subject to Section 14.1 hereof.

(b) *Mandatory Payments under the Bonds*. It is the intent of the Owner and the Issuer that, notwithstanding any schedule of payments contained in the Owner Note, the payments to be made by the Owner on the Owner Note shall at all times be sufficient to enable the Issuer to pay when due the principal of and interest on the Bonds; provided, however, that if for any reason the funds available to the Issuer are at any time insufficient or unavailable to make any payment of the principal of or interest on the Bonds when due (whether at maturity or upon redemption or acceleration), the Owner shall forthwith pay directly to the Bondholder, in immediately available funds, the amount required to make up such deficiency, or shall take such other action as may be necessary to make sufficient funds available to make such payment. All such payments made to the Bondholder with respect to the Bonds shall be made by the Owner on behalf of the Issuer, shall be deemed a credit against the Liabilities, and shall be applied against the Issuer's payment obligations under Bonds.

(c) *Payments to Fiscal Agent*. The Owner shall pay to the Fiscal Agent until the principal of and interest on the Owner Note shall have been fully paid, the reasonable fees, charges and expenses (if any) of the Fiscal Agent, as fiscal agent and Bond registrar, as and when the same become due. The Owner further agrees to indemnify the Fiscal Agent for, and to defend and hold the Fiscal Agent harmless against, any loss, liability or expense incurred without

negligence or bad faith on its part, arising out of or in connection with its powers or duties hereunder and under the Bond Issuance Agreement, including, but not limited to, the cost and expenses of defending itself against any claim or liability in connection with the exercise of any of such powers or performance of any such duties.

(d) *Payments to Issuer.* The Owner shall pay to the Issuer (i) an Issuer fee equal to 1.5% of the authorized stated principal amount of the Bonds, payable on the Closing Date, and (ii) an annual administrative fee equal to 0.0015% of the then outstanding principal amount of the Bonds, which shall accrue monthly and be payable semi-annually on June 1, 2016 and on each December 1 and June 1 thereafter while the Bonds are outstanding.

Section 2.3. Payment. (a) *Payments under the Owner Note.* The Owner will promptly and punctually pay all amounts payable with respect to the Owner Note, without any presentment of the Owner Note, notice of nonpayment (except as otherwise expressly set forth therein), notice of dishonor or notice of protest, and without any notation of such payment being made thereon, directly to the Bondholder in immediately available funds by wire transfer originated by the Owner not later than 12:00 noon, Chicago, Illinois time, on each payment date, such payment to be marked for attention as indicated, or by charging an account of the Owner established with the Bondholder, which charge is hereby authorized by the Owner. The Owner Note is subject to assignment as set forth in Section 4.2 hereof. Payments with respect to the Owner Note shall be made by wire transfer pursuant to the wire transfer instructions attached hereto as Exhibit D, or such other replacement wire transfer instructions as shall be provided in writing by Bondholder to Owner.

(b) *Payments Due on Saturdays, Sundays and Holidays.* In any case where the date of payment of principal of or interest on the Owner Note or the Bonds, or the date fixed for prepayment of all or a portion of the Owner Note or the Bonds, as applicable, shall be other than a Business Day, then such payment need not be made on such date but may be made on the next succeeding Business Day, and the Owner Note and the Bonds shall continue to bear interest until such date of actual payment.

(c) *Payment Notations.* The Bondholder shall make a notation on the Owner Note on the payment record thereon, or in the Bondholder's books and records, of each principal and interest payment made pursuant to this Section 2.3 and the date to which interest has been paid. The information so recorded shall be rebuttable presumptive evidence of the accuracy thereof. The failure to so record any such information, or any error in so recording any such information, shall not, however, limit or otherwise affect the obligations of the Owner hereunder or under the Owner Note to repay the principal balance thereof together with all interest accruing thereon.

(d) *Manner of Payment.* The principal of and interest on the Owner Note shall be payable in lawful money of the United States of America; such principal and interest shall be payable at the principal office of the Bondholder.

(e) *Return of Collateral.* Upon payment in full of the Owner Note and termination of this Loan Agreement, the Issuer shall or shall cause the Fiscal Agent to, on a timely basis, reassign and redeliver (or cause to be reassigned and redelivered) to the Owner, or

to such Person or Persons as the Owner shall designate, against receipt, such of the collateral (if any) assigned by the Owner to the Issuer as shall not have been sold or otherwise applied by the Issuer pursuant to the terms hereof and as shall still be held by it or the Fiscal Agent hereunder, together with appropriate instruments of reassignment and release, including, without limitation, UCC termination statements; it shall be the obligation of the Owner to provide all such instruments of reassignment and release. Any such reassignment shall be without recourse upon, or representation or warranty by, the Issuer, and shall be at the cost and expense of the Owner. If a claim is made upon the Issuer (or any assignee of the Issuer, including, but not limited to, the Bondholder) at any time for recovery of any amount received by the Issuer (or such assignee) in payment of the Owner Note, whether received from the Owner or otherwise (a "Recovery Claim"), and should the Issuer (or such assignee) repay all or part of said amount by reason of: (i) any judgment, decree or order of any court or administrative body having jurisdiction over the Issuer or any assignee of the Issuer, or the Property of either thereof; or (ii) any settlement or compromise of any such Recovery Claim effected by the affected party with the claimant (including the Owner), this Loan Agreement, the Owner Collateral Documents and the Security for the Bonds shall continue in effect with respect to the amount so repaid to the same extent as if such amount had never originally been received by the Issuer or such assignee, notwithstanding any prior termination of this Loan Agreement, the return of this Loan Agreement, the Owner Collateral Documents or any of the Security for the Bonds to the Owner (or any designee of the Owner), or the cancellation of the Owner Note.

Section 2.4. Interest Rates. The interest rate per annum payable on the Owner Note shall be equal to the interest rate payable from time to time on the Bonds as provided in Article II of the Bond Issuance Agreement. Interest on the Owner Note shall be payable at such times as interest is payable on the Bonds under the provisions of the Bond Issuance Agreement.

Section 2.5. Interest on Amounts Past Due. Notwithstanding anything in this Article II to the contrary, if the Owner shall fail to make any of the payments required to be made by it under this Agreement or under the Owner Note, including, without limitation, any mandatory prepayments required by Section 3.1(b) of this Agreement, such payments shall continue as an obligation of the Owner until the unpaid amount so overdue shall have been fully paid, and interest on the Owner Note shall continue to accrue from the date such payment was due until the date such payment is made or the date the Owner Note has been repaid in full, whichever is earlier, at the applicable Past Due Rate described in Section 2.03(f) of the Bond Issuance Agreement with respect to interest on overdue payments under the Bonds.

Section 2.6. Application of Payments. All payments on account of indebtedness outstanding under the Owner Note shall be first applied to interest on the unpaid principal balance, and the remainder to the unpaid principal balance, of the Owner Note.

Section 2.7. Event of Default under the Bond Issuance Agreement. Upon a declaration of acceleration by the Bondholder under Section 7.02 of the Bond Issuance Agreement, an amount equal to the outstanding principal of the Owner Note, together with accrued interest due thereon, shall become immediately due and payable hereunder, and thereafter, to the extent not previously issued, the Issuer shall be under no obligation to issue further Bonds or make further Loans (or disbursement of Loans) of the proceeds thereof.

Section 2.8. No Defense or Set-off; Unconditional Obligation. (a) The obligation of the Owner to make the payments required to be made by it herein, the obligation of the Owner to make the payments pursuant to the Owner Note, and the obligation of the Owner to perform and observe fully all other agreements, obligations and covenants on its part contained herein shall be absolute and unconditional, irrespective of any defense or any rights of set-off, recoupment, abatement or counterclaim it might otherwise have against the Issuer, the Fiscal Agent or the Bondholder.

(b) Subject to Section 14.1 hereof, the Owner covenants and agrees with and for the express benefit of the Issuer and the Bondholder that all payments pursuant hereto and the Owner Note shall be made by the Owner on or before the dates the same become due, and the Owner shall perform all of its other obligations, covenants and agreements hereunder, without notice or demand (except as provided herein), and without abatement, deduction, reduction, diminishment, waiver, abrogation, set-off, counterclaim, recoupment, defense or other modification, or any right of termination or cancellation arising from any circumstance whatsoever, whether now existing or hereafter arising, and regardless of any act of God, contingency, event or cause whatsoever, and irrespective (without limitation) of whether any portion of the Project shall have been started or completed, or whether the title to any portion of the Premises or the Project is defective or nonexistent, or whether the revenues of the Owner are sufficient to make such payments, and notwithstanding any damage to, or loss, theft or destruction of, the Premises or the Project, or any part thereof, expiration of this Loan Agreement, any failure of consideration or frustration of purpose, the taking by eminent domain or otherwise of title to or of the right of temporary use of, all or any part of Premises or the Project, legal curtailment of the use thereof, any assignment, novation, merger, consolidation, transfer of assets, leasing or other similar transaction of or affecting the Owner, the Premises or the Project, whether with or without the approval of the Issuer, any change in the tax or other laws of the United States of America, the State of Illinois or any political subdivision of either thereof, any change in the Issuer's legal organization or status, or any default of the Issuer hereunder, and regardless of the invalidity of any portion of this Loan Agreement or the Bond Issuance Agreement, or any other document or instrument referred to herein or therein; and, to the extent legally permissible, the Owner hereby waives the provisions of any statute or other law now or hereafter in effect impairing or conflicting with any of its obligations, covenants or agreements under this Loan Agreement or the Owner Note, or which releases or purports to release the Owner herefrom or therefrom. Nothing in this Loan Agreement shall be construed as a waiver by the Owner of any rights or claims the Owner may have against the Issuer under this Loan Agreement or otherwise, but any recovery upon such rights and claims shall be had from the Issuer separately, it being the intent of this Loan Agreement that, except as provided in Section 14.1 hereof, the Owner shall be unconditionally and absolutely obligated, without right of set-off or abatement, to perform fully all of its obligations, agreements and covenants under this Loan Agreement and the Owner Note for the benefit of the Issuer and the Bondholder.

ARTICLE III

PREPAYMENT OF THE OWNER NOTE; CHANGES IN CIRCUMSTANCE

Section 3.1. Prepayment of the Owner Note.

(a) *Optional Prepayment.* The Owner may prepay, in whole or in part, on any Business Day, the principal amount of any Owner Note then outstanding, at a prepayment price of 100% of the principal amount thereof being prepaid (such optional prepayments to be applied to the redemption of the Bonds as provided in Section 3.01 of the Bond Issuance Agreement).

(b) *Mandatory Prepayment.* The Owner Note is subject to mandatory prepayment, without premium or penalty, prior to the Maturity Date as follows:

(i) to the extent of any excess amounts allocable to the Bonds on deposit in the Construction Fund or the Construction Escrow after the Project is Complete, which shall be applied to the prepayment of the Owner Note;

(ii) to the extent the Owner Collateral Documents provide that the proceeds of any insurance or condemnation payment received with respect to the Project be applied to the prepayment of the Owner Note and the Bonds, such amounts shall be applied to the prepayment of the Owner Note;

(iii) within fifteen (15) days following the date that the Project is Complete, in the principal amount of \$4,141,134 from proceeds of the CHA Loan held in the Cash Collateral Fund established under the Cash Collateral Agreement;

(iv) on the Conversion Date, in the principal amount of \$4,528,066 (which amount is expected to be funded from the fourth capital contribution made by the Investor Member under the Operating Agreement); provided that prepayment of the amount shall be made by the Owner on the Conversion Date regardless of the availability of the sources specified above; and

(v) in whole, upon the occurrence of a Determination of Taxability with respect to the Bonds.

(c) In the event of any prepayment hereunder, the Owner shall pay to the Bondholder all accrued and unpaid interest through the date of such prepayment on the principal balance of the Owner Note being prepaid.

Section 3.2. Surrender of Owner Note on Prepayment. Upon any partial prepayment of the Owner Note, the Owner Note may, at the option of the Issuer and the Bondholder (subject to assignment as set forth in Section 4.2 hereof), be surrendered to the Owner in exchange for a new Owner Note, of the same series, maturity date and interest rate, and in principal amount equal to the unpaid principal balance thereof; provided that the Owner executes such documents, instruments, certificates and agreements that the Bondholder may deem necessary or appropriate, and reimburses the Issuer and the Bondholder for any reasonable cost or expense, including, without limitation, reasonable attorneys' fees and expenses. If the entire unpaid principal

balance of the Owner Note is prepaid, the Owner Note shall be cancelled by the Bondholder and surrendered to the Owner, and shall not be so exchanged.

Section 3.3. Funding Losses. Subject to Section 14.1 hereof, the Owner hereby agrees to indemnify the Bondholder upon demand against any loss or expense that the Bondholder may sustain or incur, including, without limitation, reasonable attorneys' fees and expenses, in obtaining, liquidating or employing deposits or other funds acquired to effect, fund or maintain the Loan and/or the Bonds as a consequence of (a) any failure of the Owner to make any payment when due of any amount due under the Owner Note, or (b) any payment or prepayment of the Loan and/or the Bonds on a date other than the scheduled payment dates therefor. Determinations by the Bondholder, for purposes of this subsection, of the amount required to indemnify the Bondholder shall be conclusive in the absence of manifest error.

ARTICLE IV

LIMITED OBLIGATION; ASSIGNMENT BY ISSUER

Section 4.1. Limited Obligation of Issuer. The obligations of the Issuer under this Loan Agreement are special, limited obligations of the Issuer, payable solely out of the Revenues. The obligations of the Issuer hereunder shall not be deemed to constitute an indebtedness or an obligation of the Issuer, the State of Illinois or any political subdivision thereof within the meaning of any constitutional limitation or statutory provision, or a charge against the credit or general taxing powers, if any, of any of them.

Section 4.2. Assignment of Issuer's Rights. As security for the payment of the Bonds, the Issuer will, pursuant to the Bond Issuance Agreement, assign and pledge to the Bondholder all of the Issuer's right, title and interest in and to this Loan Agreement and the Owner Note, except that it will retain the Issuer Reserved Rights, but such retention by the Issuer will not limit in any way the exercise by the Bondholder of its rights hereunder, under the Bond Issuance Agreement, the Owner Note, the Bonds and the Security for the Bonds. Notwithstanding anything herein to the contrary, the Issuer hereby directs the Owner to make all payments under this Loan Agreement (except with respect to the Issuer Reserved Rights) and the Owner Note directly to the Bondholder. The Owner hereby acknowledges and consents to such pledge and assignment, and agrees to make payments directly to the Bondholder (except with respect to the Issuer Reserved Rights), without defense or set-off, recoupment or counterclaim by reason of any dispute between the Owner on the one hand, and the Bondholder, the Fiscal Agent or the Issuer on the other hand, or otherwise. After any such assignment and pledge referenced in this Loan Agreement, the Bond Issuance Agreement, the Bonds, the Owner Note or the Security for the Bonds, all rights, interest and benefits accruing to the Issuer under this Loan Agreement or the Owner Note, except for the Issuer Reserved Rights, shall be assigned to and become the rights and benefits of the Bondholder. Any obligations of the Issuer as provided in the Bond Issuance Agreement, this Loan Agreement, the Bonds or the Owner Note shall remain the obligations of the Issuer to the extent provided herein and therein after such assignment. The Issuer agrees that the Bondholder, in its name or in the name of the Issuer, may enforce all rights of the Issuer (other than the Issuer Reserved Rights) and all obligations of the Owner under and pursuant to the assigned documents as aforesaid, and the Issuer will not enforce such rights and

obligations itself except at the written direction of the Bondholder, in each case whether or not the Issuer is in Default hereunder.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF ISSUER

The Issuer hereby represents and warrants as follows (which representations and warranties shall survive the execution and delivery hereof, the making of the Loan and the issuance of the Owner Note):

Section 5.1. Organization and Authority. The Issuer is a municipal corporation and home rule unit of local government duly organized and validly existing under the Constitution and laws of the State of Illinois. Under the Constitution and laws of the State of Illinois, the Issuer has the power to enter into the transaction contemplated by this Loan Agreement, the Bond Issuance Agreement, the Bonds and the Issuer Documents, and to carry out its obligations hereunder and thereunder, including the full right, power and authority to pledge and assign this Loan Agreement and the Owner Note to the Bondholder as provided herein. By proper action of the City Council of the Issuer, the Issuer has been duly authorized to execute and deliver this Loan Agreement, the Bonds, the Bond Issuance Agreement and the Issuer Documents.

Section 5.2. Amount of Bonds; Proceeds. The Bonds are being issued in the principal amount of up to \$10,220,000, will mature and bear interest as set forth in Article II of the Bond Issuance Agreement, and will be subject to redemption prior to maturity as set forth in Article III of the Bond Issuance Agreement. The proceeds of the sale of the Bonds will be lent to the Owner for the purpose of paying Costs of the Project.

Section 5.3. Issuance. The Bonds are to be issued under home rule powers of the Issuer under the Constitution of the State of Illinois and secured by the Bond Issuance Agreement, pursuant to which the right, title and interest of the Issuer in, to and with respect to this Loan Agreement, the Owner Note, the Owner Collateral Documents and the Security for the Bonds (other than with respect to the Issuer Reserved Rights) will be assigned and pledged to the Bondholder as security for payment of the principal of and interest on the Bonds as provided in the Bond Issuance Agreement.

Section 5.4. Non-Assignment. The Issuer has not assigned or pledged, and will not assign or pledge, its interest in this Loan Agreement, the Owner Note, the Owner Collateral Documents (if any) and the Security for the Bonds other than to secure the Bonds.

Section 5.5. Purposes. The Issuer hereby finds and determines that the Project is in the best interests of the Issuer, and that all requirements of the Constitution and laws of the State of Illinois have been complied with.

Section 5.6. No Conflict. To the knowledge of the undersigned representatives of the Issuer, neither the execution and delivery of this Loan Agreement, the Bonds or the Bond Issuance Agreement, the consummation of the transactions contemplated hereby or thereby, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or

instrument to which the Issuer is now a party or by which it or any of its Property is bound, or constitutes a default under any of the foregoing. THE ISSUER MAKES NO REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE CREDITWORTHINESS OR THE ABILITY OF THE OWNER TO MAKE THE PAYMENTS DUE UNDER THIS LOAN AGREEMENT OR THE OWNER NOTE AND DOES NOT REPRESENT OR WARRANT AS TO ANY OF THE STATEMENTS, MATERIALS (FINANCIAL OR OTHERWISE), REPRESENTATIONS OR CERTIFICATIONS FURNISHED OR TO BE MADE AND FURNISHED BY THE OWNER IN CONNECTION WITH THE ISSUANCE, SALE, EXECUTION AND DELIVERY OF THE BONDS, OR AS TO THE CORRECTNESS, COMPLETENESS OR ACCURACY OF SUCH STATEMENTS.

Section 5.7. No Litigation. To the knowledge of the undersigned representatives of the Issuer, there is no action, suit, proceeding or investigation pending or threatened against the Issuer that seeks to restrain or enjoin the issuance or delivery of the Bonds, or the execution and delivery of the Bond Issuance Agreement, this Loan Agreement or the Issuer Documents, or that in any way contests or affects any authority for the issuance or delivery of the Bonds, or the execution and delivery of the Bond Issuance Agreement, this Loan Agreement or the Issuer Documents, or the validity of the Bonds, the Bond Issuance Agreement, this Loan Agreement or in any way contests the corporate existence or powers of the Issuer, or in any way affects the exclusion from gross income for Federal income tax purposes of interest on the Bonds.

Section 5.8. Location of the Project. The Project is located entirely within the corporate boundaries of the City of Chicago, Illinois.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES OF OWNER

To induce the Issuer to issue, and the Bondholder to purchase, the Bonds, the Owner hereby represents and warrants to the Issuer and the Bondholder as follows:

Section 6.1. Organization and Authority. (a) The Owner is a limited liability company, duly organized, validly existing and in good standing under the laws of the State of Illinois. The Manager Member is a limited liability company, duly organized and is validly existing and in good standing under the laws of the State of Illinois.

(b) The Owner (i) is authorized to do business in the State of Illinois and every other jurisdiction in which the nature of its business or its properties makes such qualification necessary; (ii) has full power and authority to own its properties and to conduct its business as now being conducted, and to enter into, and to perform and observe in all material respects the covenants and agreements in its part contained in, this Loan Agreement, the Owner Note and the Owner Documents; and (iii) is in compliance with all laws, regulations, ordinances and orders of public authorities applicable to it.

(c) The Manager Member (i) is authorized to do business in the State of Illinois and every other jurisdiction in which the nature of its business or its properties makes such qualification necessary; (ii) has full power and authority to own its properties and to

conduct its business as now being conducted and to enter into, and to perform and observe in all material respects the covenants and agreements in its part contained in the Owner Documents; and (iii) is in compliance with all laws, regulations, ordinances and orders of public authorities applicable to it.

Section 6.2. Private Placement. Neither the Owner nor any agent or representative thereof has offered the Owner Note to any Person other than the Issuer and the Bondholder.

Section 6.3. Borrowing Legal and Authorized. The Owner's execution and delivery of, performance by, compliance with this Loan Agreement, the Owner Note and the Owner Documents, and the consummation of the transactions provided for herein and therein: (a) are within the Owner's powers as an Illinois limited liability company; (b) have been duly authorized; (c) require no approval of any Governmental Body or other Person (other than approval of the Owner's members, which has already been obtained); (d) do not and will not contravene or conflict with (i) the Operating Agreements of the Owner or the Manager Member, (ii) any Government Regulation to which it is subject, (iii) any judgment, decree, order or contractual restriction binding on or affecting the Owner or the Manager Member, or the Project, or (iv) any material agreement, indenture, instrument or other document that is binding upon Owner or any of Owner's Property; and (e) do not and will not contravene or conflict with, or cause any Lien upon or with respect to any of the Owner's Property (including, but not limited to, the Project), other than as permitted in writing by the Bondholder or as expressly permitted hereunder.

Section 6.4. Validity; Binding Nature; Approvals. The Owner Documents are the legal, valid and binding obligations of the Owner, enforceable against the Owner in accordance with their respective terms. No order, authorization, consent, license or exemption of, or filing or registration with, any court or Governmental Body, or any other approval which has not been obtained or taken and is not in full force and effect, is required to authorize, or is required in connection with the execution, delivery and performance by the Owner of the Owner Documents (except for those which are not yet required to have been obtained in connection with the acquisition, construction, and equipping of the Project).

Section 6.5. Bond Counsel May Rely on Representations and Warranties. The Owner agrees that Bond Counsel shall be entitled to rely upon the factual representations and warranties of the Owner set forth in this Article VI in connection with the delivery of legal opinions on the respective dates of the issuance of the Bonds.

Section 6.6. Pending Litigation. There is no pending action or proceeding before or by any court, Governmental Body or arbitrator against or directly involving the Owner or the Manager Member, and, to the best of the Owner's knowledge, there is no threatened action or proceeding, or inquiry that might give rise thereto, materially affecting the Owner or any of its Properties, or the Manager Member, before any court, Governmental Body or arbitrator. The Owner does not know of any basis for any of the foregoing: (a) that, in any case, may materially and adversely affect the financial condition or operation of the Owner or the Manager Member; (b) that, in any case, may seek to restrain, or would otherwise have a material adverse effect on, the transactions contemplated herein; or (c) that, in any case, would affect the validity or enforceability of the Owner Documents.

Section 6.7. Filing and Payment of Tax Reports and Returns. The Owner has filed or caused to be filed all federal, state and local tax reports and returns which are required to be filed, and has paid or caused to be paid all taxes as shown on said returns or which are due or on any assessment received by it.

Section 6.8. Full Disclosure. To the best of the Owner's knowledge after due diligence and reasonable investigation, neither this Loan Agreement nor any written statement furnished by the Owner to the Issuer or the Bondholder in connection with the negotiation of the sale of the Bonds contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained therein or herein not misleading. To the best of the Owner's knowledge, the Owner has disclosed to the Bondholder in writing all facts that might materially and adversely affect the transactions contemplated by this Loan Agreement, or that might materially and adversely affect the business, credit, operations, financial condition or prospects of the Owner, or that might materially and adversely affect any material portion of the Owner's Properties (including, but not limited to, the Project), or the Owner's ability to perform its obligations under the Owner Documents.

Section 6.9. No Defaults. To the best of the Owner's knowledge, the Owner is not in default in the payment or performance of any of its obligations, liabilities or indebtedness, or the performance of any mortgage, indenture, lease, contract or other agreement, instrument or undertaking to which it is a party or by which it or any of its Properties may be bound, which default would have a material and adverse effect on the business, operations, Property or condition, financial or otherwise, of the Owner. To the best of the Owner's knowledge, no event, act or condition exists that would constitute a Default or an Event of Default hereunder. To the best of the Owner's knowledge, the Owner is not in default under any order, award or decree of any court, arbitrator or Governmental Body binding upon or affecting it, or by which any of its Properties may be bound or affected, which default would have a material adverse effect on the business, operations, Property or condition, financial or otherwise, of the Owner, and no such order, award or decree adversely affects the ability of the Owner to carry on its business as currently conducted or the ability of it to perform its obligations under this Loan Agreement, the Owner Note, the Owner Collateral Documents, the Security for the Bonds and the Owner Documents.

Section 6.10. Governmental Consent. Neither the nature of the Owner nor of any of its activities or Properties, nor any relationship between the Owner and any other Person, or any circumstances in connection with the execution and delivery by the Owner of the Owner Documents, or the performance or observance of any covenants or agreements required to be observed or performed by such Owner under the Owner Documents, requires the consent, approval or authorization of, or filing, registration or qualification with, any Governmental Body on the part of the Owner as a condition to the execution and delivery of the Owner Documents (except for those which are not yet required to have been obtained in connection with the acquisition, construction and equipping of the Project).

Section 6.11. Compliance with Law. To the best of the Owner's knowledge, the Owner is currently in compliance with all Government Regulations to which it is subject, and has obtained and shall continue to maintain all licenses, permits, franchises or other governmental authorizations necessary for the ownership of its Property or the conduct of its activities,

non-compliance with which or failure to obtain which might materially adversely affect the ability of the Owner to conduct its activities as currently conducted or the financial condition of the Owner.

Section 6.12. Restrictions on the Owner. The Owner is not a party to any contract or agreement, or subject to any charter or other restriction, that materially and adversely affects (within the sole discretionary judgment of the Bondholder) its ability to perform its obligations under this Agreement. The Owner is not a party, or otherwise subject, to any provision contained in any instrument evidencing Indebtedness, any agreement relating thereto or any other contract or agreement (including its Operating Agreement) that restricts or otherwise limits the incurring of the Indebtedness to be represented by the Owner Documents. The Owner possesses all rights and properties necessary for the conduct of its business as currently conducted and as intended to be conducted.

Section 6.13. No Conflict of Interest. No member of the governing body of the Issuer or any elected or salaried officer or official of the Issuer has any interest (financial, employment or other) in the Owner, the Project or the transactions contemplated by the Owner Documents.

Section 6.14. Project Compliance. To the best of the Owner's knowledge, the Project will not violate any existing Government Regulation with respect thereto, and the anticipated use of the Project complies with all existing applicable ordinances, regulations and restrictive covenants affecting the Project, and except as otherwise disclosed in Exhibit E attached hereto and relating to the forthcoming No Further Remediation Letter to be issued by the Illinois Environmental Protection Agency in connection with the enrollment of the Premises in the Site Remediation Program, all requirements of such use that can be satisfied prior to completion of construction have been satisfied.

Section 6.15. Eminent Domain; Damage; Code Violations. The Owner has not received notice of, and has no knowledge of: (a) any proceedings, whether actual, pending or threatened, for the taking under the power of eminent domain or any similar power or right, of all or any portion of the Project; (b) any damage to or destruction of any portion of the Project; or (c) any zoning, building, fire or health code violations in respect of the Project that have not heretofore been corrected or that are not scheduled to be corrected in connection with the construction of the Project.

Section 6.16. Permits and Licenses. All building, zoning, safety, health, fire, water district, sewerage and environmental protection agency permits and other licenses and permits that are required by any Governmental Body for the construction, use, occupancy and operation of the Project have been obtained and are in full force and effect (except for those which are not yet required to have been obtained in connection with the acquisition, construction, and equipping of the Project, and which will be obtained at or prior to the time required by law in connection with the acquisition, construction, and equipping of the Project).

Section 6.17. Financial Statements. All balance sheet, income statements, statements of cash flow and other financial data that have been or shall hereafter be furnished to the Bondholder for the purposes of or in connection with this Loan Agreement do and will present

fairly in accordance with GAAP, consistently applied, the financial condition of the Owner as of the dates thereof and the results of its operations for the periods covered thereby.

Section 6.18. Broker's Fees. Other than with respect to any term sheet proposal deposit and the origination fee being paid by the Owner in connection with the purchase of the Bonds by the Bondholder, the Owner has no obligation to any Person in respect of any finder's, broker's or similar fee in connection with the Owner Documents.

Section 6.19. Anti-Terrorism Laws. (a) The Owner and each Affiliate of the Owner are not in violation in any material respects of any United States requirements of law relating to terrorism, sanctions or money laundering (the "Anti-Terrorism Laws"), including the United States Executive Order No. 13224 on Terrorist Financing (the "Anti-Terrorism Order") and the Patriot Act.

(b) The Owner and each Affiliate of the Owner (i) are not listed in the annex to, or is otherwise subject to the provisions of, the Anti-Terrorism Order, (ii) are not owned or controlled by, or acting for or on behalf of, any person listed in the annex to, or is otherwise subject to the provisions of, the Anti-Terrorism Order, (iii) do not commit, threaten or conspire to commit or supports "terrorism" as defined in the Anti-Terrorism Order or (iv) are not named as a "specially designated national and blocked person" in the most current list published by Office of Foreign Assets Control ("OFAC").

(c) The Owner and each Affiliate of the Owner (i) do not conduct any business or engage in making or receiving any contribution of funds, goods or services to or for the benefit of any person described in clauses (b)(i) through (b)(iv) above, (ii) do not deal in, or otherwise engage in any transactions relating to, any property or interests in property blocked pursuant to the Anti-Terrorism Order and (iii) do not engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

Section 6.20. Patriot Act. The Owner and each Affiliate of the Owner are in compliance with (a) the Trading with the Enemy Act, and each of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B Chapter V, as amended) and any other enabling legislation or executive order relating thereto, (b) the Patriot Act and (c) other federal or state laws relating to "know your customer" and anti-money laundering rules and regulations. No part of the proceeds of the Bonds will be used directly or indirectly for any payments to any government official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977.

Section 6.21. Project Contracts: Development Cost Budget. To Owner's knowledge, the construction contract with the General Contractor, architect's agreement and other material agreements, consents, waivers, documents and writings of every kind or character to which Owner is a party relating to the Project (collectively, the "Project Contracts") or which at any time have been delivered to Bondholder pursuant to any of the provisions of this Agreement are valid and enforceable against the Owner and are enforceable against all other parties thereto, and

in all material respects are what they purport to be, and to the extent that any such writing shall impose any obligation or duty on the Owner or constitute a waiver of any rights which the Owner might otherwise have, said writing shall be valid and enforceable against the Owner in accordance with its terms. True and correct copies of all of Project Contracts executed by the Owner on or prior to the date hereof have been delivered to Bondholder by the Owner prior to the date hereof. The Development Cost Budget for the Project is true and complete in all material respects and sufficient finally and fully to pay for the acquisition and the construction of the Project and the payment of all costs and expenses incurred or estimated to be incurred in connection with the Project in accordance with the terms and conditions hereof.

Section 6.22. Business Loan. The Owner Note and the Bonds, including the interest rates thereon, (i) are each a business loan within the purview of 815 ILCS 205/4(1)(c), as amended from time to time, (ii) are each an exempted transaction under the Truth In Lending Act, 12 U.S.C. 1601 et seq., as amended from time to time, and (iii) do not, and when disbursed shall not, violate the provisions of the Illinois usury laws, any consumer credit laws or the usury laws of any state which may have jurisdiction over this transaction or the Owner.

Section 6.23. Survival. The representations and warranties set forth in this Article VI shall survive until all Liabilities have been indefeasibly paid in full.

Section 6.24. Remaking of Representations and Warranties. At the time of making of each disbursement pursuant to Section 9.3, the Owner shall be deemed to have remade each of the representations and warranties contained in this Article VI with the same effect as though made on the date of such disbursement.

ARTICLE VII

COVENANTS OF OWNER

Section 7.1. Tax-Exempt Status of the Bonds. The proceeds of the Bonds will be used in a manner consistent with the representations of the Owner contained herein and the Tax Certificate. The Owner shall not use the Project, or permit the Project to be used, in such a way as would result in the loss of the exclusion from gross income for Federal income tax purposes of interest on the Bonds, and will not act in any manner that would adversely affect the exclusion from gross income for Federal income tax purposes of interest on the Bonds.

Section 7.2. Taxes, Charges and Assessments. The Owner shall pay or cause to be paid on or before the date they become due, all taxes (except taxes imposed on gross or net income), duties, charges, assessments and impositions on, or on account of, the use, occupancy or operation of the Project, and on any payments under this Loan Agreement or under the Owner Note. The Owner shall promptly pay when due all amounts except such as the Owner is diligently contesting in good faith and by appropriate proceedings; provided that the Owner has provided for and is maintaining adequate reserves with respect thereto in accordance with GAAP or a bond or other acceptable form of security to assure payment is made.

Section 7.3. Compliance with Orders, Ordinances, Etc. The Owner shall, at its sole cost and expense, comply with all current and future applicable Government Regulations, the failure

to comply with which would materially and adversely affect the Project or the use, occupancy or condition thereof. The Owner shall have the right to contest any such Government Regulation and, in the event of any such contest, may refrain from complying therewith during the period of such contest and any appeal therefrom; provided that it has furnished additional security satisfactory to the Bondholder for any loss or damage that the Bondholder may sustain by reason of such non-compliance.

Section 7.4. Books, Records and Inspections. The Owner shall maintain complete and accurate books and records (including records relating to the Project), and, during reasonable times and upon reasonable notice (except upon an Event of Default when no such notice shall be required), shall permit the Issuer and the Bondholder to have full and complete access to such books and records of the Owner, and shall permit the Issuer and the Bondholder to visit, audit, examine, copy and inspect, as applicable, the Owner's books and records, offices, Premises and operations, at the sole cost and expense of the Owner. The Issuer and the Bondholder have no duty to visit the Premises, to supervise or observe construction or to examine any books or records. Any site visit, observation or examination by the Issuer or the Bondholder is solely for the purpose of protecting their respective rights and interests. No site visit, observation or examination by the Issuer or the Bondholder will impose any liability on the Issuer or the Bondholder or result in a waiver of any Event of Default of the Owner or be a representation that the Owner is or will be in compliance with the approved Plans and Specifications for the Project, that the construction of the Project is free from defective materials or workmanship, or that the construction complies with all applicable laws, ordinance and regulations. Neither the Owner, nor any other party, is entitled to rely on any site visit, observation or examination by the Issuer or the Bondholder. The Issuer and the Bondholder owe no duty of care to protect the Owner or any other party against, or to inform the Owner or any other party of, any negligent or defective design or construction of the Project or any other adverse condition affecting the Premises.

Section 7.5. Change in Nature of Operations. The Owner shall not make any material change in the nature of its operations carried on as of the date of issuance of the Bonds unless consented to in writing by the Issuer and the Bondholder.

Section 7.6. Owner to Maintain Existence; Consolidation or Merger. Absent the prior written consent of the Bondholder, the Owner shall, as long as the Bonds are outstanding, maintain its existence, not dissolve, liquidate, transfer any membership except as provided herein or other equity interest in the Owner or otherwise dispose of all or substantially all of its assets, and not consolidate with or merge into another business entity or permit one or more other business entities to consolidate with or merge into it. Notwithstanding anything to the contrary contained herein, the Investor Member shall be permitted to remove the Manager Member and replace the Manager Member with an affiliate of the Investor Member in accordance with the Operating Agreement without the consent of the Bondholder, provided that (a) the membership interests of any such substitute Manager Member shall be subject to the Bondholder's security interests pursuant to the terms of the Security Agreement, and (b) any such substitute Manager Member shall execute any and all documents, including security agreements and financing statements, as the Bondholder may reasonably request in order to create, perfect, or continue such security interests. Notwithstanding the foregoing, the substitute Manager Member shall assume all the rights and obligations of the Manager Member under all of the Loan Documents.

After all equity contributions have been made pursuant to the terms and conditions of the Operating Agreement, such Investor Member interests shall be transferable without the consent of either the Bondholder or the Issuer. Notwithstanding the forgoing, the Investor Member interests shall be transferable (a) at any time without the consent of the Issuer, so long as such interest is transferred to an affiliate of the Investor Member; and (b) at any time without the consent of the Bondholder, so long as such interest is transferred to Hunt Capital Partners Tax Credit Fund 10, LP; provided, however, that any other Investor Member transfers prior to the payment of the equity contribution shall require Bondholder and Issuer consent.

The Owner shall be permitted to amend the Operating Agreement to reflect such removal and substitution of the Manager Member or permitted transfer of the Investor Member's interests without the consent of the Issuer or the Bondholder to the extent such transfer is permitted without consent as provided above.

Section 7.7. Transfer of Project. Absent the prior written consent of the Bondholder and the Issuer, the Owner shall not sell, transfer or otherwise dispose of the Project or any portion thereof (other than sales or other dispositions of obsolete equipment or fixtures in the ordinary course of business) while the Bonds are Outstanding.

Section 7.8. Environmental Requirements; Indemnity.

(a) As between the Issuer and the Owner, the Issuer and the Owner agree and understand that the terms and provisions of the Environmental Indemnity Agreement shall govern all indemnifications from the Owner to the Issuer with respect to environmental matters affecting the Project. The terms and provisions of the Environmental Indemnity Agreement are incorporated herein by this reference, mutatis mutandis, as if fully set forth herein with respect to such relationship. As such, the balance of the provisions of this Section govern only the relationship between the Owner and the Bondholder with respect to indemnifications from the Owner to the Bondholder with regard to environmental matters affecting the Project.

(b) For purposes of this Section 7.8, the term "Hazardous Substance" means and includes any substance, material or waste, including asbestos, petroleum and petroleum products (including crude oil), that is or becomes designated, classified or regulated as "toxic," "hazardous" or a "pollutant," or that is or becomes similarly designated, classified or regulated, under any federal, state or local law, regulation or ordinance, but does not include any such substance that is a customary and ordinary household, cleaning or office product used on the Premises by Owner or any tenant or agent of Owner, or customary construction materials used during the course of construction of the Project by the Owner and its general contractor, provided such use is in accordance with applicable hazardous materials laws.

(c) Before signing this Agreement, the Owner researched and inquired into the previous uses and owners of the Premises and obtained a Phase I and Phase II environmental site assessment and other reports with respect to the environmental conditions of the Premises, copies of which have been delivered to the Bondholder. Based on that due diligence, the Owner represents and warrants to the Bondholder that, except as the Owner has disclosed to the Bondholder in writing and as described in the Phase I and Phase II environmental site assessment, and the forthcoming No Further Remediation Letter to be issued by the Illinois

Environmental Protection Agency in connection with the enrollment of the Premises in the Site Remediation Program, to the best of the Owner's knowledge, (i) no Hazardous Substance has been disposed of, or released to or from, or otherwise now exists in, on, under or around, the Premises, and (ii) no aboveground or underground storage tanks are now or have ever been located on or under the Premises.

(d) The Owner has complied, and will comply and cause all tenants and any other persons who may come upon the Premises to comply in all material respects with all federal, state and local laws, regulations and ordinances governing or applicable to Hazardous Substances ("Environmental Laws"), including those requiring disclosures to prospective and actual buyers or tenants of all or any portion of the Premises. The Owner will not install or allow to be installed any aboveground or underground storage tanks on the Premises. The Owner must comply with the recommendations of any qualified environmental engineer or other expert engaged by the Owner with respect to the Premises. The Owner must promptly notify the Bondholder in writing (i) if it knows, suspects or believes there may be any Hazardous Substance in or around any part of the Premises, any improvements constructed on the Premises, or the soil, groundwater or soil vapor on or under the Premises, or that the Owner or the Premises may be subject to any threatened or pending investigation by any governmental agency under any law, regulation or ordinance pertaining to any Hazardous Substance, and (ii) of any claim made or threatened by any person, other than a governmental agency, against the Owner arising out of or resulting from any Hazardous Substance being present or released in, on or around any part of the Premises, any Improvements constructed on the Premises or the soil, groundwater or soil vapor on or under the Premises (any of the matters described in clauses (i) and (ii) above a "Hazardous Substances Claim").

(e) The Bondholder, and its respective officers, employees, directors, agents, parent, subsidiary, affiliates, assignees, and any purchasers of the Premises at any foreclosure sale with respect to the Mortgage (each individually, an "Indemnified Party," and all collectively, the "Indemnified Parties"), have the right at any reasonable time and upon notice to the Owner to enter and visit the Premises for the purposes of observing the Premises, taking and removing soil or groundwater samples and conducting tests on any part of the Premises. The Indemnified Parties have no duty, however, to visit or observe the Premises or to conduct tests, and no site visit, observation or testing by any Indemnified Party imposes any liability on any Indemnified Party. In no event will any site visit, observation or testing by any Indemnified Party be a representation that Hazardous Substances are or are not present in, on or under the Premises, or that there has been or will be compliance with any law, regulation or ordinance pertaining to Hazardous Substances or any other applicable governmental law. Neither the Owner nor any other party is entitled to rely on any site visit, observation or testing by any Indemnified Party. The Owner waives to the fullest extent permitted by law any such duty of care on the part of the Indemnified Parties or any other party to protect the Owner or inform the Owner or any other party of any Hazardous Substances or any other adverse condition affecting the Premises. Any Indemnified Party will give the Owner reasonable notice before entering the Premises. The Indemnified Party will make reasonable efforts to avoid interfering with the Owner's use of the Premises in exercising any rights provided in this Section. The Owner must pay all reasonable costs and expenses incurred by an Indemnified Party in connection with any inspection or testing conducted in accordance with this subsection if the same are performed as a result of any violation or potential violation, as determined in Bondholder's reasonable discretion, of

Environmental Laws. The results of all investigations conducted and/or reports prepared by or for any Indemnified Party must at all times remain the property of the Indemnified Party, and under no circumstances will any Indemnified Party have any obligation whatsoever to disclose or otherwise make available to the Owner or any other party the results or any other information obtained by any of them in connection with the investigations and reports. Notwithstanding the foregoing, the Indemnified Parties hereby reserve the right, and the Owner hereby expressly authorizes any Indemnified Party, to make available to any party (including any governmental agency or authority and any prospective bidder at any foreclosure sale of the Premises with respect to the Mortgage) any and all reports, whether prepared by any Indemnified Party or prepared by the Owner and provided to any Indemnified Party (collectively, "Environmental Reports") that any Indemnified Party may have with respect to the Premises. The Owner consents to the Indemnified Parties' notifying any party (either as part of a notice of sale or otherwise) of the availability of any or all of the Environmental Reports and the information contained therein. The Owner acknowledges that the Indemnified Parties cannot control or otherwise assure the truthfulness or accuracy of the Environmental Reports and that the release of the Environmental Reports, or any information contained therein, to prospective bidders at any foreclosure sale of the Premises with respect to the Mortgage may have a material and adverse effect upon the amount that a party may bid at such sale. The Owner agrees that the Indemnified Parties have no liability whatsoever as a result of delivering any or all of the Environmental Reports or any information contained therein to any third party, and the Owner hereby releases and forever discharges the Indemnified Parties from any and all claims, damages, or causes of action, arising out of, connected with or incidental to the Environmental Reports or the delivery thereof.

(f) The Owner must promptly undertake any and all remedial work ("Remedial Work") in response to Hazardous Substances Claims to the extent required by governmental agency or agencies involved or as recommended by prudent business practices, if such standard requires a higher degree of remediation, and in all events to minimize any impairment to the Bondholder's security under the Owner Collateral Documents. All Remedial Work must be conducted (i) in a diligent and timely fashion by licensed contractors acting under the supervision of a consulting environmental engineer, (ii) pursuant to a detailed written plan for the Remedial Work approved by all public or private agencies or persons with a legal or contractual right to such approval, (iii) with insurance coverage pertaining to liabilities arising out of the Remedial Work as is then customarily maintained with respect to such activities, and (iv) only following receipt of any required permits, licenses or approvals. The selection of the Remedial Work contractors and consulting environmental engineer, the contracts entered into with such parties, any disclosures to or agreements with any public or private agencies or parties relating to Remedial Work and the written plan for the Remedial Work (and any changes thereto) at the Bondholder's option, is subject to the Bondholder's prior written approval, which may not be unreasonably withheld or delayed.

(g) The obligations and rights of the parties under this Section 7.8 are secured by the Mortgage until the first to occur of full, final and indefeasible repayment of the Liabilities or the transfer of title to all or any part of the Premises at a foreclosure sale under the Mortgage or by deed in lieu of such foreclosure (any of the foregoing transfers being referred to as a "Foreclosure Transfer"). The parties' obligations and rights under this Section 7.8 continue in full force and effect after the full and final payment of the Liabilities or a Foreclosure Transfer,

as the case may be, but (i) in the case of a full and final payment of the Liabilities, the Owner's obligations under this Section 7.8 are thereafter limited to the indemnification obligations of subsections (h) and (i) below as to Indemnified Costs (as defined below) arising out of or as a result of events prior to the full and final payment of the Liabilities, and (ii) in the case of a Foreclosure Transfer, the obligations do not include the obligation to reimburse any Indemnified Party for diminution in value of the Premises resulting from the presence of Hazardous Substances on the Premises before the date of the Foreclosure Transfer if, and to the extent that, the Indemnified Party recovers on a deficiency judgment including compensation for such diminution in value; provided, however, that nothing in this sentence impairs or limits an Indemnified Party's right to obtain a judgment in accordance with applicable law for any deficiency in recovery of all obligations that are secured by the Mortgage, subject to the provisions of Section 14.1 hereof. As used in this Section 7.8, the term "Indemnified Costs" means all actual or threatened liabilities, claims, actions, causes of action, judgments, orders, damages (including foreseeable and unforeseeable consequential damages), costs, expenses, fines, penalties and losses incurred in connection with Hazardous Substances on the Property (including sums paid in settlement of claims and all consultant, expert and reasonable legal fees and expenses of the Bondholder's counsel), including those incurred in connection with any investigation of site conditions or any clean-up, remedial, removal or restoration work (whether of the Premises or any other property), or any resulting damages, harm or injuries to the person or property of any third parties or to any natural resources.

(h) Unless due to the gross negligence or intentional misconduct of the Indemnified Parties, the Owner shall indemnify, defend and hold the Indemnified Parties harmless for, from and against any and all Indemnified Costs directly or indirectly arising out of or resulting from any Hazardous Substance being present or released in, on or around any part of the Premises, or in the soil, groundwater or soil vapor on or under the Premises, including: (i) any claim for such Indemnified Costs asserted against any Indemnified Party by any federal, state or local governmental agency, including the United States Environmental Protection Agency and the Illinois Environmental Protection Agency, and including any claim that any Indemnified Party is liable for any such Indemnified Costs as an "owner" or "operator" of the Premises under any law relating to Hazardous Substances; (ii) any claim for such Indemnified Costs asserted against any Indemnified Party by any person other than a governmental agency, including (1) any person who may purchase or lease all or any portion of the Premises from the Owner, from any Indemnified Party or from any other purchaser or lessee, (2) any person who may at any time have any interest in all or any portion of the Premises, (3) any person who may at any time be responsible for any clean-up costs or other Indemnified Costs relating to the Premises, and (4) any person claiming to have been injured in any way as a result of exposure to any Hazardous Substance; (iii) any Indemnified Costs incurred by any Indemnified Party in the exercise by the Indemnified Party of its rights and remedies under this Section 7.8; and (iv) any Indemnified Costs incurred by any Indemnified Party as a result of currently existing conditions in, on or around the Premises, whether known or unknown by the Owner or the Indemnified Parties at the time this Agreement is executed, or attributable to the acts or omissions of the Owner, any of the Owner's tenants, or any other person in, on or around the Premises with the consent or under the direction of the Owner.

(i) Unless due to the gross negligence or intentional misconduct of the Indemnified Parties, upon demand by any Indemnified Party, the Owner must defend any

investigation, action or proceeding involving any Indemnified Costs that is brought or commenced against any Indemnified Party, whether alone or together with the Owner or any other person, all at the Owner's own cost and by counsel approved by the Indemnified Party. In the alternative, any Indemnified Party may elect to conduct its own defense at the Owner's expense.

(j) In addition to any other rights or remedies the Bondholder may have under this Agreement, at law or in equity, upon the occurrence of an Event of Default under this Agreement, the Bondholder may do or cause to be done whatever is necessary to cause the Premises to comply with any and all laws, regulations and ordinances governing or applicable to Hazardous Substances, and any other applicable law, rule, regulation, order or agreement, and the cost thereof will become immediately due and payable upon demand by the Bondholder, and if not paid when due will accrue interest at the default rate set forth in the Bonds, until paid. The Owner hereby acknowledges and agrees that any amounts realized by the Bondholder by reason of the following may be applied to pay the Liabilities prior to being applied to pay the Owner's obligations to reimburse the Bondholder for costs and expenses, including those incurred by the Bondholder in enforcing its rights and remedies under the provisions of this Section 7.8: (i) any payments made pursuant to the Bonds or any of the Owner Collateral Documents (other than payments made to the Bondholder for reimbursement of costs and expenses or for enforcement of its rights and remedies, under the provisions of this Section 7.8); (ii) any foreclosure of the Mortgage or the other documents evidencing or securing the Liabilities (including any amounts realized by reason of any credit bid in connection with any such foreclosure); (iii) any conveyance in lieu of foreclosure; (iv) any other realization upon any security for the Liabilities; (v) any recoveries against the Owner personally (except for recoveries against the Owner for reimbursement of costs and expenses or enforcement of the Bondholder's rights and remedies under this Section 7.8); and (vi) any recoveries against any person or entity other than the Owner (including any guarantor) to the maximum extent permitted by applicable law.

(k) To the extent any provision of this Section 7.8 conflicts with or provides lesser protection to the Bondholder than that provided by the Environmental Indemnity Agreement, the provisions of the Environmental Indemnity Agreement shall control.

Section 7.9. Insurance. The Owner shall at all times maintain insurance with respect to the Project as is set forth in the Mortgage.

Section 7.10. Project Budget. All Costs of the Project shall be identified by line item in the Development Cost Budget approved in writing by the Bondholder, the Bondholder's purchase of the Bond to constitute evidence that the Bondholder has approved the initial Development Cost Budget. The initial Development Cost Budget shall have a hard cost contingency line item in the minimum amount of five percent (5%) of the hard cost amount (exclusive of profit and overhead) of the approved contract for construction of the Project between the Owner and a general contractor approved by the Bondholder. The initial Development Cost Budget, once so approved by the Bondholder shall not be modified or amended without the prior written approval of the Bondholder; provided, that individual line item changes in an amount not individually in excess of \$25,000 and in the aggregate not in excess of \$100,000 may be made without Bondholder approval, provided that the entire budget is "in balance" as provided in Section 7.12.

Section 7.11. Completion of Construction.

(a) The Owner shall commence construction of the Project during or before the Closing Date, and Complete all improvements comprising the Project during or before December 1, 2017.

(b) For purposes of this Section, the Project shall be deemed "Complete" when (a) the Project has been substantially completed in accordance with the approved Plans and Specifications therefor and all applicable laws and ordinances, as evidenced by a certification of the Owner's design architect; (b) final lien waivers from the Owner's General Contractor and any other contractors providing materials and labor in connection with the Project have been obtained, or the Owner shall have deposited with the Bondholder such surety bond, cash or other security satisfactory to the Bondholder in its sole discretion to secure the payment of any unpaid claims; (c) a final certificate of occupancy (or its functional equivalent) has been issued by the City of Chicago Department of Buildings with respect to the Project; and (d) all buildings in the Project have been "placed in service" pursuant to the requirements of Section 42 of the Internal Revenue Code.

Section 7.12. Balancing. The Owner shall maintain the sources and uses of funds for the Project "in balance." The Project is "in balance" whenever the amount of the undisbursed funds (the "Undisbursed Funds") considering all financing sources that are, in the Bondholder's reasonable judgment, available for disbursement to pay Costs of the Project are sufficient, in the Bondholder's reasonable judgment, to pay all budgeted and unpaid Costs of the Project through completion of the Project, except for developer fees. The Project is "out of balance" if and when the Bondholder in its reasonable judgment determines that the Undisbursed Funds for the Project are insufficient to pay for all Costs of the Project.

Section 7.13. Change Orders. The Owner must obtain the Bondholder's prior written approval of any change in any work or materials for the Project (whether positive or negative) exceeding \$25,000 in amount. Also, the Owner must obtain the Bondholder's prior written approval for any change in any work or materials if the aggregate amount of all changes (whether positive or negative) with respect to the Project will then exceed \$100,000.

Section 7.14. Covenant Against Liens. The Owner must pay or otherwise discharge promptly all claims and liens for labor done and materials and services furnished in connection with the construction of the Project. The Owner has the right to contest in good faith any claim or lien, provided that it does so diligently and without prejudice to the Bondholder or delay in completing the Project by the Completion Date. Promptly upon the Bondholder's request, the Owner must provide a bond, cash deposit or other security satisfactory to the Bondholder in the exercise of its reasonable judgment.

Section 7.15. Financial Statements. Within one hundred twenty (120) days after the end of each entity's fiscal years, the Owner must deliver annual unaudited balance sheets and income statements to the Bondholder for itself, the Project and, until construction of the Project is Complete, of the Guarantor, together with a statement showing all changes in the financial condition of any such parties or of the Project occurring during the preceding fiscal year. Also, the Owner must deliver promptly to the Bondholder (a) monthly certified operating statements

and rent rolls for the Project commencing the first month after the date that construction of the Project is Complete and (b) from and after the Conversion Date, quarterly balance sheets, operating statements and rent rolls for the Project within thirty (30) days after each fiscal quarter. The Owner must also deliver copies of all federal income tax returns (including all Schedule K-1s and any information returns) filed by the Owner and, until construction of the Project is Complete, the Guarantor within thirty (30) days after the filing of each such income tax or information return.

Section 7.16. Notices. The Owner must notify the Bondholder promptly in writing of: (a) any litigation affecting the Owner, the Manager Member, the Guarantor or the Developer, the defense of which has not been tendered to and accepted by the Owner's insurance carrier; (b) any written or oral communication the Owner receives from any governmental, judicial or legal authority giving notice of any claim or assertion that the Premises or the Project fails in any material respect to comply with any of any applicable law, ordinance, rule, regulation or other governmental requirements; (c) any material adverse change in the physical condition of the Project (including any damage suffered as a result of earthquakes or floods); (d) any material adverse change in financial condition or operations of the Owner, the Manager Member or the Developer; (e) any change in the ownership or control of the Owner or any of its members; or (f) any default by the Owner's General Contractor or any subcontractor or material supplier for the Project.

Section 7.17. Zoning Amendments, Subdivisions, etc. The Owner will not, without the prior written consent of the Bondholder, suffer or cause any change in zoning relating to the Premises or permit any vacation of any existing public street or alley serving the Premises or dedicate any portion of the Premises or convert any portion of the Project to condominium or cooperative ownership.

Section 7.18. Signage. Until the Project is Complete, the Owner shall permit the Bondholder to display signage in cooperation with other Project funders in a highly visible location on the Project site.

ARTICLE VIII

COVENANTS OF THE ISSUER

Until the payment in full of the Bonds and the Owner Note, and until all Liabilities are indefeasibly satisfied in full, the Issuer covenants and agrees that each of the covenants, undertakings and agreements set forth in this Section shall be complied with.

Section 8.1. Payment of Principal and Interest. The Issuer shall promptly pay the principal of and interest on the Bonds at the place, on the dates and in the manner provided in the Bond Issuance Agreement and the Bonds according to the true intent and meaning thereof; provided, however, that the Bonds shall be a special, limited obligation of the Issuer payable as to principal and interest solely from the Revenues as provided in Section 2.08 of the Bond Issuance Agreement.

Section 8.2. Owner Note. The Issuer shall not thwart the efforts of the Owner or the Bondholder to defend (and, upon the written request of the Bondholder, shall assist in such defense if such assistance is necessary to adequately defend the rights of the Bondholder thereunder at no cost to the Issuer) the title to the Owner Note against all claims and demands of all Persons whomsoever, and hereby authorizes the Owner and the Bondholder to defend, on behalf of the Issuer, all such claims and demands.

Section 8.3. Further Assurances. The Issuer shall execute, acknowledge and deliver each and every further act, deed, conveyance, transfer and assurance reasonably necessary or proper for the better assuring of the pledge and assignment to the Bondholder of this Loan Agreement, the Owner Note and the Security for the Bonds. The Owner agrees to pay all expenses incurred by the Issuer in connection with the performance by the Issuer of its agreements under this Section 8.3.

Section 8.4. Arbitrage. The Issuer shall not take any action within its control, or fail to take any action of which it has knowledge, with respect to the investment of the proceeds of the Bonds, including, without limitation, moneys on deposit in any Fund or Account in connection with the Bonds, whether or not such moneys were derived from the proceeds of the sale of the Bonds or from any other source, or with respect to the payments derived from the Owner Note, which may result in constituting the Bonds “arbitrage bonds” within the meaning of Section 148 of the Code and the Regulations. The Issuer further covenants to create a rebate fund upon direction by the Owner to facilitate the payment of any rebatable arbitrage that may arise.

Section 8.5. Recordation and Other Instruments. As provided in Section 6.04 of the Bond Issuance Agreement, in order to perfect the security interest of the Bondholder in the Security for the Bonds, the Issuer, to the extent permitted by law, will execute such assignments, security agreements or financing statements, naming the Bondholder as assignee and pledgee of the Security for the Bonds assigned and pledged under the Bond Issuance Agreement for the payment of the principal of and interest on the Bonds and as otherwise provided herein, as the Bondholder shall reasonably request in writing, and the Owner will cause the same to be duly filed and recorded, as the case may be, in the appropriate state and county offices as required by the provisions of the Uniform Commercial Code or other similar law as adopted in Illinois, as from time to time amended. The Issuer, to the extent permitted by law, at the expense of the Owner, shall execute and cause to be executed any and all further instruments as shall be reasonably requested in writing by the Bondholder for such protection and perfection of the interests of the Bondholder, and the Issuer or its agent shall, upon written direction from the Bondholder, file and refile or cause to be filed and refiled such instruments as shall be necessary to preserve and perfect the lien of the Bond Issuance Agreement upon the Security for the Bonds until the principal of and interest on the Bonds issued hereunder shall have been paid or provision for payment shall be made as herein provided.

Section 8.6. Assignment of Issuer's Rights. As security for the payment of the Bonds, the Issuer shall assign and pledge this Loan Agreement (except for Issuer Reserved Rights), the Owner Note and the Security for the Bonds to the Bondholder. The Bondholder and the Owner hereby agree to such assignment, and the Owner agrees that it shall make payments directly to the Bondholder as herein provided, without any defense or rights of set-off whatsoever.

ARTICLE IX

COMPLETION OF PROJECT; ISSUANCE OF BONDS

Section 9.1. Agreement to Complete Project; Application of Bond Proceeds. The Owner shall apply the proceeds of the Bonds to the acquisition, environmental remediation, site preparation, construction and equipping of the Project as described in Exhibit B attached hereto. The Owner acknowledges and agrees that the disbursement of proceeds of the Bonds shall be made in the order and pursuant to the terms of the Construction Escrow Agreement. The Owner agrees that the acquisition, environmental remediation, site preparation, construction and equipping of the Project will at all times proceed with due diligence to completion.

Section 9.2. Agreement to Issue the Bonds. In order to provide funds to make the Loan to the Owner to pay a portion of the Costs of the Project and related expenses, but subject to the terms and conditions contained in the Bond Issuance Agreement, the Issuer agrees that it will issue, sell and cause to be delivered to the Bondholder the Bonds in the principal amount of up to \$10,220,000, bearing interest and maturing as set forth in the Bond Issuance Agreement. The Issuer will deposit, or cause to be deposited, the proceeds of the Bonds advanced by the Bondholder pursuant to the Bond Issuance Agreement with the Fiscal Agent for deposit in the Project Account of the Construction Fund in accordance with Article IV of the Bond Issuance Agreement (except for that portion of each advance of Bond proceeds, if any, deposited in the Capitalized Interest Account, as provided therein).

Section 9.3. Disbursements from the Project Account of the Construction Fund. Upon receipt by the Fiscal Agent of the proceeds from the sale of the Bonds as advanced by the Bondholder, the Fiscal Agent will, subject to the prior written approval of the Bondholder, disburse moneys in the Project Account of the Construction Fund to or on behalf of the Owner for the following purposes, to the extent included in the related Development Cost Budget or otherwise approved by Bondholder:

(a) Payment of the initial or acceptance fee of the Fiscal Agent (if any), the fees and expenses for recording or filing any required documents or instruments by which the revenues and receipts to be derived by the Issuer pursuant to this Loan Agreement, the related Owner Note and the Security for the Bonds are assigned and pledged as security for the related Bonds, and the fees and expenses for recording or filing any financing statements and any other documents or instruments that either the Owner or counsel to the Issuer may deem desirable to file or record.

(b) Payment to the Owner of such amounts as shall be necessary to reimburse the Owner (or for the Owner to reimburse the Developer, if applicable) in full for all advances and payments made or costs that have been or will be incurred prior to or after the delivery of the Bonds for expenditures in connection with the preparation of Plans and Specifications (including any preliminary study or planning of the Project or any aspect thereof), the acquisition, construction and equipping of the Project and the acquisition and installation necessary to provide utility services and all real or personal properties deemed necessary in connection with the Project.

(c) Payment or reimbursement to the Owner of all financial, legal and accounting fees and expenses (including all expenses incurred in connection with the placement of the Bonds) incurred in connection with the authorization, sale and issuance of the Bonds, the preparation of the Bond Issuance Agreement, this Loan Agreement, the Security for the Bonds, the Owner Documents, the Issuer Documents and all other documents in connection therewith.

(d) Payment or reimbursement for labor, services, materials and supplies used or furnished on site improvements and in the acquisition, environmental remediation, construction and equipping of the Project as provided in Exhibit B hereto, payment for the cost of the acquisition and installation of utility services or other facilities, and the acquisition and installation of all real and personal property deemed necessary in connection with the Project and payment for the miscellaneous capitalized expenditures incidental to any of the foregoing items.

(e) Payment or reimbursement of the fees if any, for architectural, engineering, legal, investment banking and supervisory services with respect to the Project, and of any costs incurred to obtain the General Contractor's payment and performance bond, and of any fees payable to the Issuer or the Bondholder, or the Issuer's or the Bondholder's counsel, or to the Investor Member in connection with the financing of the Project.

(f) To the extent not paid pursuant to a contract for acquisition, construction, or equipping with respect to any part of the Project, payment of the premiums on all insurance required to be taken out and maintained with respect to the Project during the related construction period.

(g) Payment of the taxes, assessments and other charges, if any, that may become payable during the related construction period with respect to the Project, or reimbursement thereof if paid by the Owner.

(h) Payment of expenses incurred in seeking to enforce any remedy against any supplier, conveyor, grantor, contractor or subcontractor in respect of any default under a contract relating to the Project.

Each of the payments referred to in this Section 9.3, other than those payments referred to in subsection (j) above, shall be made upon receipt by the Fiscal Agent of the documents and showings specified in Section 9.5 hereof.

Notwithstanding any other provision hereof or of the Bond Issuance Agreement, in the event the moneys in the Construction Fund and the Construction Escrow, together with the balance of monies that are available through the Additional Funding Sources, for payment of the Costs of the Project should not, in the Bondholder's reasonable judgment, be sufficient to pay the costs thereof in full, the Owner agrees within ten (10) days after receipt of written notice thereof from the Bondholder to pay directly, or to deposit in the Project Account of the Construction Fund (or in the Construction Escrow) moneys sufficient to pay, the costs of completing the Project as may be in excess of the moneys available therefor in the Construction Fund and the Construction Escrow and from the Additional Funding Sources. NEITHER THE ISSUER NOR THE BONDHOLDER MAKES ANY WARRANTY, EITHER EXPRESS OR IMPLIED, THAT THE MONEYS THAT WILL BE PAID INTO THE CONSTRUCTION FUND, AND THAT,

UNDER THE PROVISIONS OF THIS LOAN AGREEMENT, WILL BE AVAILABLE FOR PAYMENT OF THE COSTS OF THE PROJECT RELATING TO THE PROJECT, WILL BE SUFFICIENT TO PAY ALL THE COSTS THAT WILL BE INCURRED IN THAT CONNECTION. The Owner agrees that if it should pay or should deposit moneys in the Construction Fund or Construction Escrow for payment of any portion of the Costs of the Project pursuant to the provisions of this Section 9.3, it shall not be entitled to any reimbursement therefor from the Issuer, the Fiscal Agent or the Bondholder, nor shall it be entitled to any diminution of the amounts payable under the Owner Note or hereunder. The Owner hereby pledges, sets over and transfers to the Issuer and hereby grants to the Issuer a security interest and right of setoff in all rights to the proceeds in the escrow account, if any, created pursuant to Section 9.4 of this Loan Agreement.

All proceeds of the Bonds remaining in the Construction Fund or in the Construction Escrow after the Project is Complete, and after payment or provision for payment of all other items provided for in subsections (a) to (h), inclusive, of this Section 9.3, shall be used in accordance with Section 9.4 hereof.

Section 9.4. Completion of the Project. (a) Any proceeds of the Bonds (including investment proceeds) remaining in the Construction Fund or in the Construction Escrow on the date the Project is Completed and not set aside for the payment of Costs of the Project not then due and payable shall on such date be transferred to, if applicable, and placed by the Fiscal Agent in a separate escrow account and used to pay the outstanding principal balance of the Owner Note at the earliest possible redemption date, provided that, until used for such purpose, moneys on deposit in such escrow account may be invested as provided in Section 9.6 hereof, but may not be invested to produce a yield on such moneys (computed from the date the Project was completed and taking into account any investment of moneys during the period from the date the Project was Completed until such moneys were deposited in such escrow account) greater than the yield on the Bonds, all as such terms are used in and determined in accordance with Section 148(a) of the Code and the Regulations. On or after the Conversion Date, if a payment in excess of \$10,000 is made by the Fiscal Agent in accordance with this Section 9.4, the Bondholder shall recalculate the amortizing payments under the Loan based on the reduced outstanding principal, and the monthly payments of principal plus interest owed by Owner through the term of the Loan shall be reduced accordingly.

(b) No Person not a party hereto shall have any rights to the money or other funds or assets from time to time in the Construction Fund or the escrow accounts referred to in this Section 9.4 or Section 4.02 of the Bond Issuance Agreement.

Section 9.5. Disbursements. Bond proceeds shall be disbursed by the Bondholder to the Fiscal Agent for deposit in the Construction Fund upon written request, substantially in the form of Exhibit C hereto, signed by the Owner and the Bondholder. Except to the extent that the disbursement pertains to costs of issuance of the Bonds, amounts disbursed from the Project Account of the Construction Fund shall be disbursed to the escrow agent under the Construction Escrow Agreement for further disbursement as provided therein. To the extent the disbursement pertains to the CHA Portion of the Bonds, the consent of the CHA to such disbursement shall be required as provided in the CHA Loan Agreement and the Construction Escrow Agreement. The Bondholder's disbursement of funds to the Fiscal Agent for deposit in the Project Account of the

Construction Fund, shall be subject to the satisfaction of the conditions set forth in Articles X and XI hereof.

Immediately following a disbursement, the Owner covenants that written notice of the amount and date of the disbursement shall be provided to the Issuer. Such notice may be provided by an email sent to such address as the Issuer may have designated to be used for such purposes in a prior notice to the Owner.

Section 9.6. Investment of Moneys. (a) Any moneys held as part of the Construction Fund, or the escrow accounts specified in Section 9.4 hereof, or as part of any other Fund or Account in the possession or control of the Fiscal Agent, while acting as such under the Bond Issuance Agreement, and any other moneys subject to the requirements of Section 148(a) of the Code, including any moneys that at any time shall constitute “gross proceeds” of the Bonds within the meaning of the Regulations, shall be invested, to the extent permitted by law, only in Eligible Investments.

(b) All such investments of moneys held by the Fiscal Agent as a part of the Construction Fund or the escrow accounts specified in Section 9.4 hereof or any other Fund or Account shall be made by the Fiscal Agent at the direction of the Owner (which direction shall be either in writing or given orally and confirmed in writing). The approval of the Issuer shall not be required prior to the making of any such investment, but the Issuer reserves the right (which right is subject to assignment as set forth in Section 4.2 hereof) to disapprove in its reasonable discretion any investments or proposed investments of which it has notice. If no direction is given by the Owner, the Issuer may direct (which right is subject to assignment as set forth in Section 4.2 hereof) the Fiscal Agent to invest in any of the Eligible Investments, and, if no direction is given, the Fiscal Agent or any affiliate thereof shall invest in no-load, open-end money market mutual funds (including those of the Fiscal Agent and its affiliates) registered under the Investment Company Act of 1940, provided that the portfolios of such funds are limited to Government Obligations and each such fund has been assigned a rating by each Rating Agency of “AAA” or “Aaa,” as applicable.

(c) The Fiscal Agent may make any and all such investments through its own investment department or that of an affiliate. The investments so purchased shall be held by the Fiscal Agent and shall be deemed at all times a part of the Fund, Account or Subaccount for which the investment was made, and the interest accruing thereon and any profit realized therefrom shall be credited to such Fund, Account or Subaccount, as the case may be, and any net losses resulting from such investment shall be charged to such Fund, Account or Subaccount, as the case may be. The Fiscal Agent shall be entitled to rely conclusively on all written investment instructions provided by the Owner pursuant to this Section 9.6, and the Fiscal Agent shall have no responsibility or liability for any depreciation in the value of any investment or for any loss, direct or indirect, resulting from any investment made in accordance with such direction and written confirmation from the Owner specified in this Section 9.6.

(d) Notwithstanding the foregoing, moneys advanced by the Bondholder and deposited in the Project Account of the Construction Fund shall be immediately disbursed to the title company under the Construction Escrow Agreement for deposit in the Construction Escrow thereunder, and shall not be invested by the Fiscal Agent.

Section 9.7. Arbitrage Covenant. The Owner covenants with the Bondholder and the Issuer that, as long as any of the payment obligations hereunder remain unpaid, moneys on deposit in any Fund, Account or Subaccount in connection with the Bonds, whether or not such moneys were derived from the proceeds of the sale of the Bonds or from any other source, will not be used or invested at the Owner's direction in a manner that will cause the Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Code and the Regulations.

ARTICLE X

CONDITIONS TO APPROVAL OF INITIAL DISBURSEMENTS

All disbursements of Bond proceeds made by the Bondholder to the Fiscal Agent for deposit in the Project Account of the Construction Fund are subject to the prior written approval of the Bondholder as set forth in Articles X (with respect to initial disbursements) and XI (with respect to all disbursements) hereof.

Bond proceeds will be disbursed by the Bondholder to the Fiscal Agent for deposit in the Project Account of the Construction Fund to pay Costs of the Project upon fulfillment of the conditions set forth in Section 2.11 of the Bond Issuance Agreement, and subject to the disbursement requirements of this Article and Article XI hereof.

The Bondholder's approval of the initial disbursement of proceeds of the Loan is subject to the satisfaction of all of the following conditions and delivery of the following documents in form and content acceptable to the Bondholder:

Section 10.1. Documents. All of the documents required to be delivered to the Bondholder or the Fiscal Agent pursuant to this Agreement and the Bond Issuance Agreement shall have been duly authorized, executed and delivered to the Bondholder and the Fiscal Agent, respectively, including, without limitation, the Owner Note, the Bonds, the Owner Collateral Documents and such other agreements or documents as may be required by the Bondholder in its discretion, including, without limitation, such intercreditor, subordination or other agreements between and among the Bondholder and third parties making loans to the Owner secured by mortgages of the Owner's estate in the related Premises.

Section 10.2. Title Policy. An ALTA standard form or equivalent construction loan policy of title insurance (the "Title Policy") issued by Greater Illinois Title Company (the "Title Company"), insuring the lien of the Mortgage with respect to the Premises to be a first priority lien against the Owner's estate in the Premises, subject only to those exceptions as are set forth in the Title Policy and any other exceptions as the Bondholder shall consent to in writing ("Permitted Exceptions"), containing extended coverage over the standard exceptions, including, without limitation, the exceptions for mechanics' lien claims and for matters of survey, and containing a lender's comprehensive endorsement, modified 3.1 zoning endorsement (with parking), mezzanine financing endorsement, location endorsement, survey endorsement, usury endorsement, access, environmental lien endorsement, pending disbursement endorsement and such other special endorsements as the Bondholder may reasonably require, together with copies of recorded documents affecting title to the related Premises.

Section 10.3. Survey. A current survey of the Premises prepared by a surveyor licensed in the State of Illinois in accordance with the current minimum detail requirements of the American Land Title Association and showing the boundaries of the Premises, the location of all improvements thereon, the area of the Premises in square feet, set-back lines, encroachments, easements, rights of way and any other matters of interest to the Bondholder. The survey shall be in such form as is acceptable to the Bondholder and the Title Company, be certified to the Bondholder and the Title Company, and contain a legal description of the Premises. The survey shall also certify that the Premises are situated in an area designated Zone C ("area of minimal flooding") according to the applicable Federal Emergency Management Agency Flood Insurance Rate Maps.

Section 10.4. Documents of Organization/Authority. A true, correct and complete copy of the fully executed Operating Agreements (including all amendments) of the Owner and the Manager Member, and the organizational documents of the Guarantor, together with such additional documentation as the Bondholder deems necessary to evidence the due organization, good standing and authority of the Owner, the Manager Member and the Guarantor, the form and content of which shall be satisfactory to the Bondholder in its discretion.

Section 10.5. Opinions of Counsel. Opinions of Bond Counsel, Issuer's counsel and Owner's counsel, addressing such matters as the Bondholder may request.

Section 10.6. Bondholder's Fees. All fees and expenses of the Bondholder and the Fiscal Agent (if any) in connection with the purchase of the Bonds and the assignment of this Agreement and the Owner Note shall have been paid.

Section 10.7. Searches. Uniform Commercial Code, judgment and federal tax lien searches of the filing offices of the Illinois Secretary of State and Cook County showing all financing statements, tax liens or judgments entered or filed against Owner, the Manager Member, the Guarantor or the Premises, and dated no later than thirty (30) days prior to the date of issuance of the Bonds.

Section 10.8. Development Cost Budget. The Development Cost Budget setting forth all costs associated with the acquisition of the Premises, the completion of the Project and the Project construction schedule shall be approved by the Bondholder in writing, as and to the extent provided in Section 7.10 hereof. Once approved by the Bondholder, any subsequent amendments to the approved Development Cost Budget shall require the further prior written approval of the Bondholder, as and to the extent provided in Section 7.10 hereof.

Section 10.9. Architect's Contract. A copy of the fully executed contract with the Owner's architect for the Project, in form and content acceptable to the Bondholder, and the collateral assignment of the architect's contract to the Bondholder with such assignment acknowledged and consented to by the architect. In addition, Owner shall deliver a certification of the Owner's architect that (a) the Plans and Specifications comply with all applicable laws and ordinances; (b) that the Plans and Specifications are complete in all respects and contain all details requisite for construction of the Project, which, when built in accordance therewith, shall be ready for use and occupancy for its intended purpose in compliance with all applicable laws;

and (c) that the Plans and Specifications were prepared in a manner consistent with accepted architectural practice.

Section 10.10. Plans and Specifications. Plans and Specifications, as approved by the Bondholder, and with evidence of appropriate governmental approvals thereof.

Section 10.11. Operating Documents. Certified copies of all permits, licenses, consents, authorizations, agreements and governmental approvals necessary for the construction of the Project.

Section 10.12. Construction Contract. A general lump sum, firm price or maximum price construction contract between the Owner and the General Contractor for construction of the Project in accordance with the Plans and Specifications, and the collateral assignment of the construction contract to the Bondholder with such assignment acknowledged and consented to by the General Contractor, and the most recent annual audited financial statements and interim unaudited financial statements of the General Contractor.

Section 10.13. Sworn Statements. True, correct and complete copies of the sworn statements of the Owner and the Owner's general contractor, executed and acknowledged and in form and content acceptable to the Bondholder.

Section 10.14. Appraisal; Loan to Value. An appraisal of the Project prepared by a licensed appraiser acceptable to the Bondholder indicating a fair market value of the Project upon stabilization acceptable to the Bondholder in its discretion. If requested by the Bondholder, the Owner shall deliver a letter from the appraiser indicating that the Bondholder is entitled to rely on the appraisal to the same extent as if the appraisal was addressed to the Bondholder. The Appraisal shall support an as-built loan-to-value ratio (principal amount of Bonds to the as-is appraised value of the Project) of at least 80%.

Section 10.15. Additional Funding Sources. The Bondholder shall have approved the form and content of all documentation evidencing or securing the loans from the Additional Funding Sources with respect to the Project, and the Bondholder shall receive evidence satisfactory to the Bondholder in its sole and absolute discretion that the conditions to initial disbursement of each of the loans from each of the Additional Funding Sources have been satisfied or waived, and such loans are available for disbursement to fund Costs of the Project with respect to the Project, and that no failure of condition or default, or event or circumstance that with notice or the passage of time, or both, would constitute a default, under any ordinance, resolution or agreement relating to any such loan from an Additional Funding Source exists. The Bondholder and the Additional Funding Sources shall also have agreed in the related Construction Escrow Agreement or otherwise in writing regarding the priority and, to the extent contemporaneously funded, the ratio in which the proceeds of the Loan and the Additional Funding Sources are to be disbursed to finance Costs of the Project (such agreed to priority or ratio being referred to herein as the "Funding Order").

Section 10.16. Environmental Review. The Bondholder shall have received and approved copies of the Phase I and Phase II environmental site assessment and other reports with respect to the environmental conditions of the Premises, and the No Further Remediation Letter

issued by the Illinois Environmental Protection Agency in connection with the enrollment of the Premises in the Site Remediation Program. If requested by the Bondholder, the Owner shall deliver a letter from the environmental consultant indicating that the Bondholder is entitled to rely on the Phase I and Phase II environmental site assessments to the same extent as if the environmental site assessments were addressed to the Bondholder.

Section 10.17. Bonds. Performance and payment bonds with respect to the Project from the Owner's general contractor and/or its subcontractors with an aggregate penal sum equal to the full amount of the construction contract written on applicable AIA or HUD forms, or other forms satisfactory to the Bondholder, and underwritten by a surety satisfactory to the Bondholder, naming the Bondholder as co-obligee.

Section 10.18. Equity Requirements. The Bondholder shall have determined, in the exercise of its reasonable discretion, that the aggregate of (a) the principal amount of the Loan, plus (b) the amount of all equity contributed by the Owner, plus (c) all funds unconditionally committed by Additional Funding Sources are sufficient to (i) fully Complete the Buildings and related ancillary improvements in the Project and (ii) pay all Costs of the Project identified in the Development Cost Budget, together with other sums due under the Loan Documents.

Section 10.19. Insurance. Evidence of builder's risk insurance coverage related to the Project satisfactory to the Bondholder.

Section 10.20. Financial Statements. The most recent annual audited financial statements and interim unaudited financial statements of the Guarantor.

Section 10.21. Swap Agreement. The forward swap agreement with respect to the Bonds between the Owner and an acceptable swap counterparty for the period when the Bonds bear interest at the Permanent Interest Rate through the Initial Maturity Date.

Section 10.22. Market Study. The market study for the Project.

Section 10.23. Reserved.

Section 10.24. Report of Bondholder's Inspecting Architect. The Bondholder shall have received a written report of its inspecting architect subsequent to review by the inspecting architect, including, without limitation, of the Plans and Specifications, the construction contract between the Owner and general contractor, and the construction schedule for the Project.

Section 10.25. Approval of Members/Material Adverse Financial Change. Each member of the Owner shall be acceptable to the Bondholder and there shall not have occurred any material adverse change in the financial condition of the Owner, the Manager Member, the Investor Member or the Guarantor.

Section 10.26. No Material Litigation. No material litigation shall be pending or threatened against the Owner, the Manager Member or the Guarantor.

ARTICLE XI

CONDITIONS PRECEDENT TO ALL DISBURSEMENTS

Unless otherwise approved by the Bondholder, disbursements of Bond proceeds by the Bondholder to the Fiscal Agent for deposit in the Project Account in the Construction Fund shall be immediately transferred to the Title Company for deposit into the Construction Escrow established pursuant to the Construction Escrow Agreement. Subject to the introductory language of Article X hereof, the Bondholder's approval of each request of the Owner for disbursement of Bond proceeds by the Bondholder to the Fiscal Agent for deposit in the Project Account of the Construction Fund shall be subject to satisfaction of the following conditions:

Section 11.1. No Default. No Default or Event of Default, or event which with the giving of notice or lapse of time or both would constitute a Default or Event of Default shall exist hereunder or under the Bond Issuance Agreement, and the representations and warranties contained in Article VI hereof shall be true and accurate in all material respects as of the date of each disbursement request.

Section 11.2. Draw Request Documents. The Bondholder or, at the Bondholder's direction, the Title Company shall have received and approved the following documents in form acceptable to the Bondholder with each request for a disbursement of a Loan:

(a) a Disbursement Request from the Owner requesting the disbursement, containing any special funding instructions and requesting any necessary changes in the Plans and Specifications, Development Cost Budget or construction schedule;

(b) a current Owner's sworn statement completed and certified showing items of the budgeted Costs of the Project, with amounts previously paid and amounts requested for disbursement;

(c) an "Application for Payment and General Contractor's Sworn Statement" form completed and certified and sworn to by the General Contractor;

(d) partial lien waivers or releases of lien from the Owner's general contractor for the full amount of the requested disbursement, and partial lien waivers or releases of lien from all material suppliers and subcontractors showing, in the case of all draw requests other than the final draw request, full payment through the preceding draw request, and, in the case of the final draw request, for the full amount of the requested disbursement, or copies of such waivers or releases if the originals are delivered to the Title Company in order to obtain the endorsement hereinafter required;

(e) copies of invoices and canceled checks for all reimbursable soft costs;

(f) a Title Company date down and pending disbursement endorsements updating the Bondholder's Title Policy through the date of the immediately preceding disbursement;

(g) copies of invoices and other documents to support the full amount of non-construction cost items contained in the requested disbursement;

(h) certifications from the Owner's architect and the Bondholder's inspecting architect that the work and materials for which payment is requested have been performed or delivered substantially in accordance with the Plans and Specifications and applicable laws and ordinances; certification by the Bondholder's inspecting architect shall be made for the Bondholder's benefit only, and shall not be deemed as an acceptance of the work or a confirmation of the quality of the work and materials performed or supplied; and

(i) such other documentation as may be reasonably requested by the Bondholder.

Section 11.3. Title Endorsements. The Bondholder shall have received a telephonic commitment from the Title Company to issue an endorsement to the Title Policy extending coverage to include the date and the amount of the requested disbursement, without exception for mechanics' liens or claims of liens, or any other matter not previously approved by the Bondholder in writing, and the Bondholder shall have received and approved a written endorsement to its Title Policy covering the immediately previous disbursement.

Section 11.4. Retainage. Each disbursement (other than for materials-only subcontracts) relating to the Project shall be subject to a holdback (the "Retainage") equal to ten percent (10%) of all amounts due the Owner's general contractor and each subcontractor, which will be released upon completion of the Project, and upon satisfaction of the conditions for the final disbursement as set forth in Section 11.10 below.

Section 11.5. Mechanics' Liens and Litigation. There shall be no mechanic's lien claim, litigation or proceeding pending or, to the best of Owner's knowledge, threatened against or affecting the Premises, unless the same are being contested in accordance with Section 7.14 hereof, or any pending litigation which would in any manner materially adversely affect the Premises or the priority or enforceability of the Bonds, the related Owner Note, the Mortgage or the other Owner Collateral Documents or the ability of the Owner to complete the acquisition, construction, and equipping of the Project.

Section 11.6. No Default under Construction Contract or Agreements with Additional Funding Sources. There shall exist no material default, and there shall exist no event or circumstance that with notice or the passage of time or both would constitute a material default, under (a) the Owner's construction contract with the general contractor, or (b) any note, agreement or other document executed in connection with any Additional Funding Source.

Section 11.7. No Default under Operating Agreement. There shall exist no material default under the Operating Agreement, and no event or circumstance shall exist that with notice or the passage of time, or both, would give rise to a material default under the Operating Agreement.

Section 11.8. CHA Loan Funds and LIHTC Deposits to Pay Bonds. Any deposit of (i) CHA Loan funds to be provided by the Chicago Housing Authority and (ii) capital contributions to be made by the Investor Member, in each case, to the extent the same are to be used to pay

principal of and interest on the Bonds in accordance with CHA Loan Agreement and the Operating Agreement, respectively, shall have been made as provided in the Funding Schedule attached as Exhibit F hereto.

Section 11.9. Funding Priorities. The related Additional Funding Sources shall have agreed to fund proceeds of their respective loans in accordance with the construction funding priorities established pursuant to Exhibit F hereto.

Section 11.10. Final Construction Disbursement. The final disbursement and release of Retainage shall be subject to the Bondholder's receipt and approval of the following:

(a) certifications that the acquisition, construction, and equipping of the Project has been completed lien free in substantial compliance with the Plans and Specifications, as well as all applicable laws and ordinances, from the Owner, the Owner's architect and the Bondholder's inspecting architect;

(b) final lien waivers and affidavits from the Owner's general contractor and any other contractors required by the Title Company to issue its final endorsement to the Bondholder's Title Policy insuring over mechanics' and materialmen's liens;

(c) approval of any surety company issuing performance and payment bonds with respect to the Project;

(d) a final and comprehensive endorsement to the Title Policy for the Project with extended coverage;

(e) a certificate of occupancy, or its equivalent, issued by the City of Chicago;

(f) an as-built survey of the Premises and the Project, satisfying the survey standards and requirements set forth in Section 10.3; and

(g) a full size set of as-built plans for the completed Project, or an electronic copy of the as-built plans for the completed Project may be accepted in the Bondholder's sole discretion.

Notwithstanding the foregoing, in no event shall the Bondholder be obligated to approve disbursement requests made subsequent to the Maturity Date.

ARTICLE XII

EVENTS OF DEFAULT AND REMEDIES

Section 12.1. Events of Default. Each of the following shall constitute an "Event of Default" hereunder:

(a) default by the Owner in the due and punctual payment of any amount required to be paid under the Owner Note, this Loan Agreement, the Bond Issuance Agreement, the Owner Collateral Documents or the Bonds, whether by way of principal, interest, fees or

otherwise; provided that such default shall not constitute an Event of Default hereunder if it is cured within five days after written notice thereof to the Owner from the Issuer or the Bondholder;

(b) default in the performance or observance of any of the covenants contained in Sections 7.1, 7.6, 7.7 or 7.14.

(c) default in the performance or observance of any other covenant, agreement or condition (and not constituting an Event of Default under any of the other provisions of this Section 12.1), provided that such default shall not constitute an Event of Default hereunder if it is cured within 30 days after written notice thereof to the Owner from the Issuer or the Bondholder as long as during such period the Owner is using its best efforts to cure such default and such default can be cured within such period;

(d) any Event of Default (which Event of Default continues beyond all applicable notice and cure periods) under the Bond Issuance Agreement or any of the Owner Documents shall occur;

(e) any representation or warranty made by the Owner herein or in any of the Owner Documents is false or misleading in any material respect when made, or any schedule, certificate, financial statement, report, notice or other writing furnished by the Owner to the Issuer or the Bondholder is false or misleading in any material respect on the date as of which the facts therein set forth are stated or certified (or deemed stated or certified);

(f) the dissolution or liquidation of the Owner, the Manager Member, the Developer or, prior to the date that the Project is Complete, the Guarantor (collectively the "Principal Parties," and individually the "Principal Party," as the context requires); the filing by any Principal Party of a voluntary petition in bankruptcy, whether under Title 11 of the United States Code or otherwise; the failure by any Principal Party promptly to lift any execution, garnishment or attachment of such consequence as will impair its ability to carry on its obligations hereunder; the entering of an order for relief under Title 11 of the United States Code, as amended from time to time, against such Principal Party unless such order is discharged or denied within 90 days after the filing thereof; if a petition or answer proposing the entry of an order for relief under Title 11 of the United States Code, as amended from time to time, is entered by or against such Principal Party, or if a petition or answer proposing the entry of an order for relief under Title 11 of the United States Code, as amended from time to time, or its reorganization, arrangement or debt readjustment under any present or future federal bankruptcy act or any similar federal or state law shall be filed by or against such Principal Party in any court, and such petition or answer shall not be discharged or denied within 90 days after the filing thereof; if a Principal Party shall fail generally to pay its debts as they become due; if a custodian (including a receiver, trustee or liquidator of a Principal Party) shall be appointed for or take possession of all or a substantial part of its property, and shall not be discharged within 90 days after such appointment or taking possession; if a Principal Party shall consent to or acquiesce in such appointment or taking of possession, or assignment by such Principal Party for the benefit of its creditors; the entry by a Principal Party into an agreement of composition with its creditors;

(g) default in the payment when due (subject to any applicable grace period), whether by acceleration or otherwise, of any other Indebtedness (in excess of \$100,000) of, or guaranteed by, the Owner, or default in the performance or observance of any obligation or condition with respect to any such other Indebtedness if the effect of such default is to accelerate the maturity of any such Indebtedness or cause any of such Indebtedness to be prepaid, purchased or redeemed, or to permit the holder or holders thereof, or any trustee or agent for such holder or holders, to cause such Indebtedness to become due and payable, prior to its expressed maturity, or to cause such Indebtedness to be prepaid, purchased or redeemed;

(h) default in the payment when due, or in the performance or observance, of any material obligation of, or condition agreed to by, the Owner with respect to any material purchase or lease of goods or services (except only to the extent that the Owner is contesting the existence of any such default in good faith and by appropriate proceedings subject to applicable notice and cure provisions, if any); or

(i) there shall be entered against the Owner one or more judgments or decrees in excess of \$100,000 in the aggregate at any one time outstanding for the Owner, excluding those judgments or decrees (i) that shall have been stayed, vacated or bonded, (ii) for and to the extent to which the Owner is insured and with respect to which the insurer specifically has assumed responsibility in writing, or (iii) for and to the extent to which the Owner is otherwise indemnified if the terms of such indemnification are satisfactory to the Issuer and the Bondholder; or

(j) a material default or material event of default shall occur under any of the documents evidencing, securing or executed in connection with, any loan made by any Additional Funding Source with respect to the Project, including, without limitation, any promissory notes, mortgages or agreements containing covenants, conditions and restrictions, which default is not cured before the lapse of any applicable cure period; or

(k) a default or event of default shall occur under the Operating Agreement, the effect of which is to materially delay payment of an Investor Member capital contribution, which delay will have a material adverse effect on the Project, which default is not cured before the lapse of any applicable cure period.

Notwithstanding anything to the contrary herein, the Bondholder hereby agrees that any cure of any default by the Owner made or tendered by one or more of the Owner's members (including, without limitation, the Investor Member) shall be deemed a cure by the Owner and shall be accepted or rejected on the same basis as if made or tendered by the Owner. Additionally, Bondholder agrees to standstill on its remedies discussed in Section 12.2 if and to the extent the Bondholder has not given at least fifteen (15) days' written notice to the Investor Member of the occurrence of an Event of Default.

Section 12.2. Remedies on Default. If any one or more of the foregoing Events of Default shall occur, then the Bondholder (as assignee of the Issuer pursuant to the Bond Issuance Agreement) shall have the right, but not the obligation, and without notice, to exercise any one or more of the following rights and remedies, at any time and from time to time, singularly,

successively or collectively, and in such order and when and as often as may from time to time be determined:

(a) The Bondholder may exercise any right, power or remedy permitted to it by law as a holder of the Owner Note, including the right to declare the entire principal of and all unpaid interest accrued on the Owner Note to be, and upon written notice to the Owner (with a copy to the Issuer) of such declaration such Owner Note and the unpaid accrued interest thereon shall become, due and payable, without presentment, demand or protest, all of which are hereby expressly waived. The Owner shall forthwith pay to the Bondholder the entire principal of and interest accrued on the Owner Note. There shall be automatically waived, rescinded and annulled such declaration of acceleration of the Owner Note and the consequences thereof when any declaration of acceleration of the Bonds pursuant to Section 7.02 of the Bond Issuance Agreement has been waived, rescinded and annulled.

(b) The Bondholder may take whatever action at law or in equity that may appear necessary or desirable to collect the payments and other amounts then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Owner under this Loan Agreement or the other Owner Collateral Documents.

(c) The Bondholder may direct the Fiscal Agent to withhold further disbursements of proceeds made available to the Owner hereunder.

If the Bondholder shall have proceeded to enforce its rights under this Loan Agreement, the Owner Note, the Owner Collateral Documents or the Security for the Bonds, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Bondholder, then and in every such case the Owner, the Issuer and the Bondholder shall be restored, respectively, to their several positions and rights hereunder and thereunder, and all rights, remedies and powers of the Owner, the Issuer and the Bondholder shall continue as though no such proceeding had been taken.

If there shall be pending proceedings for the bankruptcy or for the reorganization of the Owner under the federal bankruptcy laws or any other applicable law, or in case a custodian, receiver or trustee shall have been appointed for any of the Property of the Owner, or in the case of any other similar judicial proceedings relative to the Owner, or to the creditors or Property of the Owner, the Issuer and the Bondholder shall be entitled and empowered, by intervention in such proceedings or otherwise, to file and prove a claim or claims for the whole amount owing and unpaid pursuant to the Owner Note and this Loan Agreement, and, in case of any judicial proceedings, to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Issuer and the Bondholder allowed in such judicial proceedings relative to the Owner, its creditors or its Property, and to collect and receive any moneys or other property payable or deliverable on such claims, and to distribute the same after the deduction of its charges and expenses; and any custodian, receiver, assignee or trustee in bankruptcy or reorganization is hereby authorized to make such payments to the Issuer and the Bondholder, and to pay to the Issuer and the Bondholder any amount due it for compensation and expenses, including attorneys' and paralegals' fees, costs, disbursements and expenses incurred by it up to the date of such distribution.

Section 12.3. Right to Perform Covenants; Advances. (a) Notwithstanding anything to the contrary contained herein, if the Owner shall fail to make any payment or perform any act required to be made or performed by it hereunder, then and in each such case the Issuer or the Bondholder, upon not less than 15 days' prior written notice to the Owner, may (but shall not be obligated to) remedy such failure for the account of the Owner, and make advances for that purpose. If such failure involves, has caused or threatens to cause a condition that must, in the opinion of the Issuer or the Bondholder, be cured immediately, the Issuer or the Bondholder may remedy such failure without prior notice to the Owner. No such performance or advance shall operate to release the Owner from any such default and any sums so advanced shall be repayable by the Owner on demand, and shall bear interest at the Past Due Rate. The Issuer agrees that the Bondholder, in its name or in the name of the Issuer, may enforce all rights of the Issuer and all obligations of the Owner under and pursuant to this Loan Agreement, and the Issuer will not enforce such rights and obligations itself except at the written direction of the Bondholder, in each case whether or not the Issuer is in Default under the Bond Issuance Agreement; provided, however, that the Issuer hereby reserves to itself the right to enforce all Issuer Reserved Rights.

(b) Intentionally Omitted.

Section 12.4. Costs and Expenses.

(a) The Owner agrees to pay on demand all of the reasonable out-of-pocket costs and expenses of the Issuer (including the reasonable fees and out-of-pocket expenses of the Issuer's counsel, Bond Counsel, the Bondholder's counsel and local counsel, if any, who may be retained by said counsel) in connection with the preparation, negotiation, execution, delivery and administration of this Loan Agreement, the Owner Note, the Owner Collateral Documents or the Security for the Bonds and all other agreements, certificates, instruments or documents provided for herein or delivered or to be delivered hereunder or in connection herewith (including all amendments, supplements, modifications, restatements and waivers executed and delivered pursuant hereto or in connection herewith). The Owner further agrees that the Issuer, in its sole discretion, may deduct all such unpaid amounts from the aggregate proceeds of the Owner Note.

(b) The costs, fees, disbursements and expenses that the Issuer incurs with respect to the following shall be part of the Liabilities, payable by the Owner on demand if, at any time after the date of this Loan Agreement, the Issuer: (i) employs counsel for advice or other representation (A) with respect to the amendment or enforcement of this Loan Agreement, the Owner Note, the Owner Collateral Documents or the Security for the Bonds, (B) to represent the Issuer in any work-out or any type of restructuring of the Owner Note or the Bonds, or any litigation, contest, dispute, suit or proceeding or to commence, defend or intervene or to take any other action in or with respect to any litigation, contest, dispute, suit or proceeding (whether instituted by the Issuer, the Bondholder, the Owner or any other Person) in any way or respect relating to this Loan Agreement, the Owner Note, the Owner Collateral Documents, the Security for the Bonds or the Owner's affairs, or any collateral securing the Liabilities hereunder, or (C) to enforce any of the rights of the Issuer with respect to the Owner; and/or (ii) seeks to enforce or enforces any of the rights and remedies of the Issuer with respect to the Owner. Without limiting the generality of the foregoing, such expenses, costs, charges, disbursements and fees include: fees, costs, disbursements and expenses of attorneys, accountants and

consultants; court costs and expenses; court reporter fees, costs and expenses; long distance telephone charges; and telegram and facsimile charges.

(c) The Owner agrees to pay on demand, and to save and hold the Issuer harmless from all liability for, any stamp or other taxes that may be payable in connection with or related to the execution or delivery of this Loan Agreement, the Owner Note, the Owner Collateral Documents, the Security for the Bonds, the Bonds or of any other agreements, certificates, instruments or documents provided for herein or delivered or to be delivered hereunder or in connection herewith.

(d) All of the Owner's obligations provided for in this Section 12.4 shall be Liabilities and shall survive repayment of the Bonds and the Owner Note, cancellation of the Bonds and the Owner Note, or any termination of this Loan Agreement or any related document.

Section 12.5. Exercise of Remedies. No remedy herein conferred upon or reserved to the Issuer or the Bondholder is intended to be exclusive of any other available remedy, but each and every such remedy shall be cumulative and in addition to every other remedy given under this Loan Agreement, the Owner Note, the Owner Collateral Documents, if any, or the Security for the Bonds, or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power 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. In order to entitle the Issuer or the Bondholder to exercise any remedy reserved to it in this Article XII, it shall not be necessary to give any notice, other than such notice as may be herein expressly required. Such rights and remedies as are given the Issuer hereunder shall also extend to the Bondholder to the extent applicable, and the Bondholder shall be deemed a third-party beneficiary of all covenants and agreements herein contained.

Section 12.6. Default by Issuer; Limited Liability. Notwithstanding any provision or obligation to the contrary herein set forth, no provision of this Loan Agreement shall be construed so as to give rise to a pecuniary liability of the Issuer or a charge upon the general credit of the Issuer. The liability of the Issuer hereunder shall be limited to its interest in this Loan Agreement, the Owner Note, the Owner Collateral Documents, if any, and the Security for the Bonds, and the Lien of any judgment shall be restricted thereto. In the performance of the agreements of the Issuer herein contained, any obligation it may incur for the payment of money shall not be a debt of the Issuer, and the Issuer shall not be liable on any obligation so incurred. The Issuer does not assume general liability for the repayment of the Bonds or for the costs, fees, penalties, taxes, interest, commissions, charges, insurance or any other payments recited herein, and the Issuer shall be obligated to pay the same only out of Revenues. The Issuer shall not be required to do any act whatsoever, or exercise any diligence whatsoever, to mitigate the damages to the Owner if an Event of Default shall occur hereunder.

Section 12.7. Application of Funds. All funds received by the Bondholder are subject to the rights given or action taken under the provisions of Article VII of the Bond Issuance Agreement. Notwithstanding any other provision of this Loan Agreement or the Bond Issuance Agreement to the contrary, funds received by the Bondholder may be applied (a) as long as an Event of Default has not occurred and is not continuing, to the payments and other amounts, if

any, then due under the Owner Note or, if all such payments and other amounts, if any, have been paid, the same may be applied as directed by the Owner (subject to the restrictions of the Land Use Restriction Agreements and the Tax Certificate), and (b) if an Event of Default has occurred and is continuing, as directed and in such order as determined by the Bondholder.

ARTICLE XIII

INDEMNIFICATION

Section 13.1. Indemnification of Issuer and Fiscal Agent. (a) Except as otherwise provided below and subject to Section 14.1 hereof, the Issuer and the Fiscal Agent, and each of their officers, agents, independent contractors, employees, successors and assigns, and, in the case of the Issuer, its elected and appointed officials, past, present or future (hereinafter the "Indemnified Persons"), shall not be liable to the Owner for any reason. Unless caused by the gross negligence or intentional misconduct of an Indemnified Party, the Owner shall defend, indemnify and hold the Indemnified Persons harmless from any loss, claim, damage, tax, penalty or expense (including, but not limited to, reasonable counsel fees, costs, expenses and disbursements), or liability (other than with respect to payment of the principal of or interest on the Owner Note) of any nature due to any and all suits, actions, legal or administrative proceedings, or claims arising or resulting from, or in any way connected with: (i) the financing, installation, operation, use or maintenance of the Project; (ii) any act, failure to act, or misrepresentation by the Owner or any member of the Owner, or any Person acting on behalf of, or at the direction of, the Owner or any member of the Owner, in connection with the issuance, sale or delivery of the Bonds; (iii) any false or misleading representation made by the Owner in the Owner Documents; (iv) the breach by the Owner of any covenant contained in the Owner Documents, or the failure of the Owner to fulfill any such covenant which are not cured within all applicable notice and cure periods; (v) enforcing any obligation or liability of the Owner under this Loan Agreement, the Owner Note, the Owner Collateral Documents, the Security for the Bonds or the Owner Documents, or any related agreement; (vi) taking any action requested by the Owner; (vii) taking any action reasonably required by the Owner Documents; or (viii) taking any action considered necessary by the Issuer or the Fiscal Agent, and which is authorized by the Owner Documents. If any suit, action or proceeding is brought against any Indemnified Person, the interests of the Indemnified Person in that suit, action or proceeding shall be defended by counsel to the Indemnified Person or the Owner, as the Indemnified Person shall determine. If such defense is by counsel to the Indemnified Person, the Owner shall indemnify and hold harmless the Indemnified Person for the cost of that defense, including counsel fees, disbursements, costs and expenses. If the Indemnified Persons affected by such suit determine that the Owner shall defend the Indemnified Persons, the Owner shall immediately assume the defense at its own cost. Neither the Indemnified Persons nor the Owner shall be liable for any settlement of any proceeding made without each of their consent. In no event shall the Owner be liable to an Indemnified Person for its own willful misconduct or gross negligence.

(b) Any provision of this Loan Agreement or any other instrument or document executed and delivered in connection therewith to the contrary notwithstanding, the Issuer retains the right to enforce: (i) any applicable federal or state law or regulation or resolution of the Issuer; and (ii) any rights accorded the Issuer by federal or state law or

regulation or resolution of the Issuer, and nothing in this Loan Agreement shall be construed as an express or implied waiver thereof.

(c) If the Indemnified Persons are requested by the Owner to take any action under this Loan Agreement or any other instrument executed in connection herewith for the benefit of the Owner, they will do so if and only if: (i) the Indemnified Persons are a necessary party to any such action; (ii) the Indemnified Persons have received specific written direction from the Owner, as required hereunder or under any other instrument executed in connection herewith, as to the action to be taken by the Indemnified Persons; and (iii) a written agreement of indemnification and payment of costs, liabilities and expenses satisfactory to the Indemnified Persons has been executed by the Owner prior to the taking of any such action by the Indemnified Persons.

(d) The obligations of the Owner under this Section 13.1 shall survive any assignment or termination of this Loan Agreement and, as to the Fiscal Agent, any resignation or removal of the Fiscal Agent.

(e) Indemnification of the Issuer by the Owner with respect to environmental matters shall be governed exclusively by the terms and provisions of the Environmental Indemnity Agreement.

ARTICLE XIV

MISCELLANEOUS

Section 14.1. Non-recourse Liability; Exceptions. Subject to the terms contained in the next succeeding paragraph, the covenants and agreements contained in this Loan Agreement and the Owner Note shall be non-recourse to the Owner and all members thereof, and in the event of a default hereunder or under any related document, the sole source of satisfaction of repayment of the amounts due to the Issuer and the Bondholder hereunder and under the Owner Note shall be limited to the rights of the Issuer and Bondholder hereunder and under the Owner Documents, as well as under any guarantees.

Notwithstanding the immediately preceding paragraph, nothing in this Loan Agreement, in the Owner Note, in the Owner Collateral Documents or in the Security for the Bonds shall limit the rights of the Issuer or the Bondholder, following any of the events hereinafter described, to take any action as may be necessary or desirable to pursue the Owner, the Manager Member, (prior to the date the Project is Complete, the Guarantor) or the Developer for any and all losses incurred by the Issuer or the Bondholder arising from (i) a material misrepresentation, fraud made in writing or misappropriation of funds by the Owner, the Manager Member, the Guarantor or the Developer; (ii) intentional or material waste to the Premises; (iii) use of proceeds of the Loan for costs other than Costs of the Project, (iv) except as may be permitted herein, any transfer of title to all or any portion of the Project without the Issuer's and the Bondholder's prior written consent; (v) the misappropriation or misapplication of insurance proceeds or condemnation awards relating to the Project by the Owner, the Manager Member or the Developer; (vi) the recovery of rents more than one-month in advance in violation of the Owner Collateral Documents; (vii) any indemnity by the Owner or any other party, any guaranties,

completion agreements and any similar rights to payment and performance that have been or may be executed, or that have been or may be granted, by the Owner or any other party in connection with the Loan; or (viii) the default by Owner or the Manager Member in the performance of their respective obligations under this Loan Agreement or the Owner Note relating to preserving the condition of the Premises or the enforceability or priority of the Issuer's or the Bondholder's interest in the Security for the Bonds, including obligations to pay all taxes and charges that may affect or become a lien on the Premises, to maintain the Premises and all insurance in accordance with this Loan Agreement and to repay all sums advanced by Issuer or Bondholder for any such purposes.

Section 14.2. Severability. If any provision of this Loan Agreement shall be held or deemed to be, or shall, in fact, be, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution, statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatsoever. The invalidity of any one or more phrases, sentences, clauses or Sections contained in this Loan Agreement shall not affect the remaining portions of this Loan Agreement, or any part thereof; provided, however, that no holding of invalidity shall require the Issuer to make any payment from any moneys other than Revenues.

Section 14.3. Notices. Any notice, request, complaint, demand, communication or other paper shall be in writing and shall be sufficiently given and shall be deemed given when delivered or mailed by registered or certified mail, postage prepaid, return-receipt requested, or overnight courier service, addressed as follows:

If to the Issuer:	City of Chicago, Illinois Office of Corporation Counsel City Hall, Room 600 121 N. LaSalle Street Chicago, Illinois 60602
With a copy to:	City of Chicago, Illinois Department of Finance 33 N. LaSalle Street, Suite 600 Chicago, Illinois 60602 Attention: Comptroller
If to the Owner:	St. Edmund's Oasis, LLC 6105 S. Michigan Avenue Chicago, IL 60637 Attention: Deputy Director

With a copy to:	Albert Whitehead, P.C. 10 N. Dearborn Suite 600 Chicago, Illinois 60602 Attention: Patricia Holland
With a copy to:	Applegate & Thorne-Thomsen, P.C. 626 W. Jackson Street, Suite 400 Chicago, Illinois 60661 Attention: Warren P. Wenzloff
With a copy to:	c/o Alden Capital Partners, LLC 15260 Ventura Blvd, Suite 600 Los Angeles, CA 91403 Attention: Jeffrey N. Weiss
If to the Fiscal Agent:	BMO Harris Bank N.A. Community Development Lending Group 111 W. Monroe St., Suite 2E Chicago, Illinois 60603 Attention: Allison Porter-Bell
If to the Bondholder:	At the address shown in the books of the Bond Registrar
With copies to:	<p>BMO Harris Bank N.A. Community Development Lending Group 111 W. Monroe St., Suite 2E Chicago, Illinois 60603 Attention: Allison Porter-Bell</p> <p>Greenberg Traurig, LLP 77 West Wacker Drive Chicago, Illinois 60601 Attention: Matthew Lewin, Esq.</p>

A duplicate copy of each notice required to be given hereunder by the Bondholder or the Fiscal Agent to the Issuer or the Owner shall also be given to the others. The Issuer, the Owner, the Fiscal Agent and the Bondholder may designate any further or different addresses to which subsequent notices, requests, complaints, demands, communications and other papers shall be sent.

Section 14.4. Assignments. Except as otherwise expressly provided herein, this Loan Agreement may not be assigned by any party without the consent of the other and the Bondholder, except that the Issuer shall assign to the Bondholder certain of its rights under this Loan Agreement as provided by Section 4.2 hereof, and the Bondholder may assign such rights to its successors and assigns as owner of the Bonds.

Section 14.5. Counterparts. This Loan Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument; provided, however, that for purposes of perfecting a security interest in this Loan Agreement under Article 9 of the Illinois Uniform Commercial Code, only the counterpart delivered, pledged and assigned to the Bondholder shall be deemed the original.

Section 14.6. Amounts Remaining in the Bond Issuance Agreement Funds. It is agreed by the parties hereto that after payment in full of: (a) the principal of and interest on the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Bond Issuance Agreement); (b) the fees, charges, disbursements, costs and expenses of the Bondholder and the Fiscal Agent in accordance with the Bond Issuance Agreement; and (c) all other amounts required to be paid under this Loan Agreement, the Owner Note and the Bond Issuance Agreement, then any amounts remaining in any of the Funds or Accounts created under the Bond Issuance Agreement shall be paid by the Fiscal Agent as follows: (i) first, to the Issuer to the extent of any moneys owed by the Owner to the Issuer pursuant to the Bond Documents, and (ii) second, to the Owner.

Section 14.7. Amendments, Changes and Modifications. Subsequent to the initial issuance of the Bonds and prior to their payment in full (or provision for payment thereof having been made in accordance with the provisions of the Bond Issuance Agreement), this Loan Agreement may not be effectively amended, changed, modified, altered or terminated without the written consent of the Bondholder and, with respect to the Issuer Reserved Rights, the Issuer.

Section 14.8. Governing Law; Jury Trial. This Loan Agreement and the Owner Note, and the rights and obligations of the parties hereunder and thereunder, shall be construed in accordance with, and shall be governed by, the laws of the State of Illinois, without regard to its conflict of laws principles.

THE OWNER HEREBY IRREVOCABLY WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING (I) TO ENFORCE OR DEFEND ANY RIGHTS UNDER OR IN CONNECTION WITH THIS LOAN AGREEMENT OR THE OWNER NOTE, OR ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED, OR WHICH MAY IN THE FUTURE BE DELIVERED, IN CONNECTION HERewith OR THEREWITH, OR (II) ARISING FROM ANY DISPUTE OR CONTROVERSY IN CONNECTION WITH OR RELATED TO THIS LOAN AGREEMENT OR THE OWNER NOTE, OR ANY SUCH AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT, AND AGREES THAT ANY SUCH ACTION OR COUNTERCLAIM SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

THE OWNER IRREVOCABLY AGREES THAT, SUBJECT TO THE ISSUER'S SOLE AND ABSOLUTE ELECTION, ANY ACTION OR PROCEEDING IN ANY WAY, MANNER OR RESPECT ARISING OUT OF THIS LOAN AGREEMENT, THE OWNER NOTE, THE OWNER COLLATERAL DOCUMENTS AND THE SECURITY FOR THE BONDS, OR ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HERewith OR THEREWITH, OR ARISING FROM ANY DISPUTE OR

CONTROVERSY ARISING IN CONNECTION WITH OR RELATED TO THIS LOAN AGREEMENT, THE OWNER NOTE, THE OWNER COLLATERAL DOCUMENTS AND THE SECURITY FOR THE BONDS, OR ANY SUCH AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT, SHALL BE LITIGATED ONLY IN THE COURTS HAVING SITUS WITHIN THE CITY OF CHICAGO, STATE OF ILLINOIS, AND THE OWNER HEREBY CONSENTS AND SUBMITS TO THE JURISDICTION OF ANY LOCAL, STATE OR FEDERAL COURT LOCATED WITHIN SUCH CITY AND STATE. THE OWNER HEREBY WAIVES ANY RIGHT IT MAY HAVE TO TRANSFER OR CHANGE THE VENUE OF ANY LITIGATION BROUGHT AGAINST IT IN ACCORDANCE WITH THIS SECTION.

Section 14.9. Term of Loan Agreement. This Loan Agreement shall be in full force and effect from the date hereof, and shall continue in effect until the indefeasible payment in full of all Liabilities. All representations, certifications and covenants by the Owner as to the indemnification of various parties (including, without limitation, the Issuer and the Issuer Indemnified Persons) and the payment of fees and expenses of the Issuer as described herein, and all matters affecting the tax-exempt status of the Bonds shall survive the termination of this Loan Agreement and the payment in full of the Owner Note and the Bonds.

Section 14.10. Bond Issuance Agreement Provisions. The Bond Issuance Agreement provisions concerning the Bonds and the other matters therein are an integral part of the terms and conditions of the Loan made by the Issuer to the Owner pursuant to this Loan Agreement, and the execution of this Loan Agreement shall constitute conclusive evidence of approval of the Bond Issuance Agreement by the Owner to the extent it relates to the Owner and the Project. Additionally, the Owner agrees that, whenever the Bond Issuance Agreement by its terms imposes a duty or obligation upon the Owner, such duty or obligation shall be binding upon the Owner to the same extent as if the Owner were an express party to the Bond Issuance Agreement, and the Owner hereby agrees to carry out and perform all of its obligations under the Bond Issuance Agreement as fully as if the Owner were a party to the Bond Issuance Agreement.

Section 14.11. Binding Effect. This Loan Agreement shall inure to the benefit of and shall be binding upon the Issuer and the Owner, and their respective successors and assigns; subject, however, to the limitations contained in Section 4.2 hereof.

Section 14.12. Immunity of Issuer's Officers. No recourse shall be had for the payment of any principal of or interest on the Bonds, or for any obligation, covenant or agreement contained in this Loan Agreement, against any past, present or future officer, member, supervisor, director, agent or employee of the Issuer, or any successor entity, as such, either directly or through the Issuer or any such successor entity, 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 officer, member, supervisor, director, agent or employee as such is hereby expressly waived and released as a condition of, and in consideration for, the execution and delivery of this Loan Agreement.

Section 14.13. Participations. (a) The Owner acknowledges that the Bondholder shall have the right to grant participations in the Bonds and the Owner Note, pursuant to the Bond

Issuance Agreement, all without notice to or consent from the Owner. No holder of a participation in the Bonds or the Owner Note shall have any rights under this Loan Agreement.

(b) The Owner hereby consents to the disclosure of any information obtained in connection herewith by the Issuer to any Person that is a participant or potential participant pursuant to clause (a) above, it being understood that the Issuer and its assigns shall advise any such Person of its obligation to keep confidential any nonpublic information disclosed to it pursuant to this Section 14.13. The Issuer shall advise the Owner of each Person that becomes a participant pursuant to clause (a) above.

Section 14.14. Waivers. If any agreement contained in this Loan Agreement should be breached by the Owner and thereafter waived in writing by the Issuer or the Bondholder, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder. For any waiver hereunder to be effective, such shall be in writing and signed by an authorized representative of the party granting the waiver. granting the waiver.

Section 14.15. Patriot Act Notification.

(a) As of the date of this Loan Agreement the Owner is, and during the term of this Loan Agreement the Owner shall remain, in full compliance with all the applicable laws and regulations of the United States of America that prohibit, regulate or restrict financial transactions, including, but not limited to, conducting any activity or failing to conduct any activity, if such action or inaction constitutes a money laundering crime, including any money laundering crime prohibited under the Money Laundering Control Act, 18 U. S. C. 1956, 1957, or the Bank Secrecy Act, 31 U. S. C. 5311 et seq. and any amendments or successors thereto and any applicable regulations promulgated thereunder.

(b) The Owner represents and warrants that: (a) neither it, nor any of its members, or any officer, director or employee, is named as a "Specially Designated National and Blocked Person" as designated by the United States Department of the Treasury's Office of Foreign Assets Control, or as a person, group, entity or nation designated in Presidential Executive Order 13224 as a person who commits, threatens to commit, or supports terrorism; (b) it is not owned or controlled, directly or indirectly, by the government of any country that is subject to a United States Embargo; and (c) it is not acting, directly or indirectly, for or on behalf of any person, group, entity or nation named by the United States Treasury Department as a "Specially Designated National and Blocked Person," or for or on behalf of any person, group, entity or nation designated in Presidential Executive Order 13224 as a person who commits, threatens to commit, or supports terrorism; and that it is not engaged in this transaction directly or indirectly on behalf of, or facilitating this transaction directly or indirectly on behalf of, any such person, group, entity or nation.

(c) The Owner acknowledges that it understands and has been advised by its own legal counsel as to the requirements of the applicable laws referred to above, including the Money Laundering Control Act, 18 U. S. C. 1956, 1957, the Bank Secrecy Act, 31 U. S. C. 5311 et seq., the applicable regulations promulgated thereunder, and the Foreign Assets Control Regulations, 31 C. F. R. Section 500 et seq.

Section 14.16. Entire Agreement. This Loan Agreement, together with the Owner Note, the Owner Collateral Documents, the Security for the Bonds, the Bonds and the Bond Issuance Agreement, constitutes the entire agreement among the parties with respect to the subject matter hereof, and supersedes all written or oral understandings with respect thereto.

[Signatures Appear on Following Page]

IN WITNESS WHEREOF, the parties have executed this instrument as of the date first above written.

[SEAL]

CITY OF CHICAGO

By: _____

ATTEST:

Susana A. Mendoza

ST. EDMUND'S OASIS, LLC,
an Illinois limited liability company

By: **St. Edmund's Oasis MM, LLC,**
an Illinois limited liability company,
its Manager Member

By: **St. Edmund's Oasis II Inc.,**
an Illinois corporation,
its manager

By: _____
Rev. Richard L. Tolliver,
President

Acknowledged and agreed to:

BMO HARRIS BANK N.A.,
as Bondholder

By: _____
Its: _____

[SIGNATURE PAGE TO LOAN AGREEMENT]

IN WITNESS WHEREOF, the parties have executed this instrument as of the date first above written.

CITY OF CHICAGO

(SEAL)

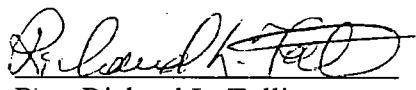
By: _____

ATTEST:

ST. EDMUND'S OASIS, LLC,
an Illinois limited liability company

By: **St. Edmund's Oasis MM, LLC,**
an Illinois limited liability company,
its Manager Member

By: **St. Edmund's Oasis II Inc.,**
an Illinois corporation,
its manager

By: 
Rev. Richard L. Tolliver,
President

Acknowledged and agreed to:

BMO HARRIS BANK N.A.,
as Bondholder

By: _____
Its:

[SIGNATURE PAGE TO LOAN AGREEMENT]

IN WITNESS WHEREOF, the parties have executed this instrument as of the date first above written.

CITY OF CHICAGO

[SEAL]

By: _____

ATTEST:

ST. EDMUND'S OASIS, LLC,
an Illinois limited liability company

By: **St. Edmund's Oasis MM, LLC,**
an Illinois limited liability company,
its Manager Member

By: **St. Edmund's Oasis II Inc.,**
an Illinois corporation,
its manager

By: _____
Rev. Richard L. Tolliver,
President

Acknowledged and agreed to:

BMO HARRIS BANK N.A.,
as Bondholder

By: *William H. Bell*
Its: *William H. Bell*
Vice President

[SIGNATURE PAGE TO LOAN AGREEMENT]

NON-RECOURSE ASSIGNMENT

With the exception of the Issuer Reserved Rights, the interest of the CITY OF CHICAGO in this Loan Agreement and all amounts receivable hereunder have been assigned, without recourse, to BMO HARRIS BANK N.A., the registered owner of the Bonds. For purposes of Article 9 of the Illinois Uniform Commercial Code, the counterpart of this Loan Agreement pledged, delivered and assigned to the Bondholder shall be deemed the original.

CITY OF CHICAGO

By: 

Its:

EXHIBIT A-1
FORM OF OWNER NOTE

\$10,220,000

December 14, 2015

CHICAGO, ILLINOIS

The undersigned, FOR VALUE RECEIVED, promise to pay to the order of the CITY OF CHICAGO (the "Issuer"), at the principal office of BMO HARRIS BANK N.A. in Chicago, Illinois, TEN MILLION TWO HUNDRED TWENTY THOUSAND DOLLARS (\$10,220,000) or, if less, the aggregate unpaid principal balance of the Loan (as defined in the hereinafter defined Loan Agreement) made by the Issuer to the undersigned pursuant to the Loan Agreement, due and payable on the Maturity Date (as defined in the Loan Agreement) or at such earlier time as provided in the Loan 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 and on the dates specified in the Loan Agreement. Principal of and interest on this Bond shall be payable at such times and in such amounts as shall be sufficient to pay the Issuer's Bonds issued under the Bond Issuance Agreement dated as of December 1, 2015 among the Issuer, BMO Harris Bank N.A., and BMO Harris Bank N.A., as Fiscal Agent.

Payments of principal and interest are to be made in lawful money of the United States of America in same day or immediately available funds.

This Owner Note is the "Owner Note" described in, and is subject to the terms and provisions of, a Loan Agreement, dated as of December 1, 2015 (as the same may at any time be amended or modified and in effect, the "Loan Agreement"), between the undersigned and the Issuer, and payment of this Owner Note is secured as described in the Loan Agreement. Reference is hereby made to the Loan 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 Owner Note may be accelerated. Upon the occurrence of any Event of Default as specified in the Loan Agreement, the unpaid principal balance hereof, and interest accrued hereon, may be declared to be forthwith due and payable.

In addition to, and not in limitation of, the foregoing and the provisions of the Loan 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 Owner Note in endeavoring to collect any amounts payable hereunder which are not paid when due, whether by acceleration or otherwise.

Subject to certain limitations set forth in Section 14.1 of the Loan Agreement, this Owner Note shall be non-recourse with respect to the undersigned and its members.

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

THIS OWNER NOTE HAS BEEN DELIVERED IN CHICAGO, ILLINOIS, AND SHALL BE DEEMED TO BE A CONTRACT MADE UNDER AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF ILLINOIS.

ST. EDMUND'S OASIS, LLC,
an Illinois limited liability company

By: **St. Edmund's Oasis MM, LLC,**
an Illinois limited liability company,
its Manager

By: **St. Edmund's Oasis II Inc.,**
an Illinois corporation,
its manager

By: _____
Rev. Richard L. Tolliver,
President

NON-RECOURSE ENDORSEMENT

Pay to the order of BMO Harris Bank N.A., without recourse against the undersigned.

CITY OF CHICAGO

By: _____

EXHIBIT B

COSTS OF PROJECT

See Tax Certificate.

EXHIBIT C

FORM OF DISBURSEMENT REQUEST

BMO Harris Bank N.A.,
as Fiscal Agent
Community Development Lending Group
111 W. Monroe St., Suite 2E
Chicago, Illinois 60603
Attention: Allison Porter-Bell

Ladies and Gentlemen:

This Disbursement Request is delivered to you pursuant to Section 9.5 of the Loan Agreement, dated as of December 1, 2015 (as amended or modified, the "Loan Agreement"), between St. Edmund's Oasis, LLC, an Illinois limited liability company (the "Owner"), and the City of Chicago (the "Issuer"). Unless otherwise defined herein, capitalized terms used herein have the meanings provided in the Loan Agreement.

The undersigned, on behalf of the Owner, hereby requests that a disbursement be made in the aggregate principal amount of \$ _____ on _____ with respect to the Project.

The undersigned, on behalf of the Owner, hereby certifies and warrants that on the date the disbursement requested hereby is made, after giving effect to the making of such disbursement:

(a) [that each obligation mentioned herein has been properly incurred subsequent to the date 60 days preceding March 5, 2014, and is a proper charge against the Project Account of the Construction Fund, or is otherwise permitted in accordance with the Tax Certificate] OR [to the extent such disbursement is requested to pay interest on the Bonds, such amount disbursed represents interest chargeable to the Owner's capital account for federal tax law purposes];

(b) that other than for costs of issuance, 100% of the amount requested plus all prior disbursements from the Project Account of the Construction Fund will have been expended on Costs of the Project (consistent with the provisions of the Tax Certificate);

(c) no Default or Event of Default has occurred and is continuing, or will result from the making of such disbursement; and

(d) the representations and warranties of the Owner contained in Article VI of the Loan Agreement are true and correct with the same effect as though made on the date hereof.

The undersigned, on behalf of the Owner, agrees that if, prior to the time of the funding of the disbursement requested hereby, any matter certified to herein by it will not be true and correct in all material respects at the time of such funding as if then made, it will immediately so

notify the Fiscal Agent and the Issuer. Except to the extent, if any, that prior to the time of the funding of the disbursement requested hereby the Fiscal Agent shall receive written notice to the contrary from the undersigned, on behalf of the Owner, or the Owner, each matter certified to herein shall be deemed once again to be certified as true and correct at the date of such funding as if then made.

Please wire transfer the proceeds of the disbursement as set forth on Annex I attached hereto.

This certificate is given by the undersigned on behalf of the Owner.

The undersigned has caused this Disbursement Request to be executed and delivered, and the certification and warranties contained herein to be made, by an authorized officer this __ day of _____, 201__.

ST. EDMUND'S OASIS, LLC,
an Illinois limited liability company

By: **St. Edmund's Oasis MM, LLC,**
an Illinois limited liability company,
its Manager

By: **St. Edmund's Oasis II Inc.,**
an Illinois corporation,
its manager

By: _____
Rev. Richard L. Tolliver,
President

APPROVED:

BMO HARRIS BANK N.A.,
a national banking association

By: _____
Name: _____
Its: _____

APPROVED:

[INSPECTING ARCHITECT]

By: _____

Name: _____

Its: _____

ANNEX I

Amount to be <u>Transferred</u>	<u>Person to be Paid</u>	Name, Address, etc. <u>of Transferee</u>
\$ _____	Name Account No.	_____ _____ _____ Attention: _____
\$ _____	Name Account No.	_____ _____ _____ Attention: _____

EXHIBIT D

WIRE TRANSFER INSTRUCTIONS

DOMESTIC WIRE INSTRUCTIONS:

Bank Name: BMO Harris Bank N.A.
ABA/Routing No.: 071-000-288
Account Name: GFS Loan Account
Account No.: 109-535-5
Reference: St. Edmund's Oasis, LLC

EXHIBIT E

ENVIRONMENTAL DISCLOSURES

1. Phase I Environmental Site Assessment, dated July 10, 2014, in relation to 6100-6124 South Prairie Avenue, Chicago, Illinois prepared by Terracon Consultants, Inc.;
2. Phase I Environmental Site Assessment, dated July 10, 2014, in relation to 6141-6153 South Indiana Avenue, Chicago, Illinois prepared by Terracon Consultants, Inc.;
3. Phase I Environmental Site Assessment, dated July 10, 2015, in relation to 300-314 East 61st Street, Chicago, Illinois prepared by Terracon Consultants, Inc.;
4. Limited Site Investigation, dated August 19, 2014, in relation to all three properties listed in paragraphs 1 through 3 above prepared by Terracon Consultants, Inc.;
5. Comprehensive Site Investigation Report, Remediation Objectives Report, and Remedial Action Plan, dated February 24, 2015, in relation to 6100-6124 South Prairie Avenue, Chicago, Illinois prepared by Terracon Consultants, Inc. as approved by the Illinois Environmental Protection Agency by letter dated June 11, 2015;
6. Phase I Environmental Site Assessment Update, dated July 7, 2015, in relation to 6100-6124 South Prairie Avenue, Chicago, Illinois prepared by Terracon Consultants, Inc.;
7. Phase I Environmental Site Assessment Update, dated July 7, 2015, in relation to 6141-6153 South Indiana Avenue, Chicago, Illinois prepared by Terracon Consultants, Inc.;
8. Phase I Environmental Site Assessment Update, dated July 7, 2015, in relation to 300-314 East 61st Street, Chicago, Illinois prepared by Terracon Consultants, Inc.

EXHIBIT F
FUNDING SCHEDULE

(See Attached)

St. Edmund's Oasis: Draw Schedule

Version 12/8/15

Project Name: St. Ed's Oasis

Uses	13	14	15	16	17	18	19	20	21	22	23	Total
Land Cost												
Hard Construction	\$679,908	\$543,926	\$407,945	\$271,963	\$679,908	\$679,908						\$13,598,158
Payment & Performance Bond												\$120,000
General Requirements	\$35,174	\$28,139	\$21,104	\$14,069	\$35,174	\$35,174						\$703,470
General Overhead	\$13,725	\$10,980	\$8,235	\$5,490	\$13,725	\$13,725						\$274,490
Builder Profit	\$41,174	\$32,939	\$24,704	\$16,469	\$41,174	\$41,174						\$823,470
Permit												\$126,330
Hard Cost Contingency (5%)		\$50,000		\$47,781		\$31,525						\$676,770
Open Space Fees												\$4,000
Architectural & Engineering												\$356,000
Architectural Supervision	\$4,450	\$3,560	\$2,670	\$1,780	\$4,450	\$4,450						\$89,000
Surveys				\$11,000								\$31,000
Construction Testing												\$40,300
Environmental	\$2,500											\$242,830
Soil Borings												\$12,150
Title & Recording						\$80						\$26,460
Accounting/Cost Certification						\$20,000						\$30,000
Legal* and Zoning												\$212,439
Market Study*												\$8,056
Appraisal												\$9,200
Bond Issuer Fee												\$153,000
Application Fees												\$3,000
IAHTC Reservation Fee												\$44,185
City Legal Fund Fees												\$10,220
City Admin Fees and Int. Cap												\$30,660
CHA Legal Fee												\$100,000
Lender Fees	750	750	750	750	750	4000						\$179,200
Bond Counsel												\$113,000
Municipal Advisor												\$200,000
Printing & Other												\$20,000
Construction Interest												\$0
Syndicator Reimbursement Fee												\$100,000
Real Estate Tax Escrow												\$20,000
Insurance Escrow												\$20,000
Construction Period Taxes												\$20,000
Construction Period Insurance												\$45,000
Marketing	\$14,500											\$58,000
Leasing Reserve	\$10,000	\$10,000	\$30,000	\$10,000	\$11,500							\$101,500
Operating Reserve										\$271,500		\$271,500
Developer Fee						\$200,000				\$300,000		\$700,000
Total Development Cost	\$802,179	\$680,294	\$495,408	\$379,303	\$786,679	\$1,030,034	\$0	\$0	\$0	\$571,500	\$0	\$19,573,402
* Split between two sources												
Sources of Funds By Use												
First Mortgage/ A Bonds												
LIHTC Equity / B Bonds												
LIHTC Equity / Other												
Chicago DPD												
CHA												
CHA / C Bonds												
IAHTC Equity												
GP Contribution												
Subtotal												
Deferred DF/In escrow at closing												
Def Dev Fee												\$553,972
Bal Dev Fee*												\$200,000
Constr Int												\$227,540
												\$20,554,914

* Paid in Month 26

St. Edmund's Oasis: Draw Schedule

\$20,554,914

Version: 12/8/15 Submitted

	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16
	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16
Draw	1	2*	3	4	5	6	7	8	9	10	11	12
Sources for Construction												
Bonds (1st Mort, LIHTC, CHA)	\$685,361	\$1,430,81	\$1,433,79	\$1,436,78	\$1,439,77	\$300,791,25	\$520,702,34	\$1,273,506,26	\$1,142,782,51	\$1,148,328,43	\$845,834,90	\$872,597,06
DPD Funds	\$5,482,393	\$330,521,76	\$795,179,40	\$1,435,222,92	\$1,661,208,80	\$1,250,260,32	\$0,00	\$0,00	\$0,00	\$0,00	\$0,00	\$0,00
Subtotal	\$685,361	\$331,953	\$796,613	\$1,436,660	\$1,662,649	\$1,551,052	\$520,702	\$1,273,506	\$1,142,783	\$1,148,328	\$845,835	\$872,597
GP Equity												
LIHTC						\$0						
Construction Int post Constr	\$155,692											
Construction Escrow	\$35,801	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$14,500	\$44,500	\$10,000	\$24,500
CHA Only	\$1,608,866						\$1,119,789	0				
LIHTC Equity Other	\$2,533,891	\$0	\$0	\$0	0	\$0	0	0				
Subtotal Draw (w/ interest)	\$2,225,064	\$331,953	\$796,613	\$1,436,660	\$1,662,649	\$1,551,052	\$1,496,792	\$1,273,506	\$1,157,283	\$1,192,828	\$855,835	\$887,087
Construction Bonds Balance		\$688,220	\$689,653	\$691,090	\$692,530	\$993,321	\$1,514,024	\$2,787,530	\$3,930,312	\$5,078,641	\$5,924,476	\$6,797,073
Construction Interest**		\$1,431	\$1,434	\$1,437	\$1,440	\$1,443	\$2,069	\$3,154	\$5,807	\$8,188	\$10,581	\$12,343
TOTAL DRAW (w/o Constr Int)	\$2,225,064	\$330,522	\$795,179	\$1,435,223	\$1,661,209	\$1,549,609	\$1,494,723	\$1,270,352	\$1,151,475	\$1,184,640	\$845,254	\$884,754
Int Draw*	1.2	1.3										
Paid												
Interest	\$1,427,84	\$0,00										
Bond Balance	\$686,788,84	\$686,788,84										
CHA into Bond Retirement Esc												
Total CHA (CHA Only + Bond Ret)	\$0	\$0,00	\$0,00	\$0,00	\$0,00	\$299,348,48	\$518,632,92	\$1,270,352,04	\$1,136,975,16	\$915,825,28	\$0,00	\$0,00

** Calculated on bonds drawn
 to date in the previous month

\$143,699 To Escrow
 \$976,090 Funds Draw
 \$1,119,789 Total CHA Amount

