



# Office of the City Clerk

City Hall  
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## Legislation Text

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OFFICE OF THE MAYOR

CITY OF CHICAGO

RAHM EMANUEL  
MAYOR

May 6, 2015

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

Ladies and Gentlemen:

At the request of the Commissioner of Planning and Development, I transmit herewith ordinance authorizing an issuance of tax exempt bonds for Goldblatts Chicago, LP.

Your favorable consideration of this ordinance will be appreciated.

Mayor

Very truly yours,

### **ORDINANCE**

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

WHEREAS, as a home rule unit and pursuant to the Constitution of the State of Illinois, the City is authorized and empowered to issue multi-family housing revenue bonds for the purpose of financing the cost

of acquiring, rehabilitating and equipping a senior citizen residential facility located in the City; and

WHEREAS, by ordinance adopted on June 8, 2011 (the "Bond Ordinance"), the City Council of the City (the "City Council") determined that it was necessary and in the best interests of the City to issue multi-family housing revenue bonds (as defined below, the "2013 Bonds") on behalf of and to provide certain other funding, as provided herein, to Goldblatts of Chicago Limited Partnership, an Illinois limited partnership (the "Borrower"), the general partner of which was Goldblatts SLF of Chicago GP, Inc., an Illinois corporation (the "Initial General Partner") (a shareholder of which is AHC Ashland LLC, an Illinois limited liability company ("AHC Ashland")) (AHC Ashland, together with Borrower, are sometimes collectively referred to herein as the "Developer")), including a loan of the proceeds received by the City from the sale of the 2013 Bonds, to finance or reimburse Borrower for (a) certain permitted costs in connection with the acquisition, rehabilitation and equipping of a lowincome housing development project consisting of real property (the "Property") improved with a building (the "Building") that formerly housed a Goldblatt's Department Store and comprised of a supportive living facility with approximately 101 residential dwelling units and certain attendant facilities located on all but the commercial space areas on the ground floor of the Building, located generally at 4707 S. Marshfield Avenue, and with parking on adjacent property located at 1635 W. 47th Street, in the City, (b) capitalized interest, if required, (c) a deposit into a debt service reserve fund for the 2013 Bonds, if required, and (d) the costs of issuance relating thereto (collectively, the "Project"); and

WHEREAS, in order to finance a portion of the costs of the Project, on January 30, 2013, the City issued \$18,000,000 in aggregate principal amount of its Multi-Family Housing Revenue Bonds, Series 2013 (Goldblatts Supportive Living Project).(the "2013 Bonds"); and

WHEREAS, in connection with the issuance of the 2013 Bonds, the City and Borrower entered into a Loan Agreement dated as of January 1, 2013, pursuant to which the City lent the proceeds of the 2013 Bonds to Borrower (the "Loan Agreement"); and

WHEREAS, in connection with the issuance of the 2013 Bonds, pursuant to a Bond Trust Indenture dated as of January 1, 2013 (the "Indenture"), entered into between the City and Seaway Bank and Trust Company, as Trustee (the "Original Trustee"), the City assigned to the Trustee the City's right, title and interest in, under and to the Loan Agreement (except for certain Unassigned Rights as defined in the Loan Agreement) as security for the payment of the 2013 Bonds; and

WHEREAS, the "Original Trustee" was succeeded as trustee under the terms of the Indenture by UMB Bank, N.A., as trustee (the "Trustee"); and

WHEREAS, the 2013 Bonds are payable from the loan payments received by the City pursuant to the Loan Agreement; and

WHEREAS, by ordinance adopted on April 2, 2014 (the "April 2014 Ordinance"), the City Council approved a restructuring of the loan to the Borrower (the "Restructuring") to, among other things, permit Initial General Partner to voluntarily withdraw from the Borrower and to permit CH-GB Affordable Partners, LLC, an Illinois limited liability company, a member of which is AHC Ashland (the "New General Partner"), to replace the Initial General Partner as the general partner of the Borrower, pursuant to the terms of that certain Withdrawal Agreement dated as of November 20, 2013 (the "Withdrawal Agreement"), upon satisfaction of certain conditions; and

WHEREAS, as contemplated by the April 2014 Ordinance, the New General Partner will become the general partner of the Borrower and the Initial General Partner will withdraw from the Borrower in accordance with the Withdrawal Agreement at the time the 2015 Bonds (defined below) are issued; and

WHEREAS, as contemplated by the April 2014 Ordinance, to secure additional sources of capital for development of the Project, with the consent of the Trustee, the governing agreement of the Borrower will be amended and restated and a new limited partner will be admitted into the Borrower at the time the 2015 Bonds are issued; and

WHEREAS, Article XII of the Indenture provides for the issuance of Additional Bonds (as defined in the Indenture) under the Indenture to be issued in one or more series on a parity with the 2013 Bonds (i) to provide funds for any funds or accounts held under the Indenture, (ii) to provide for completion of the Project, and (iii) for refunding purposes; and

WHEREAS, Section 12.2 and Section 12.5 of the Indenture provide that such Additional Bonds may be authorized by a supplement to the Indenture provided that the Trustee receives (i) a supplement to the Loan Agreement ("Supplemental Loan Agreement") or supplement or modification to the Mortgage, or both, requiring the Borrower to pay sufficient additional amounts as are needed to provide for full payment of debt service on the Additional Bonds as it becomes due, (ii) an opinion of bond counsel to the effect that the Supplemental Loan Agreement is valid and binding upon the City, (iii) an opinion of counsel to the Borrower to the effect that the Supplemental Loan Agreement or supplement or modification to the Mortgage, or both, constitute valid and binding obligations of the Borrower, and (iv) the required consent of the owners of the 2013 Bonds; and

WHEREAS, in the case of Additional Bonds issued for purposes other than refunding, Section 12.5 of the Indenture also provides that the Trustee must receive a certificate of an architect or engineer setting forth (i) the estimate cost of capital additions or repairs to be financed, (ii) an estimated drawdown schedule, (iii) the estimated completion date, and (iv) that in the opinion of the signer the proceeds of the Additional Bonds plus other available moneys are not less than the cost of such capital additions or repairs; and

WHEREAS, the Borrower informed the City that due to construction delays and for other good reasons, the Borrower requires (i) additional funds in the amount of not less than \$2,500,000 and (ii) certain changes to other agreements pursuant to which the Borrower undertook the Project, both now needed to provide for completion of the Project; and

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WHEREAS, the Borrower has requested that the City issue Additional Bonds under the terms of, and consistent with the requirements of, the Indenture for the purpose of completion of the Project; and

WHEREAS, the City Council determines that it is necessary and in the best interests of the City to issue not to exceed \$2,500,000 in aggregate principal amount of its Multi-Family Housing Revenue Bonds, Series 2015 (Goldblatts Supportive Living Project) (the "2015 Bonds") for the purpose of (a) completion of the Project, (b) paying capitalized interest on the 2015 Bonds, if required, (c) making a deposit into a debt service reserve fund for the 2015 Bonds, if required, and (d) paying the costs of issuance related thereto; and

WHEREAS, in connection with the issuance of 2015 Bonds, the City and Borrower will enter into a

First Supplement to Loan Agreement, pursuant to which the City will loan the proceeds of the 2015 Bonds to the Borrower (the "First Supplement to Loan Agreement"); and

WHEREAS, to effectuate the issuance of the 2015 Bonds in accordance with Article XII of the Indenture, the City and the Trustee will enter into a First Supplement to Trust Indenture (the "First Supplement to Indenture"); and

WHEREAS, the 2015 Bonds issued pursuant to this ordinance, together with interest thereon, shall be special, limited obligations of the City secured under the Indenture on a parity with the 2013 Bonds for the benefit of the owners of the 2015 Bonds; and

WHEREAS, the 2015 Bonds and the obligation to pay interest thereon, do not now and shall never constitute an indebtedness or any obligation of the City, the State of Illinois or any political subdivision thereof, within the purview of any constitutional limitation or statutory provision, or a charge against the general credit or taxing powers of any of them nor will any owner of any of the 2015 Bonds have any right to compel the taxing powers of any of the City, the State of Illinois or any political subdivision thereof to pay any principal installment of, premium, if any, or interest thereon; and

WHEREAS, the 2015 Bonds will be offered for sale to a limited group of one or more institutional investors pursuant to a Purchase Agreement to be dated the date of its execution (the "Purchase Agreement"), among the City, the Borrower and one or more institutional investors as determined by the Authorized Officer pursuant to Section 5 hereof; and

WHEREAS, in connection with the issuance of the 2013 Bonds, the City, the Borrower and the Trustee entered into a Regulatory Agreement and Declaration of Restrictive Covenants, dated as of January 1, 2013 (the "Original Regulatory Agreement") for the benefit of the 2013 Bonds, in order to ensure that the Project would be acquired, constructed, used and operated in accordance with the requirements of the Internal Revenue Code of 1986, as amended, and the United States Treasury Regulations promulgated thereunder; and

WHEREAS, in connection with the issuance of the 2015 Bonds, the City, the Borrower and the Trustee will enter into a First Supplement to Regulatory Agreement and Declaration of Restrictive Covenants (the "First Supplement to Regulatory Agreement") in order to ensure that the Original Regulatory Agreement's restrictions on the use of the Project will also be for the benefit of the 2015 Bonds; and,

"WHEREAS, under ordinances adopted on March 27, 2002, amended pursuant to the Bond Ordinance and published in the Journal of Proceedings of the City Council (the "Journal") for such date at pages as set forth below, and under the provisions of the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1 et seq.) (the "Act"), the City Council: (i) approved a redevelopment plan and project (the "47<sup>th</sup>/Ashland Plan") for a portion of the City known as the "47<sup>th</sup>/Ashland Redevelopment Project Area" (the "47<sup>th</sup>/Ashland Redevelopment Project Area"), which ordinance was published at pages 81473 to 81625 of the relevant Journal referenced above and amended pursuant to ordinances adopted on May 12, 2010, April 13, 2011 and February 15, 2012 (such ordinances being defined herein collectively as the "47<sup>th</sup>/Ashland Plan Ordinance"); (ii) designated the 47<sup>th</sup>/Ashland Redevelopment Project Area as a "redevelopment project area" within the requirements of the Act, which ordinance was published at pages 81626 to 81639 of the relevant

Journal referenced above (the "47<sup>th</sup>/Ashland Designation Ordinance"); and (iii) adopted tax increment financing for the 47<sup>th</sup>/Ashland Redevelopment Project Area, which ordinance was published at pages 81640 to 81652 of the relevant Journal referenced above (the "47<sup>th</sup>/Ashland TIF Adoption Ordinance") (the 47<sup>th</sup>/Ashland Plan Ordinance, the 47<sup>th</sup>/Ashland Designation Ordinance and the 47<sup>th</sup>/Ashland TIF Adoption Ordinance are collectively referred to in this ordinance as the "47<sup>th</sup>/Ashland TIF Ordinances"); and

WHEREAS, pursuant to the Bond Ordinance, the City Council determined that it was in the best interest of the City for the Developer (i) to undertake the completion of the Project and (ii) to undertake certain other covenants associated with the Project, all in accordance with the 47<sup>th</sup>/Ashland Plan and pursuant to the terms and conditions of that certain redevelopment agreement executed by Borrower, AHC Ashland and the City as of January 1, 2013 (the "Redevelopment Agreement"); now, therefore,

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

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

Section 2. Findings and Determinations. The City Council hereby finds and determines that the delegations of authority that are contained in this ordinance, including the authority to make the specific determinations described herein, are necessary and desirable because the City Council cannot itself as advantageously, expeditiously or conveniently exercise such authority and make such specific determinations.

Section 3. 2015 Bonds; Authorized Officers. In order to provide funds to finance a portion of the costs of the completion of the Project, there are hereby authorized to be issued multi-family housing revenue bonds of the City in an aggregate principal amount not to exceed \$2,500,000, which revenue bonds will be designated "City of Chicago, Multi-Family Housing Revenue Bonds, Series 2015 (Goldblatts Supportive Living Project)", with changes to such designation from time to time as are necessary to reflect the series or subseries of 2015 Bonds.

The 2015 Bonds (a) shall be issued in one or more series or subseries in fully registered form and in such denominations, (b) shall be dated initially their date of delivery and otherwise

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as provided in the First Supplement to Indenture, (c) shall bear interest from their dates on the unpaid principal amount thereof at an interest rate or rates per annum, (d) shall mature on such date or dates but not later than December 1, 2030 and in such principal amounts, and (e) shall be subject to redemption prior to maturity, all on such terms as are set forth in the First Supplement to Indenture. The 2015 Bonds shall bear interest at fixed rates as provided in the First Supplement to Indenture not to exceed 9%. In connection with any series or subseries of the 2015 Bonds, (a) there may be obtained separate CUSIP numbers to identify such series or subseries, and (b) the Borrower shall take those actions that are necessary, in the opinion of bond counsel, to preserve the tax-exempt status of interest on the 2015 Bonds, including without limitation causing necessary information returns (Form 8038) to be filed.

The 2015 Bonds shall be payable at the designated corporate trust office of the Trustee in the City and at such other offices as may be chosen pursuant to the Indenture and the First Supplement to Indenture. The 2015 Bonds shall be subject to redemption prior to maturity at the times, under the circumstances, in the

manner, at the prices, in the amounts and with the effect set forth in the First Supplement to Indenture.

As further detailed in Section 5 of this ordinance, each of (i) the Mayor of the City (the "Mayor"), (ii) the Chief Financial Officer of the City (the "Chief Financial Officer"), or (iii) the City Comptroller of the City (the "City Comptroller"; each of the Mayor, the Chief Financial Officer and the City Comptroller being referred to as an "Authorized Officer") is hereby authorized to execute and deliver the Purchase Agreement, the First Supplement to Loan Agreement, the First Supplement to Regulatory Agreement, and the First Supplement to Indenture on behalf of the City.

An Authorized Officer is hereby authorized to execute and deliver one or more tax agreements on behalf of the City, in substantially the form of tax agreements or certificates used in previous issuances of tax-exempt bonds, pursuant to similar programs, with appropriate revision to reflect the terms and provisions of the 2015 Bonds, and the applicable provisions of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, and with such other revision in text as the Authorized Officer executing the same shall determine are necessary or desirable in connection with the exclusion from gross income for federal income tax purposes of interest on the 2015 Bonds authorized under this ordinance issued on a tax-exempt basis. The execution of such tax agreements by such Authorized Officer shall be deemed conclusive evidence of such Authorized Officer's approval and the approval of the City Council of the representations, certifications, covenants and other terms in the tax agreements.

The seal of the City shall be affixed to or a facsimile thereof printed on the 2015 Bonds, and the 2015 Bonds shall be signed by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the City Clerk. The provisions for dating, execution, authentication, registration, transfer, payment and prepayment with respect to the 2015 Bonds shall be as set forth in the First Supplement to Indenture and/or the Indenture, as applicable, and in the forms of the 2015 Bonds attached to the First Supplement to Trust Indenture.

Section 4. 2015 Bonds are Special Limited Obligations. The 2015 Bonds and the interest thereon shall be limited obligations of the City, payable solely and only from the revenues, receipts or other amounts derived by the City pursuant to the Loan Agreement (as supplemented by the First Supplement to Loan Agreement) (except to the extent payable from 2015 Bond proceeds or moneys from the investment thereof), from certain funds pledged under

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the Indenture (as supplemented by the First Supplement to Indenture), and shall be otherwise secured on a parity with the 2013 Bonds as provided in the Indenture (as supplemented by the First Supplement to Indenture) and the Loan Agreement (as supplemented by the First Supplement to Loan Agreement). The 2015 Bonds shall not in any respect be a general obligation of the City, nor shall they be payable in any manner from funds of the City raised by taxation. The 2015 Bonds shall state that they do not constitute an indebtedness of the City or a loan of credit thereof within the meaning of any constitutional or statutory provision.

Nothing in this ordinance, the First Supplement to Loan Agreement, the First Supplement to Regulatory Agreement, the First Supplement to Indenture, the Purchase Agreement (hereinafter referred to collectively as the "Financing Documents"), or in any document or agreement required hereby and thereby, shall be construed as an obligation or commitment by the City to expend any of its funds other than (i) the proceeds derived from the sale of the 2015 Bonds, (ii) the revenues, receipts or other amounts derived from the Loan Agreement as supplemented by the First Supplement to Loan Agreement, and (iii) any moneys arising out of the investment or reinvestment of said proceeds, income, revenues, receipts or moneys.

Section 5. Form of Purchase Agreement, First Supplement to Loan Agreement, First Supplement to Indenture and First Supplement to Regulatory Agreement. The form, terms and provisions of the First Supplement to Loan Agreement, the First Supplement to Indenture and the First Supplement to Regulatory Agreement, attached hereto as Exhibit A, Exhibit B and Exhibit C, respectively, are in all respects approved. The Mayor, the Authorized Officer and/or the City Clerk or Deputy City Clerk of the City, are each hereby authorized and empowered to execute, acknowledge and deliver the Financing Documents to which the City is a party, with or without an impression of the official seal of the City as required thereby, with only such changes therein as shall be approved by the Mayor or the Authorized Officer executing the same; provided that the Mayor or the Authorized Officer are authorized to execute and deliver a Purchase Agreement (which Purchase Agreement is to be in substantially similar form as other bond purchase agreements executed by the City in transactions similar to the 2015 Bonds including, if applicable, sales of the 2015 Bonds to institutional investors, with appropriate revisions to reflect the terms and provisions of the 2015 Bonds and such other changes as the Mayor or the Authorized Officer executing the same shall determine to be necessary or desirable in connection with the sale of the 2015 Bonds) and the Purchase Agreement shall also be executed by the Chairman of the Committee on Finance of the City Council. In connection with the Purchase Agreement, the Authorized Officer shall select the placement agent and, if there is more than one placement agent, designate one of them to act as representative of the placement agents. The execution of the First Supplement to Loan Agreement, the First Supplement to Indenture, the First Supplement to Regulatory Agreement and the Purchase Agreement by the Mayor or the Authorized Officer shall be deemed conclusive evidence of their approval of the terms provided in such agreements. In light of the fact that the 2015 Bonds are being sold directly to institutional investors, the City may forego the use of any Offering Memorandum, but only if such institutional investors execute and deliver to the City "sophisticated investor" letters satisfactory to the Authorized Officer. The aggregate purchase price of the 2015 Bonds shall be not less than ninety-eight percent (98.0%) of their original principal amount (less any net original issue discount used in their marketing) plus accrued interest, if any, from their date to the date of delivery.

Section 6. Sale of 2015 Bonds. The 2015 Bonds shall be sold and delivered as provided in Section 5 hereof, subject to the terms and conditions of the Purchase Agreement.

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Section 7. Notification of Sale. After the sale and delivery of the 2015 Bonds, a notification of sale directed to the City Council, is to be filed with the City Clerk. Such notification of sale will set forth (a) the aggregate principal amount of the 2015 Bonds and of each series or subseries of the 2015 Bonds, if any, (b) the designations of each series or subseries of the 2015 Bonds, if any, (c) the initial interest rates on the 2015 Bonds or on the 2015 Bonds of each series or subseries, if any, (d) the terms for redemption, if any, applicable to the 2015 Bonds or on the 2015 Bonds of each series or subseries, if any, (e) the respective purchase prices of the 2015 Bonds or of the 2015 Bonds of each series or subseries, if any, (f) the placement agent and the representative thereof, if any, selected pursuant to Section 5, and (g) the maturity date or maturity dates of the 2015 Bonds or of the 2015 Bonds of each series or subseries, if any. The final form of the First Supplement to Indenture shall be attached to the notification of sale.

Section 8. Supplemental Authority. The Mayor, the Authorized Officer, the Authorized DPD Officer (as defined below), and the City Clerk or Deputy City Clerk are each hereby authorized and empowered to do all such acts and things, and to execute all such documents (including, without limitation, an IRS Form 8038, any certifications, including tax certifications, any tax compliance agreements and tax certificates, financing statements, assignments and other instruments), as may be necessary, in the opinion of the bond counsel and counsel to the City, to carry out and comply with (a) the provisions of the First Supplement to Loan Agreement,

the First Supplement to Regulatory Agreement, the First Supplement to Indenture, the Purchase Agreement, and the 2015 Bonds as executed, and any other documents and instruments required to effectuate any portion of the financing transaction, and (b) the purposes of this ordinance including to maintain the tax-exempt status of the 2015 Bonds for Federal income tax purposes.

Section 9. Reserve for Legal Expenses, Administrative Fee. The City is hereby authorized to assess a fee in the amount of one-tenth of one percent of the aggregate principal amount of the 2015 Bonds, and to use such fee to pay for legal and other fees incurred by the City in connection with private activity bonds issued by the City.

Section 10. Amendment to Redevelopment Agreement. The Commissioner of the Department of Planning and Development, as successor to the Department of Housing and Economic Development, (the "DPD Commissioner"), or a designee of the DPD Commissioner (each, an "Authorized DPD Officer"), is each hereby authorized, with the approval of the City's Corporation Counsel as to form and legality, to negotiate, execute and deliver the Amendment to Redevelopment Agreement among the Developer, any affiliates of Borrower and the City in substantially the form attached hereto as Exhibit D and made a part hereof, and such other supporting documents as may be necessary to carry out and comply with the provisions of the Amendment to Redevelopment Agreement, with such changes, deletions and insertions as shall be approved by the persons executing the Amendment to Redevelopment Agreement.

Section 11. Separability. The provisions of this ordinance are hereby declared to be separable, and if any section, phrase or provision shall for any reason be declared by a court of competent jurisdiction to be invalid or unenforceable, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions hereof.

Section 12. No Recourse. No recourse shall be had for the payment of the principal of, or premium, if any, or interest on the 2015 Bonds, or for any claim based thereon or upon any obligation, covenant or agreement contained herein or in the Loan Agreement, the First Supplement to Loan Agreement, the Purchase Agreement, the Original Regulatory Agreement,

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the First Supplement to Regulatory Agreement, the Indenture, or the First Supplement to Indenture, respectively, against any past, present or future officer, member, agent, employee or alderman of the City or successor thereto, either directly or indirectly through the City, under any rule of law or equity, statute or regulation or by the enforcement of any assessment or penalty or otherwise.

Section 13. Proxies. The Mayor and the Authorized Officer, may each designate another to act as their respective proxy and to affix their respective signatures to each 2015 Bond, whether in temporary or definitive form, and to any other instrument, certificate or document required to be executed by the Mayor and/or the Authorized /Officer pursuant to this ordinance. In each case each shall send to the City Council written notice of the person so designated by each, such notice stating the name of the person so selected and identifying the instruments, certificates and statements which such person shall be authorized to sign as proxy for the Mayor and/or the Authorized Officer, respectively. A written signature of the Mayor and/or the Authorized Officer, respectively, executed by the person so designated underneath, shall be attached to each notice. Such notice, with signatures attached, shall be recorded in the Journal and filed with the City Clerk. When the signature of the Mayor is placed on an instrument, certificate or document at the direction of the Mayor in" the specified manner, the same in all respects, shall be as binding on the City as if signed by the Mayor in person. When the signature of the Authorized Officer, as the case may be, is so affixed to an instrument, certificate or document at the direction of the Chief Financial Officer or the City Comptroller, the same, in all respects, shall



be binding on the City as if signed by the Chief Financial Officer or the City Comptroller, as the case may be, in person.

Section 14. Certain Matters Ratified. Approved and Confirmed. All proceedings taken by the City Council and all actions taken by officers and employees of the City in connection with the authorization, issuance, sale and delivery of the 2013 Bonds are hereby ratified, approved and confirmed. All actions taken by officers and employees of the City in connection with the authorization, issuance, sale and delivery of the 2015 Bonds, whether taken before, at the time of or after the passage of this ordinance, are hereby ratified, approved and confirmed. Except to the extent supplemented and modified by the First Supplement to Loan Agreement, the First Supplement to Regulatory Agreement and the First Supplement to Indenture, the Loan Agreement, the Original Regulatory Agreement and the Indenture .are hereby in all respects ratified, approved and confirmed. ; '

Section 15. Conflicts. All ordinances, resolutions, motion's or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

Section 16. No Impairment. No provision of the Municipal.-Code of the City of Chicago (the "Municipal Code") or violation of any provision of the Municipal Code shall be deemed to impair the validity of this ordinance or the instruments authorized by this ordinance or to impair the security for or payment of the instruments authorized,by this ordinance; provided further, however, that the foregoing shall not be deemed to affect, the availability of any other remedy or penalty for any violation of any provision of the Municipal Code.

Section 17. Effective Date. This ordinance shall take effect and be in full force immediately upon its execution and approval.

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Exhibit A

First Supplement to Loan Agreement

See attached.

**First Supplement to Loan Agreement**

between

City of Chicago and

**Goldblatts of Chicago Limited Partnership**

Relating to:

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City of Chicago Multi-Family Housing Revenue Bonds (Goldblatts Supportive Living Project), Series 2015

Dated as of May 1, 2015

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This First Supplement to Loan Agreement (this "First Supplement to Loan Agreement"), dated as of May 1, 2015, is entered into between the City of Chicago, a duly constituted and existing municipality within the meaning of Section 1 of Article VII of the 1970 Constitution of the State of Illinois (the "Constitution") and a home rule unit of government under Section 6(a) of Article VII of the Constitution (the "Issuer"), and Goldblatts of Chicago Limited Partnership, an Illinois limited partnership (the "Borrower"). This First Supplement to Loan Agreement supplements the original Loan Agreement, dated as of January 1, 2013 (the "Original Loan Agreement" and together with the First Supplement to Loan Agreement, the "Loan Agreement") between the Issuer and the Borrower. The terms of the Original Loan Agreement remain in full force and effect.

WITNESSETH:

Whereas, the Issuer is authorized under the Constitution of the State of Illinois (the "State"), to exercise any power and perform any function pertaining to its government and affairs, including the power to issue bonds and lend the proceeds of the sale thereof to finance the acquisition, rehabilitation and equipping of a low-income housing development project located within the boundaries of the Issuer; and

Whereas, on January 30, 2013, the Issuer issued its Multi-Family Housing Revenue Bonds (Goldblatts Supportive Living Project), Series 2013, in the aggregate principal amount of \$18,000,000 (the "2013 Bonds") pursuant to the Original Indenture (as defined below) and loaned the proceeds to the Borrower for the purpose of financing or reimbursing the Borrower for (a) certain permitted costs in connection with the acquisition, rehabilitation and equipping of a low-income housing development project consisting of real property improved with a building (the "Building") that formerly housed a Goldblatt's Department Store and comprised of a supportive living facility with approximately 101 residential dwelling units and certain attendant facilities located on all but the commercial space areas on the ground floor of the Building, located generally at 4707 S. Marshfield Avenue, and with parking on adjacent property located at 1635 W. 47th Street, within the boundaries of the Issuer, (b) capitalized interest, (c) a deposit into a debt service reserve fund for the 2013 Bonds, and (d) the costs of issuance relating thereto (the "2013 Project"); and

Whereas, the Issuer has agreed under certain conditions to issue its Multi-Family Revenue Bonds (Goldblatts Supportive Living Project), Series 2015, in the aggregate principal amount of \$ (the "2015 Bonds") pursuant to Article XII of the Trust Indenture, dated as of January 1, 2013 (the "Original Indenture"), by and between the Issuer and UMB Bank, n.a. (the "Trustee"), as successor trustee to Seaway Bank and Trust Company, as trustee and pursuant to the terms of the First Supplement to Indenture, dated as of May 1, 2015 (the "First Supplement to Indenture", and, together with the Original Indenture, the "Indenture") and to loan proceeds to the Borrower for the purpose of financing the completion of the Project, funding a deposit to the Debt Service Reserve Fund, and paying capitalized interest related thereto (the "2015 Project," and together with the 2013 Project, the "Project").

Whereas, the Issuer and the Borrower desire to enter into this First Supplement to Loan Agreement to evidence the Loan (hereinafter defined).

Now, Therefore the Issuer and the Borrower, each in consideration of the representations, covenants and agreements of the other as set forth herein, and for other good

and valuable consideration, the receipt and adequacy of which are acknowledged, mutually represent, covenant and agree as follows:

## Article I Definitions

Section 1.1 Definitions. All words and phrases defined in Article I of the Original Indenture, as supplemented by the First Supplement to Indenture, shall have the same meanings when used in this First Supplement to Loan Agreement. In addition, the following words and phrases shall have the following meanings:

***"Acquisition and Rehabilitation Budget" means the budget for the acquisition, rehabilitation and equipping of the 2015 Project attached as Exhibit C.***

"First Amendment to Regulatory Agreement" means the First Amendment to the Regulatory Agreement and Declaration of Restrictive Covenants, dated as of May 1, 2015, supplementing the Regulatory Agreement.

"Issuer Documents" means, with respect to the 2015 Bonds, this First Supplement to Loan Agreement, the First Supplement to Indenture, the Bond Purchase Agreement, the First Supplement to Regulatory Agreement and the Tax Agreement and all certificates executed and delivered by the Issuer with respect to the issuance of the 2015 Bonds.

"Limited Offering Memorandum" means the Limited Offering Memorandum with respect to the 2015 Bonds.

"Loan" means the loan by the Issuer to the Borrower of the proceeds of the 2015 Bonds pursuant to this First Supplement to Loan Agreement.

"Qualified Portion" means the portion of the 2015 Project which is a qualified residential rental project as defined in Section 142 of the Code.

"Regulatory Agreement" means the Regulatory Agreement and Declaration of Restrictive Covenants, dated as of January 1, 2013, as supplemented and amended by the First Amendment to Regulatory Agreement and Declaration of Restrictive Covenants, dated as of May 1, 2015, both among the Borrower, the Issuer and the Trustee and both filed in the office of the Recorder of Deeds of Cook County, Illinois, which restricts the use of the Qualified Portion of the Project to that of a qualified residential rental property as described in Section 142 of the Code.

***"2015 Note" means the Note issued by the Borrower to evidence the Loan in the form attached hereto as Exhibit A.***

The terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms refer to this First Supplement to Loan Agreement; the term "heretofore" means before the date of execution of this First Supplement to Loan Agreement; and the term "hereafter" means after the date of execution of this First Supplement to Loan Agreement.

Section 1.2 Interpretation. Words importing persons include firms, associations and corporations. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words importing the singular number shall include the plural number and

vice versa unless the context shall otherwise indicate.

## Article II

### Representations and Warranties

Section 2.1 Representations and Warranties of the Issuer. The Issuer represents and warrants that:

a) The Issuer is a duly constituted and existing municipality and home rule unit of government within the meaning of Section 6(a), Article VII of the Constitution and as such may legislate matters which pertain to its government and affairs.

b) To the knowledge of the undersigned representatives of the Issuer, there are no actions, suits, proceedings, inquiries or investigations pending or threatened against the Issuer in any court or before any governmental authority or arbitration board or tribunal which would (i) materially and adversely affect the validity or enforceability of the 2015 Bonds, the Bond Resolution, the First Supplement to Indenture, this First Supplement to Loan Agreement, the First Supplement to Regulatory Agreement, or the performance by the Issuer of its obligations hereunder or thereunder, or (ii) question the tax-exempt status of the 2015 Bonds.

c) The execution and delivery by the Issuer of the First Supplement to Indenture and this First Supplement to Loan Agreement and the other Bond Documents to which it is a party, and the performance by the Issuer of its obligations hereunder and thereunder (i) are within the purposes, power and authority of the Issuer, (ii) comply with the Constitution and the laws of the State, (iii) are legal, valid and binding obligations of the Issuer, except as may be limited by applicable bankruptcy, insolvency, moratorium, reorganization, or other laws affecting the enforcement of creditors' rights generally and general principles of equity, (iv) have been duly authorized by all necessary action on the part of the Issuer, and (v) have been duly executed and delivered by the Issuer. The 2015 Bonds do not and will not constitute a debt of the Issuer, the State or any political subdivision thereof or a loan of credit thereof within the meaning of any constitutional or statutory provision or limitation, nor shall the 2015 Bonds constitute or give rise to a pecuniary liability of the Issuer.

d) The City Council of the Issuer has approved the Bond Resolution relating to the 2015 Bonds and the Bond Resolution relating to the 2015 Bonds has not been amended, modified or rescinded and is in full force and effect as of the date hereof.

e) To the knowledge of the undersigned representatives of the Issuer, the Issuer has not pledged and will not pledge or grant any security interest in its interest in, to or under this First Supplement to Loan Agreement and the payments made thereunder, or the revenues to be derived by the Issuer thereunder for any purpose other than to secure the 2013 Bonds and the 2015 Bonds.

(f) To the knowledge of the undersigned representatives of the Issuer, all authorizations, consents and approvals of any governmental body required in connection with the execution and delivery by the Issuer of, or in connection with the performance by the Issuer of its obligations under, the First Supplement to Indenture, this First Supplement to Loan Agreement, the 2015 Bonds and the

other Bond Documents to which it is a party, have been obtained and are in full force and effect.

Section 2.2 Representations, Warranties and Certain Covenants of the Borrower. The Borrower represents, warrants and covenants as of the date of issuance of the 2015 Bonds as follows:

a) The Borrower is a limited partnership duly organized and validly existing under the laws of the State, is in good standing and duly authorized to conduct its business in the State and is duly authorized and has full power under all applicable laws and its partnership agreement to create, issue, enter into, execute and deliver, as the case may be, the Borrower Documents. There has been no event of dissolution of the Borrower under its partnership agreement or applicable law, and no such event of dissolution is planned or anticipated.

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

c) The Project is a qualified residential rental project as defined in Section 142 of the Code, except as described in Exhibit F to the Original Loan Agreement. The Borrower intends to operate the Project for such use from the Issuance Date to the expiration or earlier termination of the term of the Loan Agreement and the Regulatory Agreement. No portion of the Project includes any property used or to be used for sectarian instruction or study or as a place for devotional activities or religious worship or any property which is used or to be used primarily in connection with any part of the program of a school or department of divinity for any religious denomination.

d) The Borrower Documents have been duly authorized by all necessary action by the Borrower, executed and delivered and constitute the valid and binding obligations of the Borrower, enforceable in accordance with their terms, except as such enforcement may be limited by applicable bankruptcy, insolvency or other similar laws affecting the rights and remedies of creditors generally. No authorization or approval of any other governmental body or agency is required for the execution by the Borrower of

the Borrower Documents or the performance by the Borrower of its obligations under the Borrower Documents or the transactions contemplated thereby.

e) The Borrower will not use any of the proceeds of the 2015 Bonds in such a manner as to impair the exclusion from gross income of the interest on the 2015 Bonds from federal income taxation or take or fail to take any action that would so impair such exclusion. The Borrower will comply fully with its covenants and agreements under the Borrower Documents and the Tax Agreement.



f) No amount shall be withdrawn from the Acquisition and Rehabilitation Fund (as defined in the Indenture) except to pay, to refinance or to reimburse the Borrower for capital expenditures regarding the Qualified Portion.

g) As of the date hereof, the Borrower is in full compliance with all of the terms and conditions of the Original Loan Agreement, this First Supplement to Loan Agreement, the Borrower Documents, the 2013 Bonds and the 2015 Bonds, and no "Event of Default" as defined in Section 7.1 of the Original Loan Agreement or Section 6.1 hereof has occurred and is continuing with respect thereto and no event has occurred and is continuing which with the lapse of time or the giving of notice or both would constitute such an "Event of Default".

h) None of the proceeds of the 2015 Bonds will be used directly or indirectly as working capital or to finance inventory.

(i) The availability of financial assistance from the Issuer as provided herein and in the Indenture has induced the Borrower to proceed with the Project. The Borrower does not intend to lease the Qualified Portion of the Project, except to residents in the living units contained in the Project or otherwise in the ordinary course of business of the Borrower.

(j) The representations and covenants contained in the Tax Agreement are true and correct and are incorporated herein by this reference and shall have the same effect as if such representations and covenants were actually contained in this First Supplement to Loan Agreement.

(k) No property shall be substituted for the Project property unless the requirements of the Loan Agreement are met and an opinion is received from Bond Counsel to the effect that such substitution will not cause interest on the 2015 Bonds to become subject to Federal income taxation.

(l) No litigation, proceedings or investigations are pending or; to the knowledge of the Borrower, threatened against the Borrower seeking to restrain, enjoin or in any way limit the approval or issuance and delivery of the Borrower Documents or which would in any manner challenge or adversely affect the corporate existence or powers of the Borrower to enter into and carry out the transactions described in or contemplated by or the execution, delivery, validity or performance by the Borrower of the Borrower Documents. In addition, except as described in the Limited Offering Memorandum, no litigation, proceedings or investigations are pending or, to the knowledge of the Borrower, threatened in writing against the Borrower, except litigation, proceedings or investigations involving claims for which the probable ultimate recoveries and the estimated costs and expenses of defense, would reasonably be considered to

(i) be entirely within the applicable insurance policy limits (subject to applicable deductibles) or are not in excess of the total of the available assets held under applicable self-insurance programs or (ii) not have a material adverse effect on the operations or condition, financial or otherwise, of the Borrower.

(m) The Borrower has filed or caused to be filed all federal, state and local tax returns which are required to be filed, and has paid or caused to be paid all taxes as shown on said returns or on any

assessment received by it, to the extent that such taxes have become due.

(n) The Borrower is not in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any material agreement or instrument to which it is a party, including the SLF Agreement.

(o) The Qualified Portion consists of buildings or structures that contain complete living facilities which are to be used on other than a transient basis and facilities which are functionally related and subordinate to the living facilities. No actions will be taken by the Borrower which will in any way adversely affect the use of the residential rental portion of the Project for such purposes.

(p) The information furnished, or to be furnished, by the Borrower and filed, or to be filed, by the Issuer with the Internal Revenue Service pursuant to Section 149(e) of the Code was or will be true and correct in all material respects as of the date of filing said information.

(q) The average maturity of the 2015 Bonds does not exceed 120 percent of the average reasonably expected economic life of the 2015 Project.

(r) None of the proceeds of the 2015 Bonds were or will be used in such a manner as to cause the Bonds to be "federally guaranteed" within the meaning of Section 147(b) of the Code.

(s) The Project has been and will continue to be operated in compliance with the Code. The Borrower will take all actions necessary to remedy any non-compliance with the Code arising in connection with the operation of the Project.

(t) The information used in the preparation of this First Supplement to Loan Agreement, the Tax Agreement, the Limited Offering Memorandum and any other written statement furnished by the Borrower to the Issuer and the Purchaser do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein or herein not misleading. There is no fact which the Borrower has not disclosed to the Issuer and Purchaser in writing which materially adversely affects or, so far as the Borrower can now foresee, will materially adversely affect the financial condition of the Borrower, the ability of the Borrower to own and operate the Project or the Borrower's ability to make payments on the 2015 Note and under this First Supplement to Loan Agreement when and as the same become due and payable.

(u) No amounts shall be withdrawn from the Acquisition and Rehabilitation Fund except to pay, or to reimburse the Borrower for, any costs of the Project in

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accordance with the provisions hereof or, to the extent permitted by the Code, Costs of Issuance.

(v) The proceeds of the sale of the 2015 Bonds shall be used exclusively to acquire, rehabilitate and equip the Qualified Portion, to fund capitalized interest and to fund a deposit to the debt service reserve fund.

(w) When recorded, the First Supplement to Regulatory Agreement shall be valid and enforceable in accordance with its terms subordinate, however, to the Mortgage and the Assignment.

(x) The Borrower hereby acknowledges and agrees that the Project is leased, managed and operated as "a qualified residential rental project" within the meaning of Section 142(d) of the Code.

Subject to the exceptions provided in regulations promulgated under the Code, the Borrower agrees to execute and, for the Qualified Project Period or until the 2013 Bonds or the 2015 Bonds are no longer Outstanding, whichever is later, comply with the terms and provisions of the Regulatory Agreement, to insert into any deed of conveyance transferring any interest in the Project provisions requiring compliance with the Regulatory Agreement during the Term (as defined in the Regulatory Agreement) thereof by any transferee and to obtain from such transferee an agreement to comply with the Regulatory Agreement during the Term thereof. The representations, warranties, and covenants of the Borrower made in the Regulatory Agreement are incorporated herein and made a part hereof. The Borrower will file or record the Regulatory Agreement at the place or places specified therein and assure the re-recording of the Regulatory Agreement if required under the laws of the State to continue the effectiveness of the original filings and recordings.

### **Section 2.3 Bond Counsel May Rely on Representations and Warranties.**

The Issuer and the Borrower agree that Bond Counsel shall be entitled to rely upon the factual representations and warranties of the Issuer and the Borrower set forth in this Article II in connection with the delivery of its opinion.

## **Article III**

### **Issuance of The 2015 Bonds; Application of The Bond Proceeds and Borrower Deposits**

Section 3.1 Issuance of the 2015 Bonds; Deposit of Bond Proceeds and Borrower Deposits. To provide funds to make the Loan, the Issuer will, on the Issuance Date, issue, sell and deliver the 2015 Bonds to the Purchaser. The 2015 Bonds will be issued pursuant to the Indenture in the aggregate principal amount, will bear interest, will mature, will be subject to redemption and will contain such other terms as are set forth in the 2015 Bonds and the First Supplement to Indenture and will be limited obligations of the Issuer payable solely from the sources described in the First Supplement to Indenture. The Borrower hereby approves the terms and conditions of the First Supplement to Indenture and the 2015 Bonds, and the terms and conditions under which the Bonds will be issued, sold and delivered. On the Issuance Date, the proceeds from the sale of the 2015 Bonds will be loaned to the Borrower and deposited directly with the Trustee which is hereby directed to apply such proceeds as described in the Indenture and herein.

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Section 3.2 Investment of Funds and Arbitrage. Any moneys held as a part of any of the funds established under the First Supplement to Indenture shall be invested or reinvested by the Trustee as directed by the Authorized Borrower Representative in accordance with the Indenture. The Borrower covenants to the Issuer and to and for the benefit of the purchasers and owners of the 2015 Bonds from time to time outstanding that so long as any of the 2015 Bonds remain outstanding, moneys on deposit in any fund established under the Indenture in connection with the 2015 Bonds, whether or not such moneys were derived from the proceeds of the 2015 Bonds or from any other sources, will not be used in a manner which will cause the Bonds to be classified as "arbitrage bonds" within the meaning of Section 148 of the Code. The Borrower covenants and agrees to comply with the provisions of the Tax Agreement and to timely make any deposits required thereunder.

### **Section 3.3 Agreement to Acquire, Rehabilitate and Equip the Project; Disbursement of Acquisition and Rehabilitation Fund.**

a) The Borrower agrees that the Bond proceeds will be applied to the various funds and accounts as set forth in Schedule A hereto which, not to the exclusion of the other accounts, provides that \$ \_\_\_\_\_ in the Acquisition and Rehabilitation Fund, as defined in the Indenture, as supplemented, shall be used for the purpose of paying the costs of acquiring, rehabilitating or equipping the 2015 Project [or reimbursing the Borrower for any such costs paid by the Borrower.] [In addition the Borrower will cause to be deposited in the Acquisition and Rehabilitation Fund at closing the additional sum of \$ \_\_\_\_\_ of Borrower's equity to be applied, respectively, towards acquisition and rehabilitation expenditures.] All such funds will be used to acquire or rehabilitate the Qualified Portion. The Borrower shall make and enter into all contracts required for such acquisition and rehabilitation. The Borrower will cause the acquisition and rehabilitation of the Qualified Portion to be completed with reasonable dispatch and in no event later than the Completion Date.

b) Pursuant to the Indenture, the Trustee shall disburse funds from the Acquisition and Rehabilitation Fund to pay the cost of acquisition, equipping and rehabilitation of the 2015 Project [or to reimburse the Borrower for any such costs paid by the Borrower.] Disbursements from the Acquisition and Rehabilitation Fund shall be made only by means of a requisition in the form set forth in Exhibit C hereto executed by the Authorized Borrower Representative. The Trustee shall not be responsible for verifying the accuracy of the information contained in the requisition. The Borrower shall cause such requisitions to be directed to the Trustee as may be necessary to effect payments from the Acquisition and Rehabilitation Fund in accordance with the terms of this Section 3.3 and the Indenture. The Trustee shall retain a record of all requisitions. The Borrower shall provide with each requisition appropriate waivers of any statutory liens by the party that performed the work and a detailed requisition form as provided by the general contractor for the work completed. In making any payments from the Acquisition and Rehabilitation Fund, the Trustee may conclusively rely on any requisitions and certificates delivered pursuant hereto.

c) Any changes to the Acquisition and Rehabilitation Budget including allocations from one line item to another, shall be made only with the written approval of the Borrower and the Interested Beneficial Holders, if any, or the holders of a majority in principal amount of the 2015 Bonds outstanding; provided that the Borrower may allocate an amount up to 10% of a line item in the original Acquisition and Rehabilitation Budget to another line item upon submitting an affidavit to the Trustee stating that the amount reallocated will not be required for the purpose originally allocated.

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d) Within 90 days after the completion of all items in the Acquisition and Rehabilitation Budget, the Borrower shall submit to the Trustee a certificate signed by the Authorized Borrower Representative certifying that all portions of the work provided for in the Acquisition and Rehabilitation Budget have been fully completed substantially in accordance with the Acquisition and Rehabilitation Budget, the contracts therefor and any outline specifications for such work. Upon delivery of such certificate, all funds then remaining (i) in the Bond Proceeds Account of the Acquisition and Rehabilitation Fund shall be transferred to the Bond Fund, and (ii) in the Equity Account of the Acquisition and Rehabilitation Fund shall be transferred as directed by the Equity Investor.

e) If the money in the Acquisition and Rehabilitation Fund available for payment of the rehabilitation and repair costs of the 2015 Project shall not be sufficient to make such payment in full, the Borrower agrees to pay directly, or to deposit (or cause to be deposited) moneys in the Acquisition and Rehabilitation Fund for the payment of, such costs as may be in excess of the moneys available therefor in

the Acquisition and Rehabilitation Fund.

THE ISSUER DOES NOT MAKE ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, THAT THE MONEYS WHICH WILL BE DEPOSITED INTO THE ACQUISITION AND REHABILITATION FUND, AND WHICH UNDER THE PROVISIONS OF THIS FIRST SUPPLEMENT TO LOAN AGREEMENT WILL BE AVAILABLE FOR PAYMENT OF THE ACQUISITION AND REHABILITATION COSTS OF THE 2015 PROJECT, WILL BE SUFFICIENT TO PAY ALL OF THE COSTS WHICH WILL BE INCURRED IN CONNECTION

therewith. The Borrower agrees that if, after exhaustion of the moneys in the Acquisition and Rehabilitation Fund, the Borrower should pay, or deposit moneys in the Acquisition and Rehabilitation Fund for the payment of, any portion of the costs of the 2015 Project pursuant to the provisions hereof, it shall not be entitled to any reimbursement therefor from the Issuer, the Trustee, or from the owners of any of the Bonds, nor shall it be entitled to any diminution of the amounts payable under Article IV hereof.

Section 3.4 No Warranty by Issuer. The Borrower recognizes that the Issuer has not made an inspection of the Project or of any fixture or other item constituting a portion thereof, and the Issuer makes no warranty or representation, express or implied or otherwise, with respect to the same or the location, use, description, design, merchantability, condition, workmanship or fitness suitability or for use for any particular purpose, condition or durability thereof. The Borrower further recognizes that the Issuer has no title interest to any part of the Project and that the Issuer makes no representations or warranties of any kind as to Borrower's title thereto or ownership thereof or otherwise, it being agreed that all risks incident thereto are to be borne by the Borrower. In the event of any defect or deficiency of any nature in the Project or any fixture or other item constituting a portion thereof, whether patent or latent, the issuer shall have no responsibility or liability with respect thereto. The provisions of this section have been negotiated and are intended to be a complete exclusion and negation of any warranties or representations by the Issuer, express or implied, with respect to the Project or any fixture or other item constituting a portion thereof, whether arising pursuant to the uniform commercial code of the State or any other law now or hereafter in effect or otherwise.

#### Section 3.5 Issuer Not Liable; Limited Obligation of Issuer.

(a) No pledge, agreement, covenant, representation, obligation or undertaking by the Issuer contained in this First Supplement to Loan Agreement and no other pledge, agreement, covenant, representation, obligation or undertaking by the Issuer contained in any document executed by the Issuer in connection with the 2015 Project or the 2015 Bonds shall give rise to any pecuniary liability of the Issuer or charge against its general credit, or shall obligate the Issuer financially in any way except out of payments to be made by the Borrower

requested to do so by the Borrower or the Trustee and shall have received from the Borrower, the Trustee or the holders of the 2015 Bonds, assurance satisfactory to the Issuer that the Issuer will be reimbursed for its expenses, including attorneys' fees and expenses, incurred or to be incurred in connection with the taking of such action or execution of such instrument.

(e) The 2015 Bonds shall constitute special limited obligations of the Issuer payable solely from amounts payable under this First Supplement to Loan Agreement (except with respect to Unassigned Rights), and as provided in the Indenture. The 2015 Bonds are not general obligations of the Issuer and the full faith and credit of the Issuer are not pledged to their payment. No owner of any 2015 Bond has the right to compel any exercise of the taxing power of the Issuer to pay the principal, premium, if any, or interest on the 2015 Bonds. Notwithstanding any provision or obligation to the contrary set forth herein, no provision of this First Supplement to Loan Agreement shall be construed so as to give rise to a pecuniary liability of the Issuer or to give rise to a charge upon the general credit of the Issuer, the liability of the Issuer hereunder shall be limited to its interest in the Project, this First Supplement to Loan Agreement, the 2015 Note, and all other related

documents and collateral and the lien of any judgment shall be restricted thereto. In the performance of the Bond Documents of the Issuer herein contained, any obligation it may incur for the payment of money shall not be a debt of the Issuer, nor shall the Issuer be liable on any obligation so incurred. The Issuer does not assume general liability for the repayment of the 2015 Bonds or for the costs, fees, penalties, taxes, interest, commissions, charges, insurance or any other payments recited herein, and shall be obligated to pay the same only out of the amounts payable by the Borrower hereunder. The Issuer shall not be required to do any act whatsoever or exercise any diligence whatsoever to mitigate the damages to the Borrower if a default shall occur hereunder.

## Article IV

### The Loan and Other Covenants of The Borrower

Section 4.1 The Loan. The Issuer agrees, upon the terms and subject to the conditions hereinafter set forth, to utilize the proceeds of the 2015 Bonds to cause the Loan to be made to the Borrower. The Issuer shall pledge its interest in the Loan and other documents related to the Loan (other than the Unassigned Rights, as defined in the Indenture) to the Trustee, all pursuant to the Indenture.

Section 4.2 Borrower's Repayment Obligation. The Borrower promises to pay to the Issuer, on the basis specified herein and in the Indenture and the 2015 Note, with interest, the principal sum of \$ . Interest shall be determined, and principal and interest on the Loan shall be payable, as set forth herein and in the 2015 Note. The Borrower shall in all events pay the entire principal amount outstanding on the 2015 Bonds together with any accrued but unpaid interest upon the final maturity of the 2015 Bonds and shall pay any redemption premium applicable in the event of any optional or other redemption of the 2015 Bonds that requires the payment of redemption premium to owners of the 2015 Bonds. The Borrower waives presentment for payment, notice of dishonor, demand, protest, notice of protest, and all demand, notice and suretyship defenses generally in connection with the delivery, acceptance, performance, default or endorsement of this repayment obligation and specifically assents to any extension or postponement of the time for payment or other indulgence and/or to the addition or release of any other party or person primarily or secondarily liable.

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The Borrower agrees to pay, to the extent not paid from the funds held under the Indenture, the following amounts:

(a) Notwithstanding any other provision of this First Supplement to Loan Agreement to the contrary contained herein or in the 2015 Note, this First Supplement to Loan Agreement evidences, and the Borrower agrees to pay, the principal of, redemption premium, if any, and interest on the 2015 Bonds issued pursuant to the First Supplement to Indenture, as said principal, redemption premium, if any, and interest becomes due. Payments of principal, redemption premium, if any, and interest due under this First Supplement to Loan Agreement shall be made in lawful money of the United States of America to the Trustee at the address set forth in the Indenture or at such other place as any assignee of this First Supplement to Loan Agreement may designate by a notice in writing given to the Borrower.

b) The Borrower shall pay to the Trustee \$ when the

Borrower receives the fifth installment payment of equity contributed by the Equity Investor to the Borrower. Such amount shall be applied by the Trustee to the mandatory redemption of 2015 Bonds pursuant to Section 3.1(e) of the First Supplement to Indenture.

c) The Borrower agrees to pay: (i) the issuance fee of the Issuer pursuant to its fee schedule in the amount of \$                      payable at or before the date of issuance of the 2015 Bonds; (ii) all costs and other expenses incurred by the Issuer including, but not limited, to fees of Bond Counsel, counsel to the Issuer or of consultants retained by the Issuer in connection with the authorization, issuance, sale, preparation, execution and delivery of any and all documents required in connection with this financing, payable at or before Closing; and (iii) such other amounts required to pay or reimburse the Issuer's reasonable costs and expenses including, but not limited to, consultants fees, attorney's fees, etc., incurred from time to time in connection with the making by the Issuer of the Loan to the Borrower of the proceeds of the 2015 Bonds and all other services or actions of the Issuer in connection with this First Supplement to Loan Agreement, all such payments to be made within 30 days of submission of invoices for same. The Issuer shall not be responsible for payment of any such fees or expenses.

d) The Borrower agrees to pay to the Bond Registrar, the Paying Agent and the Trustee (i) the initial acceptance fee of the Trustee and the costs and expenses, including reasonable attorneys' fees, incurred by the Trustee in entering into and executing the First Supplement to Indenture, and (ii) during the term of this First Supplement to Loan Agreement (A) an amount equal to the annual fee of the Trustee for the ordinary services of the Trustee, as trustee, rendered and its ordinary expenses incurred under the Indenture, including reasonable attorneys' fees, as and when the same become due, (B) the reasonable fees, charges and expenses of the Trustee, the Bond Registrar, and Paying Agent, as and when the same become due, and (C) the reasonable fees, charges and expenses of the Trustee for the necessary extraordinary services rendered by it and including reasonable attorneys' fees, as and when the same become due.

e) The Borrower agrees to pay to the United States of America all amounts due and owing as arbitrage rebate on the Bonds in accordance with the Tax Agreement and the Code and applicable regulations thereunder.

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f) The Borrower agrees to pay with respect to the Project all taxes, assessments and related governmental charges and all insurance premiums (including public liability insurance and insurance against damage to or destruction of the Project) concerning or in any way related to the Project required to maintain the insurance coverage on the Project provided for herein and in the Mortgage.

g) The Borrower hereby grants a security interest in all Revenues to the Issuer and agrees to turn over all the Revenues to the Trustee as provided for in the Indenture.

h) Not later than the Completion Date, the amount necessary to cause the balance in the Debt Service Reserve Fund to equal the Debt Service Reserve Fund Requirement.

Section 4.3 Assignment and Pledge of the Issuer's Rights; Obligations of the Borrower Hereunder Unconditional. As security for the payment of the 2015 Bonds, the Issuer will assign and pledge to the Trustee all rights, title and interest of the Issuer in and to this First Supplement to Loan Agreement and the 2015 Note, including the right to receive payments hereunder and thereunder (except its Unassigned Rights,

including without limitation, the right to receive payment of expenses, fees, indemnification and the rights to make determinations and receive notices as herein provided), and hereby directs the Borrower to make said payments directly to the Trustee. The Borrower herewith assents to such assignment and pledge and will make payments directly to the Trustee without defense or setoff by reason of any dispute between the Borrower and the Issuer or the Trustee, and hereby agrees that its obligation to make payments hereunder and to perform its other agreements contained herein are absolute and unconditional. Until the principal of and interest on the 2015 Bonds shall have been fully paid or provision for the payment of the 2015 Bonds made in accordance with the Indenture, the Borrower (a) will not suspend or discontinue any payments provided for in this First Supplement to Loan Agreement, (b) will perform all its other duties and responsibilities called for by this First Supplement to Loan Agreement, and (c) will not terminate this First Supplement to Loan Agreement for any cause including any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Project, commercial frustration of purpose, any change in the laws of the United States or of the State or any political subdivision of either or any failure of the Issuer to perform any of its agreements, whether express or implied, or any duty, liability or obligation arising from or connected with this First Supplement to Loan Agreement.

Section 4.4 Security Interest. As security for the Loan and all other debts, liabilities and obligations of Borrower to the Issuer now or hereafter arising (collectively, the "Obligations"), Borrower hereby grants the Issuer a perfected lien on and security interest in the Project, all monies held in certain funds and accounts established under the Indenture, all Revenues, including the SLF Payments, gross revenues from the Project, all rents and leases from the Project, all equipment, furniture, fixtures and machinery located at the Project of any kind, nature or description, and all additions to, substitutions of and replacements of or accessories to same, wherever located, and all attachments, components, parts, equipment and accessories installed thereon or affixed thereto, and all receipts, revenues, income and other moneys, whether in the form of cash, securities or other personal property and all insurance proceeds and proceeds of the foregoing, derived from same (collectively, the "Collateral"). The operating reserve to be established pursuant to the [Partnership Agreement] shall not be included as Collateral in which a security interest is granted hereunder and shall not be included as "Mortgaged Property" under the Mortgage.

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Section 4.5 Recording and Maintenance of Liens. The Borrower will, at its own expense, take all necessary action to maintain and preserve the liens and security interest in the Collateral so long as any principal, premium, if any, or interest on the 2015 Bonds remains unpaid.

***Section 4.6 Nature of Project and Public Purpose. The Borrower represents to the Issuer that it will use the proceeds of the 2015 Bonds to acquire, rehabilitate and equip the 2015 Project as set forth in Schedule A.***

## Article V

### Special Covenants

Section 5.1 Further Contribution of Borrower. The Borrower acknowledges that the moneys available from the proceeds of the sale of the 2015 Bonds may not be sufficient to pay Project Costs and Issuance Costs in full and that the Borrower shall pay or cause to be paid all moneys necessary to pay Project Costs and Issuance Costs in excess of the moneys available therefor from such proceeds. The Borrower shall not be entitled to any reimbursement from the Issuer or the Trustee for any moneys the Borrower is obligated to pay or cause to be paid pursuant to this Section, nor shall it be entitled by virtue of such payment to any



diminution in or postponement of the payments required to be paid by the Borrower under this First Supplement to Loan Agreement. At the closing the Borrower will contribute such additional funds to the Trustee to fund the accounts as set forth in Schedule A hereto.

Section 5.2 Additional Payments. The Borrower will pay the following within 30 days after receipt of a bill therefor:

a) The reasonable fees and expenses of the Issuer in connection with and as provided in this First Supplement to Loan Agreement and the 2015 Bonds, such fees and expenses to be paid directly to the Issuer or as otherwise directed in writing by the Issuer;

b) (i) the fees and expenses of the Trustee and all other fiduciaries and agents serving under the First Supplement to Indenture (including any expenses in connection with any redemption of the 2015 Bonds), and (ii) all fees and expenses, including attorneys' fees, of the Trustee for any extraordinary services rendered by it under the Indenture. All such fees and expenses are to be paid directly to the Trustee or other fiduciary or agent for its own account as and when such fees and expenses become due and payable; and

c) all other reasonable fees and expenses incurred in connection with the issuance of the 2015 Bonds.

### **Section 5.3 Indemnification.**

(a) The Borrower, regardless of any agreement to maintain insurance, will indemnify the Issuer and its elected officers, agents, attorneys, employees, officials, successors and assigns and other elected and appointed officials of the Issuer, past, present and future and the Trustee (except with respect to the Trustee's own gross negligence or willful misconduct) against (a) any and all claims by any person related to

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the participation of the Issuer or the Trustee in the transactions contemplated by this First Supplement to Loan Agreement, including without limitation claims, loss, causes of action, charge, suit, demand, damage, tax penalty or expense (including litigation expense, attorney's fees and expenses and court costs), judgments, or liability of any nature, directly or indirectly, arising out of (i) the acquisition, financing, rehabilitation, operation, use or maintenance of the Project, any condition of the Project or the rehabilitation, use, occupancy or management thereof; (ii) any act, failure to act on behalf of the Borrower, any accident, injury or damage to any person occurring in or about or as a result of the Project; (iii) any breach by the Borrower of its obligations under this First Supplement to Loan Agreement; (iv) any act or omission of the Borrower or any of its agents, contractors, servants, employees or licensees; or (v) the offering, issuance, sale, resale or remarketing of the 2015 Bonds to the extent permitted by law, and (b) all costs, counsel fees, expenses or liabilities reasonably incurred in connection with any such claim or any action or proceeding brought thereon. In case any action or proceeding is brought against the Issuer or the Trustee by reason of any such claim, the Borrower will defend the same at its expense upon notice from the Issuer or the Trustee, and the Issuer or the Trustee, as the case may be, will cooperate with the Borrower, at the expense of the Borrower, in connection therewith. This indemnification shall survive the termination or defeasance of this First Supplement to Loan Agreement and the 2015 Note. The Borrower shall also indemnify the Issuer and its elected officers, agents, attorneys, employees, officials, successors and assigns and other elected and appointed officials of the Issuer, past, present and future for all costs and expenses, including attorney's fees, incurred in (i) entering any obligation of the Borrower hereunder or any related

agreement (including, without limitation, the Tax Agreement), (ii) taking any action requested by the Borrower, (iii) taking any action required by this First Supplement to Loan Agreement or any related agreement (including, without limitation, the Tax Agreement) or (iv) taking any action considered reasonably necessary by the Issuer or which is authorized by this First Supplement to Loan Agreement or any related agreement.

(b) Without limiting the generality of the foregoing, the Borrower acknowledges that in the event of an examination, inquiry or related action by the Internal Revenue Service with respect to the 2015 Bonds or the exclusion of interest thereon from the gross income of the Holders thereof for federal income tax purposes, the Issuer may be treated as the responsible party, and the Borrower agrees to respond promptly and thoroughly to the satisfaction of the Issuer to such examination, inquiry or related action on behalf of and at the direction of the Issuer. The Borrower further agrees to pay all costs of counsel selected by the Issuer to represent the Issuer in connection with such examination, inquiry or related action. The Borrower shall indemnify and hold harmless the Issuer against any and all costs, losses, claims, penalties, damages or liability of or resulting from such examination, inquiry or related action by the Internal Revenue Service, including any settlement thereof by the Issuer.

Section 5.4 Limitations on Liability of Issuer and Trustee. The Issuer and the Trustee shall each be entitled to the advice of counsel (who may also be counsel for the Trustee or the holder of a Bond or Bond Counsel) and shall be wholly protected as to action taken or omitted in good faith in reliance on such advice. Each may rely conclusively on any communication or other document furnished to it hereunder or under any other Bond Documents and reasonably believed by it to be genuine. Neither shall be liable for any action (a) taken by it in good faith and reasonably believed by it to be within the discretion or powers conferred upon it, or (b) in good faith omitted to be taken by it because reasonably believed to

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be beyond the discretion or powers conferred upon it, or (c) taken by it pursuant to any direction or instruction by which it is governed under any Bond Document, nor shall either of them be responsible for the consequences of any error of judgment reasonably made by it. Neither shall in any event be liable for the application or misapplication of funds, or for other acts or defaults, by any person, except its own directors, officers, officials or employees, its liability with respect to acts or defaults of any kind of agents appointed by it being limited to liability for any, if any, willful malfeasance in the appointment of such agent. When any consent or other action by any one of them is called for by Borrower Documents, it may defer such action pending receipt of such evidence (if any) as it may require in support thereof. Except as otherwise provided in the Indenture in regard to the Trustee, neither shall be required to take any remedial action (other than the giving of notice) unless indemnity is furnished by the person or persons requiring such action for any expense or liability to be incurred thereby, and the furnishing of indemnity to the reasonable satisfaction of the Trustee, or of the Issuer, as the case may be, is hereby made a condition, which the Trustee, or the Issuer, as the case may be, may but need not assert, to the undertaking of such remedial action. Each shall be entitled to reimbursement for expenses reasonably incurred or advances reasonably made, with interest at the rate per annum announced by the Trustee from time to time as its prime rate, as such prime rate may change from time to time, in the exercise of its rights or the performance of its obligations to the extent that it acts without previously obtaining indemnity. No permissive right or power to act which any one of them may have shall be construed as a requirement to act; and no delay in the exercise of a right or power shall affect the subsequent exercise of the right or power. No recourse shall be had by the Borrower, the Trustee or any Bondholder for any claim based on this First Supplement to Loan Agreement, the 2015 Bonds, the Indenture or any other Borrower Documents against any director, member, officer, attorney, agent or employee, past, present or future, of the Issuer or of any successor body as such, either directly or through the Issuer or any such successor body, under any constitutional provision, statute or rule of law or by the assessment or penalty or by any legal or equitable proceeding or otherwise, unless such claim is based upon the willful dishonesty of or

intentional violation of law by such person. No covenant, stipulation, obligation or agreement of the Issuer contained in this First Supplement to Loan Agreement, the 2015 Bonds, the Indenture or any other Borrower Documents or in any document to which the Issuer is a party shall be deemed to be a stipulation, obligation or agreement of any present or future director, member, officer, agent or employee of the Issuer in his individual capacity, and any director, member, officer, agent or employee of the Issuer executing the Bonds shall not be liable personally thereon or subject to any personal liability or accountability by reason of the issuance thereof.

Section 5.5 Borrower's Approval of Issuance of Bonds by Issuer. The Borrower hereby approves the Issuer's issuance of the 2015 Bonds pursuant to the First Supplement to Indenture. Except as otherwise provided in the Indenture, the Indenture shall not be modified or amended except with the written consent of the Borrower.

Section 5.6 Tax Exempt Status of the 2015 Bonds. The Borrower and the Issuer, as the case may be, hereby represent, warrant and agree that:

(a) The Borrower will not take or permit, or omit to take or cause to be taken, any action that would adversely affect the excludability from gross income for purposes of Federal income taxation of the interest on the 2015 Bonds and if the Borrower should take or permit, or omit to take or cause to be taken, any such action, the Borrower shall take all lawful actions necessary to rescind or correct such actions or omissions promptly upon having knowledge thereof;

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b) Upon the request of the Issuer or the Trustee, the Borrower will take such action or actions as may be reasonably necessary, in the written opinion of Bond Counsel, to comply fully with all applicable rules, rulings, policies, procedures, regulations or other official statements promulgated, proposed or made by the Department of the Treasury or the Internal Revenue Service pertaining to obligations issued under Section 142 of the Code;

c) The Borrower and the Issuer agree that they will not make any use of the proceeds from the sale of the 2015 Bonds in any manner which will cause the 2015 Bonds to be "arbitrage bonds" within the meaning of the Code and the applicable regulations thereunder; and

d) The Borrower and the Issuer agree that they will not take or permit to be taken any action in connection with the Project which would jeopardize the status of the Project as a "qualified residential rental project" within the meaning of Section 142 of the Code.

Section 5.7 Compliance with Applicable Laws. All work performed in connection with the Project shall be performed in strict compliance with all applicable federal, state, county and municipal laws, ordinances, rules and regulations now in force or that may be enacted hereafter applicable to the Project.

Section 5.8 Tax Agreement. In order to maintain the exclusion from gross income for Federal income tax purposes of interest on the 2015 Bonds and to assure compliance with the laws of the State and certain additional requirements of the Issuer, the Borrower hereby affirms that it has executed and delivered the Tax Agreement.

The Borrower shall comply with every term of the Tax Agreement, and the Borrower hereby acknowledges that in the event of a default under the Tax Agreement which is not cured for a period of 30 days after receipt by the Borrower of notice thereof, the Loan may be accelerated.

## Article VI

### Defaults and Remedies

**Section 6.1 Events of Default.** Any one or more of the following events shall constitute an Event of Default under this First Supplement to Loan Agreement (which in all cases is supplemental to the Events of Default under the Original Loan Agreement (an "Event of Default").

(a) Except as specified in subsection (c) hereof, failure by the Borrower to observe and perform any covenant, condition or agreement herein or in the 2015 Note, the Mortgage, the Security Agreement, the Assignment, and the SLF Agreement on its part to be observed or performed for a period of 30 days after written notice specifying such failure; provided however, if the failure stated in the notice cannot be corrected within the 30 day period (but can be corrected within another 30 day period), and the Borrower initiates corrective action within said period and diligently, continually and in good faith works to effect a cure as soon as possible, an extension of time not to exceed 30 days will be available to the Borrower.

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b) An Event of Default under the Original Loan Agreement, the Indenture or any of the Borrower Documents.

c) Any failure to pay principal of, redemption premium, if any, or interest on the 2015 Bonds pursuant to Section 4.2(a) hereof or to pay any of the other amounts set forth in Section 4.2 hereof on the due date thereof.

d) Any warranty or representation made by the Borrower in this First Supplement to Loan Agreement or any certificate or document delivered in connection with the issuance of the 2015 Bonds is false or misleading.

The foregoing provisions of this Section are subject to the following limitations: if by reason of Force Majeure the Borrower is unable in whole or in part to carry out its agreement on its part herein contained, other than the obligations on the part of the Borrower contained in Section 4.2 hereof, the Borrower shall not be deemed in default under Section 6.1(a) hereof during the continuance of such inability. The term "Force Majeure" as used herein shall mean, without limitation, the following: acts of God; acts of public enemies; orders or restraints of any kind of the government of the United States of America or of the State or of any of their departments, agencies, or officials, or of any civil or military authority; insurrections; riots; landslides; earthquakes; fires; storms; droughts; floods; explosions, breakage or accident to machinery, transmission pipes or canals; or any other similar cause or event not reasonably within the control of the Borrower. The Borrower agrees, however, to use its best efforts to remedy the cause or causes preventing the Borrower from carrying out its obligations hereunder.

**Section 6.2 Remedies.** Upon the occurrence of an Event of Default pursuant to Section 6.1, the Trustee shall notify all holders of 2015 Bonds and all Interested Beneficial Holders thereof promptly after the Trustee learns of such occurrence, and at any time during the continuance of such Event of Default, the Trustee may exercise any remedies set forth in Section 7.2 of the Original Loan Agreement.

**Section 6.3 Additional Remedies.** In addition to the above remedies, if the Borrower commits a breach of this First Supplement to Loan Agreement, the Trustee shall have the right and remedy, without

posting bond or other security, to have the provisions of this First Supplement to Loan Agreement specifically enforced by any court having equity jurisdiction, it being acknowledged and agreed that any such breach will cause irreparable injury to the Issuer and that money damages will not provide an adequate remedy thereto.

Section 6.4 No Remedy Exclusive. No remedy herein conferred or reserved to the Issuer or the Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Original Loan Agreement, this First Supplement to Loan Agreement and the Indenture 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 default or Event of Default hereunder shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 6.5 No Additional Waiver Implied by One Waiver. In the event any agreement contained in this First Supplement to Loan Agreement should be breached by any

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party and thereafter waived by any other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 6.6 Waiver of Extension, Appraisalment, Stay, Laws. To the extent permitted by law, the provisions of Section 7.6 of the Original Loan Agreement are applicable hereto.

Section 6.7 Remedies. The Equity Investor shall have the right, but not the obligation, to cure the Borrower's defaults under the Borrower Documents. The Issuer and the Trustee agree to accept any cure performed by the Equity Investor pursuant to the same terms and conditions of the Borrower Documents as are provided to the Borrower.

## Article VII

### Amendments to the Original Loan Agreement

Section 7.1 Amendments to Section 1.1 of the Original Loan Agreement; Definitions. Section 1.1 of the Original Loan Agreement is hereby amended by adding the following in the proper alphabetical order therein:

"Affiliate" means, with respect to any entity or person, any other entity or person that directly controls, is controlled by, or is under common control with, the first mentioned entity or person.

"Completion Date" means August 31, 2015.

"Compliance Period" means the entire period during which the "compliance period" specified in Code Section 42(i)(1) shall be applicable to any building in the Project.

"Occupancy Date" means the earlier of (i) three months after the Completion Date or (ii) the date on which the Borrower obtains a certificate of occupancy for the Project.

Section 7.2 Amendment to Section 2.5(b) of the Original Loan Agreement; Financial Records

and Statements. Section 2.5(b) of the Original Loan Agreement is hereby amended by adding the following to the end thereof:

"(v) a monthly actual to budget with respect to the Acquisition and Rehabilitation Budget with an explanation of any variances in excess of 5% of the total amount budgeted therefore, and (vi) an annual calculation of the Debt Service Coverage Ratio."

Section 7.3 Amendment to Section 3.3 of the Original Loan Agreement; Agreement to Acquire, Rehabilitate and Equip the Project; Disbursement of Acquisition and Rehabilitation Fund. Section 3.3 of the Original Loan Agreement is hereby amended as follows:

(a) The following shall be added the end of the first paragraph thereof:

"The Borrower shall cause the acquisition and rehabilitation of the Project to be completed not later than the Completion Date."

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(b) The following shall be added to the end of such Section:

"The Borrower hereby certifies that amounts on deposit in the Acquisition and Rehabilitation Fund, plus certain contributions to be made under the Partnership Agreement, are sufficient to complete the Project. Attached hereto as Schedule 1 is complete list of sources and uses of funds that will be sufficient in the aggregate to complete the Project. Sources of funds will only be applied to the specific uses as set forth in Schedule 1, unless the Borrower obtains the prior written consent of the Trustee."

Section 7.4 Amendment to Section 3.4 of the Original Loan Agreement; Replacement Reserve Fund. Section 3.4 of the Original Loan Agreement is hereby amended by replacing "June 1, 2014" therein with "the date that is five months after the Occupancy Date."

### **Section 7.5 Amendment to Section 4.5 of the Original Loan Agreement.**

Section 4.5 of the Original Loan Agreement is hereby deleted in its entirety and replaced with [Reserved].

Section 7.6 Amendment to Section 6.10(d) of the Original Loan Agreement; Assignment, Selling and Leasing. Section 6.10(d) of the Original Loan Agreement is hereby amended by deleting the phrase "; such consent not to be unreasonably withheld or delayed" at the end thereof.

Section 7.7 Amendment to Section 6.14 of the Original Loan Agreement; Obligation to Hire Independent Consultants. Section 6.14 of the Original Loan Agreement is hereby amended by inserting "and the Trustee" after "approved by the Issuer" in the first sentence thereof and by replacing "December 1, 2014" therein with "the Bond Year in which the Occupancy Date occurs."

### **Section 7.8 Amendment to Section 6.15 of the Original Loan Agreement.**

Section 6.15 of the Original Loan Agreement is hereby amended by deleting the last sentence thereof and replacing it with the following:

"For purposes of this Section 6.15, the term "management" shall refer exclusively to BMA Management, LTD as Management Agent under that Management Agreement between the Borrower and BMA Management, LTD."

Section 7.9 Amendment to Article VI of the Original Loan Agreement. Article VI of the Original Loan Agreement is amended by adding the following to the end thereof:

. "Section 6.20 Debt Service Coverage Ratio. The Borrower hereby covenants to maintain a Debt Service Coverage Ratio of at least 1.0 to 1.0 in each Fiscal Year commencing with the first full Fiscal Year after the Compliance Period.

Section 6.2T Change in Control. The Borrower agrees that during the term of this Loan Agreement, it will not permit or consent to a change in control of the Borrower, the General Partner or Celadon Holdings, Inc. without the consent of the holders of the majority of the principal amount of the Bonds. For purposes of this Section, "change in control" shall refer to (i) partnership interests in the Borrower, the General Partner or Celadon Holdings, Inc., respectively, no longer being held by the present holders thereof or their Affiliates, or (ii) the General Partner is replaced by the Equity Investor in accordance with the Partnership Agreement by an entity other the Equity Investor or its Affiliate.

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Section 6.22 Notices. The Borrower shall provide the Trustee immediate notice of (i) a Tax Credit Recapture Event or a Repurchase Event has occurred, or (ii) the occurrence of any event that gives the Investor Limited Partner the right to exercise its remedies under Sections 6.2, 6.3 or 6.4 Partnership Agreement as in effect on the date hereof."

Section 7.10 Amendment to Section 7.1 of the Original Loan Agreement; Events of Default. The first sentence of Section 7.1 of the Original Loan Agreement is hereby amended and restated as follows:

**"Any one or more of the following events shall constitute an Event of Default hereunder (an "Event of Default"):**

Section 7.11 Amendment to Section 7.1 (a) of the Original Loan Agreement; Events of Default. Section 7.1(a) of the Original Loan Agreement is hereby amended and restated as follows:

"(a) Except as specified in subsection (d) hereof, failure by the Borrower to observe and perform any covenant, condition or agreement herein or in the Note, the Mortgage, the Security Agreement, the Assignment, and the SLF Agreement on its part to be observed or performed for a period of 30 days after written notice specifying such failure; provided however, if the failure stated in the notice cannot be corrected within the 30 day period (but can be corrected within another 30 day period), and the Borrower initiates corrective action within said period and diligently, continually and in good faith works to effect a cure as soon as possible, an extension of time not to exceed 30 days will be available to the Borrower."

Section 7.12 Amendment to Section 7.1(b) of the Original Loan Agreement; Events of Default. Section 7.1(b) of the Original Loan Agreement is hereby amended by replacing "90" with "30".

Section 7.13 Amendments to Section 7.1 of the Loan Agreement; Events of Default. Section 7.1 of the Original Loan Agreement is hereby amended by adding the following clauses to the end thereof:

(i) A default occurs under the First Supplemental Loan Agreement, First Supplemental Mortgage or First Supplemental Indenture.

(j) Failure to maintain the Debt Service Coverage Ratio required by Section 6.20 hereof.

(k) The Equity Investor exercises its rights under the Partnership Agreement to replace the General Partner with any party other than the Equity Investor or an Affiliate thereof;

(l) The balance of the Debt Service Reserve Fund is not replenished to the Debt Service Reserve Requirement on or before the Completion Date, or if anytime thereafter the balance in the Debt Service Reserve Fund falls below 50% of the Debt Service Reserve Fund Requirement.

Section 7.14 Amendments to Exhibit C of the Loan Agreement. Exhibit C is hereby replaced in its entirety with Exhibit C attached hereto.

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**Article VIII**

Miscellaneous

Section 8.1 Notice. Unless otherwise specifically provided herein, any notice, request, complaint, demand, communication or other paper shall be sufficiently given and shall be deemed given when the same is: (i) deposited in the United States mail and sent by first class mail, postage prepaid, or (ii) delivered, in each case to the parties at the addresses set forth below or at such other address as a party may designate by notice to the other parties:

The Issuer: CITY OF CHICAGO  
Department of Housing and Economic Development  
121 North LaSalle Street  
Room 1000  
Chicago, Illinois 60602  
Attention: Commissioner  
Telephone: (312)744-9476  
Facsimile: (312) 744-2271

L with copies to: Department of Law City Hall, Room 600  
121 North LaSalle Street Chicago, Illinois  
60602  
Attention: Finance and Economic Development  
Division Telephone: (312)744-  
0200 Facsimile: (312) 744-8538

and to: CITY OF CHICAGO  
Department of Finance-Financial Policy 33 North  
LaSalle Street Chicago, Illinois 60602 Attention: Deputy  
Comptroller Telephone: (312) 744-7106 Facsimile: (312)  
744-4877

If to the Borrower: CH-GB Affordable Partners, LLC



c/o Celadon Holdings, LLC 2047 W. Wilmette  
Avenue Wilmette, Illinois 60091 Attention: Scott  
Henry, President

with a copy to:

R4 NCSL Acquisition LLC  
c/o R4 Capital LLC 780 Third Avenue, 10<sup>th</sup>  
Floor New York, New York 10017 Attention:  
Marc Schnitzer

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Section 8.2 Concerning Successors and Assigns. All covenants, agreements, representations and warranties made herein and in the certificates delivered pursuant hereto shall survive the financing herein contemplated and shall continue in full force and effect so long as the obligations hereunder are outstanding and unpaid. Whenever in this First Supplement to Loan Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all covenants, promises and agreements by or on behalf of the Borrower which are contained in this First Supplement to Loan Agreement shall bind its successors and assigns and inure to the benefit of the successors and assigns of the Issuer.

Section 8.3 Governing Law. This First Supplement to Loan Agreement and the Exhibits attached hereto shall be construed in accordance with and governed by the internal laws of the State without reference to its conflict of laws principles.

Section 8.4 Modifications in Writing. Subject to provisions of the Indenture, modification or waiver of any provisions of this First Supplement to Loan Agreement, or consent to any departure by the Borrower therefrom, shall in no event be effective unless the same shall be in writing approved by the parties thereto and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given and so long as the interests of any Bondholders are not adversely affected and the Trustee assents thereto. Subject to provisions of the Indenture, any amendments to this First Supplement to Loan Agreement shall require the written consent of all of the parties hereto and may be entered into only in accordance with the terms of Article XI of the Indenture. No notice to or demand on the Borrower in any case shall entitle it to any other or further notice of demand in the same circumstances.

Section 8.5 Further Assurances and Corrective Instruments. The Issuer and the Borrower agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required and agreed upon for correcting any inadequate or incorrect description of the provisions of this First Supplement to Loan Agreement.

Section 8.6 Captions. The section headings contained herein are for reference purposes only and shall not in any way affect the meaning or interpretation of this First Supplement to Loan Agreement.

Section 8.7 Severability. In the event any provision of this First Supplement to Loan Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision thereof; provided, however, that no finding of illegality or unenforceability shall require payment by the Issuer of any funds from any source other than revenues derived hereunder.

Section 8.8 Counterparts. This First Supplement to Loan Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original; but such counterparts shall together constitute but one and the same agreement, and, in making proof of this First Supplement to Loan Agreement, it shall not be necessary to produce or account for more than one such counterpart.

Section 8.9 Amounts Remaining in Bond Fund or Other Funds. It is agreed by the parties hereto that any amounts remaining in the Bond Fund or other funds established under the Indenture upon expiration or sooner termination of the term hereof, as

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provided below, after payment in full of the 2015 Bonds (or provisions for payment thereof having been made in accordance with the provisions of the Indenture) and the fees and expenses of the Issuer, the Trustee and any Paying Agents in accordance with the Indenture, shall be paid in accordance with the First Supplement to Indenture.

Section 8.10 Effective Date and Term. This First Supplement to Loan Agreement shall be in full force and effect from the date hereof, and shall continue in effect until the payment in full of all principal of, premium, if any, and interest on the 2015 Bonds, or provision for the payment thereof shall have been made pursuant to Section 7.1 of the Indenture; all fees, charges, indemnities and expenses of the Issuer and the Trustee have been fully paid or provision made for such payment (the payment of which fees, charges, indemnities and expenses shall be evidenced by a written certification of the Borrower that it has fully paid or provided for all such fees, charges, indemnities and expenses); and all other amounts due hereunder and under the 2015 Note have been duly paid or provision made for such payment. All representations, certifications and covenants by the Borrower as to the indemnification of various parties and the payment of fees and expenses of the Issuer as described in Section 6.6 hereof, and all matters affecting the tax-exempt status of the Bonds and amendments set forth in Article VII shall survive the termination of this First Supplement to Loan Agreement.

Section 8.11 Default by Issuer; Limited Liability. Notwithstanding any provision or obligation to the contrary hereinbefore set forth, no provision of this First Supplement to Loan Agreement shall be construed so as to give rise to a pecuniary liability of the Issuer or to give rise to a charge upon the general credit of the Issuer; the liability of the Issuer hereunder shall be limited to its interest in the Project, this First Supplement to Loan Agreement, the 2015 Note, and all other related documents and collateral 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, nor shall the Issuer be liable on any obligation so incurred. The Issuer does not assume general liability for the repayment of the 2015 Bonds or for the costs, fees, penalties, taxes, interest, omissions, charges, insurance or any other payments recited herein, and shall be obligated to pay the same only out of the amounts payable by the Borrower hereunder. The Issuer shall not be required to do any act whatsoever or exercise any diligence whatsoever to mitigate the damages to the Borrower if a default shall occur hereunder.

Section 8.12 Indenture Provisions. The First Supplement to Indenture provisions concerning the 2015 Bonds and the other matters therein are an integral part of the terms and conditions of the Loan made by the Issuer to the Borrower pursuant to this First Supplement to Loan Agreement and the execution of this First Supplement to Loan Agreement shall constitute conclusive evidence of approval of the First Supplement to Indenture by the Borrower to the extent it relates to the Borrower. Additionally, the Borrower agrees that, whenever the Indenture by its terms imposes a duty or obligation upon the Borrower, such duty or

obligation shall be binding upon the Borrower to the same extent as if the Borrower were an express party to the Indenture, and the Borrower hereby agrees to carry out and perform all of its obligations under the Indenture as fully as if the Borrower were a party to the Indenture.

Section 8.13 Commercial Transaction, to induce the issuer to enter into THE COMMERCIAL LOAN TRANSACTION EVIDENCED BY AND SECURED BY THE BORROWER DOCUMENTS, THE BORROWER ACKNOWLEDGES THAT THE TRANSACTIONS TO WHICH THIS LOAN RELATES ARE COMMERCIAL TRANSACTIONS. THE BORROWER HEREBY VOLUNTARILY AND KNOWINGLY WAIVES ITS RIGHTS TO NOTICE AND HEARING UNDER ANY STATE OR FEDERAL LAW OR PROCEDURAL RULE WITH RESPECT TO ANY PREJUDGMENT REMEDY OR OTHER RIGHT OR REMEDY THAT THE ISSUER

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MAY ELECT TO USE OF WHICH IT MAY AVAIL ITSELF. THE BORROWER FURTHER WAIVES, TO THE GREATEST EXTENT PERMITTED BY LAW, THE BENEFITS OF ALL PRESENT AND FUTURE VALUATION, APPRAISEMENT, EXEMPTION, STAY, REDEMPTION AND MORATORIUM LAWS. THE BORROWER FURTHER WAIVES ANY REQUIREMENT THAT THE ISSUER OBTAIN A BOND OR OTHER SIMILAR DEVICE IN CONNECTION WITH THE EXERCISE OF ANY REMEDY OR THE ENFORCEMENT OF ANY RIGHT HEREUNDER.

THE PARTIES HERETO WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS FIRST SUPPLEMENT TO LOAN AGREEMENT OR UNDER ANY AGREEMENT, INSTRUMENT OR OTHER DOCUMENT CONTEMPLATED HEREBY OR RELATED HERETO AND IN ANY ACTION DIRECTLY OR INDIRECTLY RELATED TO OR CONNECTED WITH THE OBLIGATIONS OR THIS FIRST SUPPLEMENT TO LOAN AGREEMENT, OR ANY CONDUCT RELATING TO THE ADMINISTRATION OR ENFORCEMENT OF THE OBLIGATIONS OR ARISING FROM THE DEBTOR/CREDITOR RELATIONSHIP OF THE BORROWER AND THE ISSUER. THE BORROWER ACKNOWLEDGES THAT THIS WAIVER MAY DEPRIVE IT OF AN IMPORTANT RIGHT AND THAT SUCH WAIVER HAS BEEN KNOWINGLY AND VOLUNTARILY MADE BY THE BORROWER.

Section 8.14 Third Party Beneficiary. The Issuer and the Borrower hereby agree that the Trustee is a third party beneficiary to this First Supplement to Loan Agreement.

Section 8.15 Payment. At such time as the principal of, premium, if any, and interest on all 2015 Bonds outstanding under the Indenture shall have been paid, or shall be deemed to be paid in accordance with the Indenture, and all other sums payable by the Borrower under this First Supplement to Loan Agreement and the First Supplement to Indenture shall have been paid, the Loan shall be deemed to be fully paid, and the Borrower upon request is entitled to receive acknowledgment of such payment in full from Trustee.

Section 8.16 Notice of Changes in Fact. Promptly after the Borrower becomes aware of the same, the Borrower will notify the Trustee of (a) any change in any material fact or circumstance represented or warranted by the Borrower in this First Supplement to Loan Agreement or in connection with the issuance of the 2015 Bonds, and (b) any default or event which, with notice or lapse of time or both, could become a default under this First Supplement to Loan Agreement or the First Supplement to Indenture, specifying in each case the nature thereof and what action the Borrower has taken, is taking and proposes to take with respect thereto.

Section 8.17 No Agency Relationship. The Borrower agrees that neither the Issuer nor the Trustee is the agent, representative, joint venturer or partner of the Borrower, and without limitation of the foregoing, neither this First Supplement to Loan Agreement nor any other related document shall make the Issuer or the Trustee liable to material suppliers, contractors, craftsmen, laborers or others for goods delivered to or services performed by them upon the Project, or for debts or claims accruing to such parties against the

Borrower, and there is no contractual relationship, either expressed or implied between the Issuer or the Trustee and any material suppliers, subcontractors, craftsmen, laborers or any other person supplying any work, labor or materials for the improvement of the Project.

Section 8.18 Services to Benefit Issuer Only. Any inspections or other services rendered by the Issuer or on behalf of the Issuer, whether or not paid for by Borrower, shall be rendered solely for the protection and the benefit of the Issuer, as the case may be, and the Borrower or any Bondholder shall not be entitled to claim any loss or damage against the Issuer, or against any agent or employee of either, for failure to properly discharge their duties

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with respect to such inspections or other services. The Issuer shall not be responsible to the Borrower or any other party for failure to carry out or cause to be carried out or for negligence in carrying out or causing to be carried out, any inspection permitted or required hereunder, nor for failure to notify or protect the Borrower or any other party from any negligence or malfeasance of the Borrower or any other party, whether or not such negligence or malfeasance is (or should have been) actually discovered by any such inspection.

Section 8.19 Supplements and Amendments to First Supplement to Loan Agreement. Subject to the terms, conditions and provisions of Article XI of the Indenture the Borrower and the Issuer, with the consent of the Trustee, may from time to time enter into such supplements and amendments to this First Supplement to Loan Agreement. An executed copy of any of the foregoing amendments, changes or modifications shall be filed with the Trustee. The Trustee may grant such waivers of compliance by the Borrower with provisions of this First Supplement to Loan Agreement as to which the Trustee may deem necessary or desirable to effectuate the purposes or intent hereof and which, in the opinion of the Trustee, do not have a material adverse effect upon the interests of the Bondholders, provided that the Trustee shall file with the Issuer any and all such waivers granted by the Trustee within three business days thereof. In all respects not inconsistent with the terms and provisions of this First Supplement, the Original Loan Agreement is hereby ratified, approved and confirmed.

***[Remainder of this Page Intentionally Left Blank; Signature Page Follows]***

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In Witness Whereof, the parties hereto have executed this First Supplement to Loan Agreement and caused it to be executed and sealed by their authorized representatives, as of the day and year first above written above.

City of Chicago

By:

Name: Lois A. Scott

Title: Chief Financial Officer

GOLDBLATT OF CHICAGO LIMITED PARTNERSHIP,  
**an Illinois limited partnership**

By: CH-GB Affordable Partners, LLC,  
an Illinois limited liability company Its: General  
Partner

By: Celadon Holdings LLC,  
an Illinois limited liability company Its: Managing  
Member

By:

Scott Henry, Member

**EXHIBIT A**

**2015 NOTE**

[\$            ]

May 1, 2015

Chicago, Illinois

FOR VALUE RECEIVED, Goldblatts of Chicago Limited Partnership, an Illinois limited partnership (the "Borrower"), promises to pay to the order of the City of Chicago (the

"Issuer"), the principal sum of                      Million Dollars (\$)                      ), together with interest on so much thereof as is from time to time outstanding and unpaid, at the rate stated herein, from the date of the first advance of the principal evidenced hereby. Capitalized terms not otherwise defined herein shall have the meanings assigned thereto in the Indenture (as defined herein).

This 2015 Note (the "Note") shall bear interest from time to time, at a rate which is equal to the interest accruing on and payable with respect to the Issuer's Multi-Family Housing Revenue Bonds (Goldblatts Supportive Living Project), Series 2015, in the aggregate original principal amount of \$                      (the "Bonds"), issued under and pursuant to a First Supplement to Trust Indenture dated as of May 1, 2015 (the "First Supplement to Indenture"), between the Issuer and UMB Bank, N.A., as trustee (the "Trustee"), which First Supplement to Indenture and 2015 Bonds are incorporated herein by reference and made a part hereof. Said interest shall be payable each June 1 and December 1 commencing with the first December 1 occurring after the date hereof.

The principal of this 2015 Note shall be payable on December 1, 2030 or on such earlier dates and in such amounts as the principal becomes due on the Bonds pursuant to the Indenture.

This Note also evidences the obligation of the Borrower to pay the other amounts provided for in the First Supplement to Loan Agreement, dated as of May 1, 2015, between the Borrower and the Issuer (the "First Supplement to Loan Agreement") and the First Supplement to Indenture as such amounts become due.

If the date when any of the payments required to be made hereunder is not a Business Day, then such payments may be made on the next Business Day with the same force and effect as if made on the nominal due date, and no interest shall accrue for the period after such date.

The Borrower shall have the option to make advance payments of amounts due hereunder, from time to time, which advance payments shall be deposited with the Trustee in the Bond Fund established by the First Supplement to Indenture and shall be applied as provided in the First Supplement to Loan Agreement and the First Supplement to Indenture, including, without limitation, from amounts received from any limited partner of the Borrower in the form of equity contributed to the Borrower.

All payments shall be made in coin or currency of the United States of America in immediately available funds at the principal corporate trust office of the Trustee, or at the principal corporate trust office of any successor Trustee.

If the Borrower fails to pay any installment of principal, redemption premium, if any, and interest when due under this 2015 Note, or upon the occurrence of any one or more of the Events of Default specified in the Loan Agreement, dated as of January 1, 2013, between the Issuer and the Borrower (the "Original Loan Agreement") or the First Supplement to Loan Agreement, the Trustee then, or at any time thereafter, may under certain conditions specified in Article VIII of the Indenture and Article VII of the Loan Agreement give notice to the Borrower declaring all unpaid amounts then outstanding hereunder or under the First Supplement to Loan Agreement (including all fees), to be due and payable, and thereupon, without further notice or demand, all such amounts shall become and be immediately due and payable. Failure to exercise this option shall not constitute a waiver of the right to exercise the same at any time in the event of any continuing or subsequent default.

Except as specifically set forth in the Original Loan Agreement and the First Supplement to Loan Agreement, the undersigned waives demand, protest, presentment for payment and notice of

nonpayment and agrees to pay all reasonable costs of collection when incurred, including reasonable attorneys' fees and expenses, and to perform and comply with each of the covenants, conditions, provisions and agreements of the undersigned contained in every instrument evidencing or securing the indebtedness evidenced hereby. No extension of the time for the payment of this 2015 Note shall operate to release, discharge, modify, change or affect the original liability under this 2015 Note, either in whole or in part, of the undersigned if not a party to such agreement.

This 2015 Note is issued under and is subject to the terms and conditions of the Indenture, the Original Loan Agreement, the First Supplement to Indenture and the First Supplement to Loan Agreement. All terms, conditions, rights and provisions set forth therein are hereby incorporated herein in their entirety including without limitation the provisions of Section 2.5 of the Indenture, Section 4.5 of the Original Loan Agreement and Section 4.4 of the First Supplement to Loan Agreement. This 2015 Note is secured by a Mortgage and Security Agreement, Absolute Assignment of Leases and Rents, as amended by the First Amendment, and any ancillary documents thereto, all of which are of even date herewith.

THE BORROWER ACKNOWLEDGES THAT THE TRANSACTIONS TO WHICH THIS 2015 NOTE RELATES ARE COMMERCIAL TRANSACTIONS. THE BORROWER HEREBY VOLUNTARILY AND KNOWINGLY WAIVES ITS RIGHTS TO NOTICE AND HEARING UNDER ANY STATE OR FEDERAL LAW, IN EFFECT ON THE DATE HEREOF, OR AS OTHERWISE ALLOWED BY ANY STATE OR FEDERAL LAW OR PROCEDURAL RULE WITH RESPECT TO ANY PREJUDGMENT REMEDY OR OTHER RIGHT OR REMEDY THAT THE ISSUER MAY ELECT TO USE OF WHICH IT MAY AVAIL ITSELF. THE BORROWER FURTHER WAIVES, TO THE GREATEST EXTENT PERMITTED BY LAW, THE BENEFITS OF ALL PRESENT AND FUTURE VALUATION, APPRAISEMENT, EXEMPTION, STAY, REDEMPTION AND MORATORIUM LAWS. THE BORROWER FURTHER WAIVES ANY REQUIREMENT THAT THE ISSUER OBTAIN A BOND OR OTHER SIMILAR DEVICE IN CONNECTION WITH THE EXERCISE OF ANY REMEDY OR THE ENFORCEMENT OF ANY RIGHT HEREUNDER.

THE PARTIES HERETO WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS FIRST SUPPLEMENT TO LOAN AGREEMENT OR UNDER ANY AGREEMENT, INSTRUMENT OR OTHER DOCUMENT CONTEMPLATED HEREBY OR RELATED HERETO AND IN ANY ACTION DIRECTLY OR INDIRECTLY RELATED TO OR CONNECTED WITH THE OBLIGATIONS OR THIS LOAN AGREEMENT, OR ANY CONDUCT RELATING TO THE ADMINISTRATION OR ENFORCEMENT OF THE OBLIGATIONS OR ARISING FROM THE DEBTOR/CREDITOR RELATIONSHIP OF THE BORROWER AND THE ISSUER. THE BORROWER ACKNOWLEDGES THAT THIS

WAIVER MAY DEPRIVE IT OF AN IMPORTANT RIGHT AND THAT SUCH WAIVER HAS BEEN KNOWINGLY AND VOLUNTARILY MADE BY THE BORROWER.

This 2015 Note and all instruments securing the same are to be construed according to the laws of the State of Illinois without the application of principles of choice of law.

**Goldblatts of Chicago Limited Partnership, an Illinois limited partnership**

By: CH-GB Affordable Partners, LLC,  
an Illinois limited liability company Its: General Partner

By: Celadon Holdings LLC,  
an Illinois limited liability company Its: Managing Member

By:

Scott Henry, Member

pay to THE order of UMB Bank, N.A., as successor to Seaway Bank and Trust Company, as trustee under the within-mentioned Indenture, and its successors, as Trustee, without warranty or recourse.

City of Chicago

Name: Lois A. Scott  
Title: Chief Financial Officer

EXHIBIT B

ACQUISITION AND REHABILITATION BUDGET FOR 2015 PROJECT [SEE ATTACHED]

EXHIBIT C

ACQUISITION AND REHABILITATION FUND REQUISITION

To: Seaway Bank and Trust Company,  
as Trustee

From: Goldblatts of Chicago Limited Partnership

Re:

Requisition No.:

The undersigned, on behalf of Goldblatts of Chicago Limited Partnership, an Illinois limited partnership (the "Borrower"), hereby requests payment, from the Acquisition and Rehabilitation Fund for the Project identified above, the total amount shown below to the order of the payee or payees named below, as payment or reimbursement for costs incurred or expenditures made in connection with said Project. The payee(s), the purpose and the amount of the disbursement requested are as follows:

<u>Payee</u>	<u>Purpose</u>	<u>Amount</u>	<u>Line Item</u>	<u>Pre-Requisition Budgeted Amount</u> <u>Unexpended Per Line Item</u>
--------------	----------------	---------------	------------------	---

The Borrower hereby certifies as follows:

Each obligation mentioned herein is described in the Acquisition and Rehabilitation Budget (as defined in the Loan Agreement), has been properly incurred and is a proper charge against the Acquisition and Rehabilitation Fund, and each item for which payment is requested is or was necessary in connection with the rehabilitation and repair of the Project. None of the items for which payment is requested has been reimbursed previously from the Acquisition and Rehabilitation Fund, and none of the payments herein requested will result in a breach of the representations and agreements in the First Supplement to Loan Agreement relating to the 2015 Project.

**Goldblatts of Chicago Limited Partnership, an Illinois limited partnership**

By: CH-GB Affordable Partners, LLC,  
an Illinois limited liability company Its: General Partner



By: Celadon Holdings LLC,  
an Illinois limited liability company Its: Managing Member

By:  
Scott Henry, Member

SCHEDULE A

FUNDS OR ACCOUNTS AS ESTABLISHED BY FIRST  
SUPPLEMENT TO INDENTURE

Except as set forth herein, on or before the Issuance Date, the Borrower shall cause the following amounts to be deposited into the funds and accounts set forth below:

**Account Amount**

From Bond Proceeds:

Bond Fund  
Capitalized Interest Account (2015 Bonds)

Placement Agent's Fees \$.

Acquisition and Rehabilitation Fund \$. Bond Proceeds Account (2015  
Bonds)

Debt Service Reserve Fund \$,

From Borrower Funds:

Cost of Issuance Fund (2015 Bonds) \$

Acquisition and Rehabilitation Fund \$  
Equity Account (2015 Bonds)

Total \$.

16156-0088 CH2\16290846 9

**Exhibit B First Supplement to Indenture**

**See attached.**

First Supplement to Trust Indenture

from

City of Chicago to

UMB Bank, n.a., as Trustee, successor to Seaway Bank and Trust Company, as Trustee

Relating to:

\$

City of Chicago Multi-Family Housing Revenue Bonds (Goldblatts Supportive Living Project), Series 2015

Dated as of May 1, 2015

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### First Supplement to Trust Indenture

This First Supplement to Trust Indenture, dated as of May 1, 2015 (the "First Supplement to Indenture"), is from the City of Chicago, a duly constituted and existing municipality within the meaning of Section 1 of Article VII of the 1970 Constitution of the State of Illinois (the "Constitution"), and a home rule unit of government under Section 6(a) of Article VII of the Constitution (the "Issuer"), to UMB Bank, n.a., a banking corporation having its principal corporate trust office in Kansas City, Missouri, as successor trustee (the "Trustee"). This First Supplement to Indenture supplements the Trust Indenture, dated January 1, 2013 (the "Original Indenture") from the Issuer to the successor Trustee in accordance with Article XII of the Original Indenture to provide for the issuance of Completion Bonds (as defined in the Original Indenture). Except to the extent the Original Indenture is supplemented by this First Supplement to Indenture (the two documents together are referred to as the "Indenture"), the Original Indenture remains in full force and effect.

### WITNESSETH:

Whereas, the Issuer is authorized under the Constitution of the State of Illinois (the "State"), to exercise any power and perform any function pertaining to its government and affairs, including the power to issue bonds and lend the proceeds of the sale thereof to finance the acquisition, rehabilitation and equipping of a low-income housing development project located within the boundaries of the Issuer; and

Whereas, on January 30, 2013, the Issuer issued its Multi-Family Housing Revenue Bonds (Goldblatts Supportive Living Project), Series 2013, in the aggregate principal amount of \$18,000,000 (the "2013 Bonds") pursuant to the Original Indenture and loaned the proceeds to Goldblatts of Chicago Limited Partnership, an Illinois limited partnership (the "Borrower"), pursuant to a Loan Agreement dated January 1, 2013 (the "Original Loan Agreement") as such original Loan Agreement is supplemented by the terms of the

First Supplement to Loan Agreement (the "First Supplement to Loan Agreement" and together with the Original Loan Agreement, the "Loan Agreement") dated as of May1, 2015, in order to (i) finance or reimburse the Borrower for certain permitted costs in connection with the acquisition, rehabilitation and equipping of a low-income housing development project consisting of real property improved with a building (the "Building") that formerly housed a Goldblatt's Department Store and comprised of a supportive living facility with approximately 101 residential dwelling units and certain attendant facilities located on all but the commercial space areas on the ground floor of the Building, located generally at 4707 S. Marshfield Avenue, and with parking on adjacent property located at 1635 W. 47th Street, within the boundaries of the Issuer, (ii) pay capitalized interest, (iii) make a deposit into a debt service reserve fund for the Bonds, and (iv) pay the costs of issuance relating thereto (the "2013 Project"); and

Whereas, the Issuer has agreed to issue its Multi-Family Housing Revenue Bonds (Goldblatts Supportive Living Project), Series 2015, in the aggregate principal amount of \$[ ] (the "2015 Bonds," and together with the 2013 Bonds, the "Bonds") to finance the completion of the 2013 Project (the "2015 Project," and together with the 2013 Project, the "Project"), make a deposit into the debt service reserve fund and fund capitalized interest through May 31, 2017; and

Whereas, all Bonds issued under the Original Indenture and this First Supplement to Indenture will be secured on a parity by a pledge and assignment of certain rights of the Issuer

under the Original Loan Agreement as supplemented by the First Supplement to Loan Agreement (defined below); and

Whereas, the Bonds shall be payable on a parity solely from the revenues received by the Issuer from the repayment of the loan of the proceeds of the Bonds to the Borrower (the "Loan") and from other revenues derived from the Loan and the Bonds, including, without limitation, from certain amounts received from any limited partner of the Borrower in the form of equity contributed to the Borrower; and

Whereas, the Trustee has trust powers and the power and authority to enter into the Original Indenture and this First Supplement to Indenture, to accept trusts generally and to accept and execute the trust created by the Original Indenture and this First Supplement to Indenture, and the Trustee has accepted the trust so created and, to evidence such acceptance, has joined in the execution of the Original Indenture and this First Supplement to Indenture; and

Whereas, the execution and delivery of this First Supplement to Indenture has been duly authorized by the Issuer and all conditions, acts and things necessary and required by the Constitution or statutes of the State or otherwise to exist, to have happened, or to have been performed precedent to or in the execution and delivery of this First Supplement to Indenture, do exist, have happened and have been performed in regular form, time and manner; and

Whereas, all things necessary to make the 2015 Bonds, when authenticated by the Trustee and issued as provided in the Original Indenture and this First Supplement to Indenture, the valid, binding and legal special limited obligations of the Issuer according to the import thereof, and to constitute the Original Indenture and this First Supplement to Indenture as a valid assignment and pledge of the amounts pledged to the payment of the principal of, redemption premium, if any, and interest on the 2015 Bonds, and to constitute this First Supplement to Indenture a valid assignment of certain of the rights of the Issuer under the First Supplement to Loan Agreement, have been done and performed, and the creation, execution and issuance of the 2015 Bonds, subject to the terms thereof, have in all respects been duly authorized.

Now, Therefore, This First Supplement to Trust Indenture Witnesseth that the Granting Clauses

of the Original Indenture are applicable to the 2015 Bonds.

## Article I

### Definitions

In addition to the words and terms defined in the Original Indenture or elsewhere herein, the following words and phrases as used in this First Supplement to Indenture shall have the following meanings unless the context or use indicates another or different meaning and intent:

"Additional Bonds" means the 2015 Bonds and other additional bonds issued pursuant to Section 12.1 of the Original Indenture.

"Bond" or "Bonds" means (a) the 2013 Bonds and (b) the 2015 Bonds.

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"[2015 Bond Purchase Agreement" means the Bond Purchase Agreement, dated as of May , 2015, by and among the Issuer, the Borrower and the Bond Purchasers, pursuant to which the 2015 Bonds will be offered for sale to the Purchaser][please circulate]

"Bond Purchasers" means [Alliance Bernstein LP.].

"Bond Resolution" means, with respect to the Original Bonds, the ordinance adopted by the Issuer on June 8, 2011, authorizing and approving the issuance and sale of the 2013 Bonds and authorizing and approving the execution and delivery of the Original Indenture, the Original Loan Agreement, the Original Regulatory Agreement, the Original Bond Purchase Agreement and certain other documents, making certain appointments and determining certain details with respect to the 2013 Bonds and, with respect to the 2015 Bonds, means the ordinance adopted by the Issuer on May , 2015, authorizing and approving the issuance and sale of the 2015 Bonds and authorizing and approving the execution and delivery of this First Supplement to Indenture, the First Supplement to Loan Agreement, the First Supplement to Regulatory Agreement (as defined herein), the 2015 Bond Purchase 'Agreement, and certain other documents, making certain appointments and determining certain details with respect to the 2015 Bonds.

"Borrower Documents" (1) when used with respect to the 2013 Bonds, means all documents and agreements executed and delivered by the Borrower as security for or in connection with the issuance of the 2013 Bonds including, but not limited to the Original Loan Agreement, the Note, the Mortgage, the Security Agreement, the Assignment, the Original Bond Purchase Agreement, (2) when used with respect to the 2015 Bonds means all documents and agreements executed and delivered by the Borrower in connection with 2015 Bonds, including the First Supplement to Loan Agreement, this First Supplement to Indenture, First Amendment to the Mortgage, the 2015 Note, the 2015 Bond Purchase Agreement, the First Supplement to Regulatory Agreement, the Collateral Assignment and the Tax Agreement with respect to 2015 Bonds, and (3) when used with respect to the Issuer, means any of the foregoing documents and agreements to which the Issuer is a direct party. The Borrower Documents do not include any documents or agreements to which the Borrower is not a direct party, including the Bonds or this Indenture.

"Capitalized Interest Account" means the Capitalized Interest Account established in the Bond Fund by Section 5.2 of this First Supplement to Indenture.

"Collateral Assignment" means the certain Collateral Assignment dated as of May 1, 2015 between the Borrower and the Trustee.

"Completion Bonds" means the 2015 Bonds.

"Costs of Issuance" means (a) the fees, costs and expenses of (1) the Issuer, the Issuer's counsel and the Issuer's financial advisor, if any, (2) the Placement Agents (including fees or discounts to the Placement Agents or other purchasers of the 2015 Bonds (other than original issue discount) incurred in the issuance and sale of the 2015 Bonds) and the Placement Agents' counsel, (3) Bond Counsel, (4) the Trustee and the Trustee's counsel, and (5) the Borrower's counsel and the Borrower's financial advisor, if any, (b) the costs of preparing the cash flow projections, (c) costs of printing the offering documents relating to the sale of the Bonds; and (d) all other fees, costs and expenses directly associated with the authorization, issuance, sale

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and delivery of the Bonds, including, without limitation, printing costs, costs of reproducing documents and filing and recording fees. Costs of Issuance include, but are not limited to:

- a) Placement Agents' fees;
- b) financial advisor fees;
- c) counsel fees, including bond counsel, Borrower's counsel, as well as any other specialized counsel fees;
- d) rating agency fees;
- e) trustee fees and trustee counsel fees;
- f) paying agent and certifying and authenticating agent fees related to issuance of the Bonds;
- g) accountant fees;
- h) printing costs of the 2015 Bonds and of the preliminary and final placement memorandum or other disclosure document;
- (i) costs of engineering and feasibility studies necessary to the issuance of the 2015 Bonds;
- (j) costs incurred in connection with the required public approval process (e.g., publication costs for public notices generally and costs of the public hearing); and
- (k) Issuer fees incurred in connection with the issuance of the 2015 Bonds.

"Cost of Issuance Fund" means the Cost of Issuance Fund established and created by Section 5.3 of this First Supplement to Indenture.

"Loan" means the loan of the proceeds of the 2015 Bonds to the Borrower pursuant to the First

Supplement to Loan Agreement.

"First Supplement to Loan Agreement" means the First Supplement to Loan Agreement dated as of the date of this First Supplement to Indenture with respect to the 2015 Bonds by and between the Issuer and the Borrower, as amended in accordance with the terms hereof and thereof.

"Maturity Date" means, the date specified in Section 2.3 of this First Supplement to Indenture as the maturity date of the 2015 Bonds or any earlier redemption date.

*"2015 Note" means the promissory note of the Borrower dated as of the date of this First Supplement to Indenture evidencing and securing its obligations under the First Supplement to Loan Agreement in the form attached to the First Supplement to Loan Agreement as Exhibit A.*

"Principal Amount" means with respect to the 2015 Bonds, Two Million One Hundred Seventh Five Thousand Dollars (\$2,175,000)[upsized to include DSRF],

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"Placement Agents" means William Blair & Company, L.L.C., and Duncan-Williams, Inc.

"Purchaser" means [Alliance Bernstein].

"Redemption Price" shall have the meaning with respect to the 2015 Bonds specified in Article III of this First Supplement to Indenture.

"Tax Agreement" means with respect to the 2015 Bonds the Tax Agreement executed by the Borrower, the Issuer and the Trustee in connection with the issuance of the 2015 Bonds and dated as of the date of issuance of the 2015 Bonds, and any exhibits, schedules, amendments and supplements to the foregoing.

In addition, the definitions of the terms "Debt Service Reserve Requirement," "Equity Investor," "Mortgage" and "Service Provider" in Article I of the Original Indenture are amended to read as follows:

"Debt Service Reserve Requirement" means with respect to the 2013 Bonds, \$1,347,387.50 and with respect to the 2015 Bonds, \$ [an amount equal to MADS at 8%]

"Equity Investor" means R4 NCSL Acquisition LLC, its successors and assigns.

"Mortgage" means [mortgage, as amended by first amendment]

"Service Provider" means New City Service Provider, LLC, an Illinois limited liability company, and any successor or assigns acting as service provider with respect to the Project.

## Article II The 2015 Bonds

Section 2.1 Authorized Amount of Bonds. No 2015 Bonds may be issued

under the provisions of the Indenture except in accordance with this Article II. The total principal amount of 2015 Bonds that may be issued is expressly limited to \$.



Section 2.2 Issuance of Bonds. The 2015 Bonds shall be designated City of Chicago Multi-Family Housing Revenue Bonds (Goldblatts Supportive Living Project), Series 2015. The Maturity Date of the 2015 Bonds shall be as set forth in Section 2.3 below.

Each 2015 Bond shall be dated as of the date of authentication, shall be subject to prior redemption as provided in Article III, shall be issued as fully registered bonds without coupons in Authorized Denominations, and shall be numbered consecutively from R-1 upward.

Each 2015 Bond shall bear interest as provided in Section 2.3 of this First Supplement to Indenture. If interest on the 2015 Bonds shall be in default, Additional 2015 Bonds issued in exchange for Bonds surrendered for transfer or exchange shall bear interest from the last date to which interest on the 2015 Bonds has been paid in full.

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The principal of, redemption premium, if any, and interest on the 2015 Bonds shall be payable in any coin or currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts, and such principal, redemption premium, if any, and interest shall be payable at the Principal Office of the Paying Agent.

Section 2.3 Interest Rate on Bonds. The 2015 Bonds shall be issued on the Issuance Date shall bear interest until paid from the most recent date to which interest has been duly paid or provided for. The 2015 Bonds shall bear interest at the rate per annum of 6.00% until May 31, 2017 and 8.00% thereafter until maturity. Interest on the 2015 Bonds shall be computed on the basis of a 360-day year, consisting of twelve 30-day months. It shall be the duty of the Trustee to calculate the amount of interest payable for any period on the 2015 Bonds and due and owing to each Holder.

The 2015 Bonds shall mature (subject to prior redemption as provided in Section 3.1) on December 1, 2030.

**Section 2.4 Manner of Paying for Bonds.**

The principal or redemption price of each 2015 Bond shall be payable upon surrender of such 2015 Bond at the Principal Office of the Trustee and otherwise in accordance with Section 2.4 of the Original Indenture.

Section 2.5 Execution; Limited Obligation. The 2015 Bonds shall be in substantially the form attached as Exhibit A, with necessary and appropriate variations, omissions and insertions as are customary, permitted or required by this Indenture. The 2015 Bonds shall be executed on behalf of the Issuer by the manual or facsimile signatures of the Mayor or the Chief Financial Officer of the Issuer, attested by the manual or facsimile signature of the City Clerk or the Deputy City Clerk of the Issuer, or the appropriately designated proxy of such persons, and shall have impressed or imprinted thereon the official seal of the Issuer. Any facsimile signatures shall have the same force and effect as if said officers had manually signed the 2015 Bonds. Any reproduction of the official seal of the Issuer on the 2015 Bonds shall have the same force and effect as if the official seal of the Issuer had been impressed on the 2015 Bonds.

In case any officer of the Issuer whose manual or facsimile signature shall appear on any 2015 Bond shall cease to be such officer before the delivery of such 2015 Bond, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery, and any 2015 Bond may bear the facsimile signatures of, or may be signed by, such persons as at the actual time of the execution of such 2015 Bond shall be the proper officers to sign such 2015 Bond

although at the date of such 2015 Bond such persons may not have been such officers.

The 2015 Bonds are special limited obligations of the Issuer and the principal of, redemption premium, if any, and interest on the 2015 Bonds shall be payable solely from and secured by: (i) amounts paid by the Borrower under the Loan Agreement and the 2015 Note, (ii) an assignment to the Trustee of all the Issuer's rights (except for the Unassigned Rights); (iii) a pledge of and security interest in all moneys and investments held by the Trustee under the Indenture, including any moneys representing earnings on monies held under the Indenture; (iv) the Mortgage; (v) the Security Agreement; (vi) the Assignment; (vii) the 2015 Note; and

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(viii) the Collateral Assignment. The 2015 Bonds and all payments to be made by the Issuer, however, are not general obligations of the Issuer, but are special, limited obligations. The full faith and credit of the Issuer are not pledged to their payment. No Bondholder has the right to compel any exercise of the taxing powers of the Issuer to pay the principal of, premium, if any, or interest on the 2015 Bonds. None of the United States of America, the State, the Issuer, nor any other political subdivision or body corporate and politic, or agency, of the United States of America, the State of Illinois, or the Issuer (except to the limited extent provided herein) shall in any event be liable for the payment of the principal of, premium, if any, or interest on the 2015 Bonds or for the performance of any pledge, obligation or agreement of any kind whatsoever of the Issuer, and neither this 2015 Bond nor any of the Issuer's agreements or obligations shall be construed to constitute an indebtedness of the United States of America, the State, the Issuer or any other political subdivision or body corporate and politic of the United States of America, the State or the Issuer (except to the limited extent provided herein), within the meaning of any constitutional or statutory provision whatsoever.

Section 2.6 Authentication. No 2015 Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Indenture unless a certificate of authentication on such 2015 Bond, substantially in the form set forth in Exhibit A, shall have been duly executed by an authorized officer of the Trustee; and such executed certificate of authentication upon any such 2015 Bond shall be conclusive evidence that such 2015 Bond has been duly executed, registered, authenticated and delivered under this Indenture. It shall not be necessary that the same person sign the certificate of authentication on all of the 2015 Bonds.

Section 2.7 Delivery of 2015 Bonds. Prior to the release by the Trustee of the 2015 Bonds, there shall be filed with the Trustee:

a) A request and authorization to the Trustee on behalf of the Issuer and signed by an Authorized Officer of the Issuer to authenticate and deliver such 2015 Bonds to the Purchaser upon payment to the Trustee, but for the account of the Issuer, of a sum specified in such request and authorization in the aggregate principal amount of the 2015 Bonds;

b) An opinion of counsel to the Issuer to the effect that, in the opinion of such counsel, the Bond Purchase Agreement, the First Supplement to Loan Agreement, the First Supplement to Regulatory Agreement, the 2015 Bonds and this First Supplement to Indenture and other documents to which the Issuer is a party, have been duly authorized and lawfully executed and delivered on behalf of the Issuer and, assuming the due authorization, execution and delivery by the other parties thereto, are valid and binding obligations of the Issuer and enforceable against the Issuer in accordance with the respective terms thereof, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and to the extent that the availability of the remedies of specific performance and injunction may be subject to the discretion of the court;

c) Original duly executed counterparts of the First Supplement to Loan Agreement, the 2015 Note, the First Supplement to Regulatory Agreement, this First Supplement to Indenture, the First Amendment to the Mortgage, and the Intercreditor Agreement;

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d) An opinion of counsel for the Borrower stating in the opinion of such counsel, subject to the exceptions set forth therein acceptable to counsel for the Placement Agents, the Purchaser and Bond Counsel, that the Bond Purchase Agreement, the 2015 Note, the First Supplement to Regulatory Agreement and the First Supplement to Loan Agreement and any other documents to which the Borrower is a party, are valid and binding obligations of the Borrower enforceable against the Borrower in accordance with the respective terms thereof;

e) An opinion of Bond Counsel addressed to the Trustee and the Purchaser substantially to the effect that the 2015 Bonds constitute legal, valid and binding special obligations of the Issuer, and that, assuming continuing compliance with the applicable provisions of the Code by the Borrower and the Issuer, the interest on the 2015 Bonds is not included in gross income for federal income tax purposes under existing law, except for interest on any 2015 Bond for any period during which such 2015 Bond is held by a "substantial user" of the Project or a "related person" as such terms are defined in Section 147(a) of the Code;

f) Such other certificates, documents, instruments, and opinions relating to the issuance of the 2015 Bonds or the security therefor as the Issuer, the Placement Agents or the Trustee may reasonably request, including without limitation all requirements established by Article XII of the Original Indenture for the issuance of Additional Bonds.

(g) Proceeds of the 2015 Bonds (net of placement agent's fee of )  
in the amount of \$ .

When the documents required above shall have been filed with the Trustee and when such 2015 Bonds shall have been executed and authenticated as required by this Indenture, the Trustee shall deliver such Bonds at one time to or upon the order of the Placement Agents, but only upon payment to the Trustee of the purchase price of such 2015 Bonds. The Trustee shall be entitled to rely upon such documents without investigation as to matters stated therein.

Section 2.8 Other Provisions. The provisions of Sections 2.8, 2.9, 2.10, 2.11; 2.12, 2.13 and 2.14 of the Original Indenture shall apply to this First Supplement to Indenture and the 2015 Bonds.

### Article III

#### Redemption of 2015 Bonds

Section 3.1 Redemption. The 2015 Bonds shall be subject to redemption prior to maturity as follows:

(a) Optional Redemption. The 2015 Bonds shall be subject to optional redemption, in whole, after the required notice of redemption is given, on or after June 1, 2025, at a redemption price of 100%.

b) Mandatory Redemption Upon Determination of Taxability. The Bonds are subject to mandatory redemption in whole on the earliest date after the required notice of redemption can be given following a Determination of Taxability but not less than thirty-five days following the Trustee's receipt of notice of such occurrence at a redemption price equal to 103% of the principal amount of the 2015 Bonds so redeemed, plus accrued interest to the redemption date. Notwithstanding anything in the Indenture to the contrary, the Trustee shall give prompt written notice of the occurrence of a Determination of Taxability to the Bondholders, the Issuer and the Borrower. All of the 2015 Bonds outstanding on the redemption date selected shall be redeemed on that date. No other redemption premium shall be payable in the event of a Determination of Taxability.

c) Extraordinary Mandatory Redemption. The 2015 Bonds shall be subject to redemption in whole and not in part prior to maturity, at a redemption price of 100% of the principal amount of the 2015 Bonds to be redeemed plus accrued interest to the date fixed for redemption, upon the receipt by the Trustee of a written certification of the Borrower fixing a redemption date (which date shall be at least 45 days but not more than 60 days after the date of the certification), and stating that one of the following events has occurred:

- i) any insurance proceeds received by the Trustee as a result of damage to the Project or defective title are applied to the prepayment of the 2015 Note;
- ii) condemnation and proceeds received by the Trustee are applied to the prepayment of the 2015 Note;
- iii) the Borrower becomes subject to the Bankruptcy Code and the trustee in bankruptcy causes or directs prepayment of the Mortgage; and
- iv) upon an Event of Default under and as defined in the Loan Agreement and an acceleration of the 2015 Note.

d) Mandatory Redemption to the Extent of Excess Moneys in the Acquisition and Rehabilitation Fund. The 2015 Bonds are subject to mandatory redemption, to the extent of excess moneys in the Bond Proceeds Account of the Acquisition and Rehabilitation Fund, at a redemption price equal to 100% of the principal amount of the 2015 Bonds to be redeemed plus accrued interest to the redemption date, in the maximum principal amount of Authorized Denominations permitted by the balance of moneys transferred to the Bond Fund as described in (ii) below and not otherwise necessary for the payment of principal of, redemption premium, if any, or interest on the 2015 Bonds within the next 12 months. Such redemption shall occur on the first date upon which proper notice of redemption can be given following (i) delivery by the Borrower of the certificate pursuant to Section 3.3(d) of the Loan Agreement and (ii) the transfer of excess moneys, if any, from the Bond Proceeds Account of the Acquisition and Rehabilitation Fund to the Bond Fund pursuant to Section 3.3(d) of the Loan Agreement.

e) Mandatory Redemption from Equity Funds. The 2015 Bonds are subject to mandatory redemption, in part or in whole, between June 1, 2017 and December 1, 2017, inclusive, from amounts paid by the Borrower to the Trustee under Section 4.2(b)

of the First Supplement to Loan Agreement or the Collateral Assignment, at a redemption price equal to 100% of the principal amount of the 2015 Bonds to be redeemed plus accrued interest to the redemption date, in the maximum principal amount of Authorized Denominations permitted by the amount of any such payment, on the first date on which proper notice of redemption can be given following receipt by the Trustee of such payment.

(f) **Mandatory Sinking Fund Redemption.** The 2015 bonds are subject to mandatory sinking fund redemption on December 1 of each of the following years and in the principal amounts set forth below at a redemption price equal to 100% of the principal amount of Bonds to be redeemed, plus accrued interest to the redemption date:

<u>Year (December 1)</u>	<u>Principal Amount</u>
2018	2019
2020	2021
2022	2023
2024	2025
2026	2027
2028	2029
2030	

Section 3.2 Bonds Redemption Provisions. The provisions of Sections 3.2, 3.3, 3.4, 3.5, 3.6, 3.7 and 3.8 of the Original Indenture shall apply to the 2015 Bonds.

## **Article IV**

### **Funds and Application of Revenues and Other Matters Section 4.1 Establishment of**

#### **Funds and Accounts; Application of Moneys.**

(a) The following special funds and accounts shall be established and maintained pursuant to the provisions of this First Supplement to Indenture:

Bond Fund;

(a) Capitalized Interest Account (2015 Bonds) Cost of Issuance

Fund (2015 Bonds); Acquisition and Rehabilitation Fund;

a) Bond Proceeds Account (2015 Bonds)

b) Equity Account

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Debt Service Reserve Fund.

(a) Debt Service Reserve Account (2015 Bonds)

(b) The Trustee is authorized to receive the proceeds of the 2015 Bonds for and on behalf of the Issuer and to give receipt therefor along with certain other monies of the Borrower. The net proceeds received by the Issuer from the sale of the 2015 Bonds and the other funds deposited by the

Borrower with the Trustee shall be applied as follows:

i) The net proceeds of the sale of the 2015 Bonds after placement agent's fees of \$ shall be applied as follows: \$ to be deposited in the Bond Proceeds Account (2015 Bonds) of the Acquisition and Rehabilitation Fund, \$ to be deposited in the Debt Service Reserve Account (2015 Bonds) of the Debt Service Reserve Fund, and \$ to be deposited in the Capitalized Interest Fund (2015 Bonds).

ii) On the Issuance Date, other monies of the Borrower shall be applied as follows: \$ of Borrower's equity to be deposited in the Equity Account of the Acquisition and Rehabilitation Fund (2015 Bonds) and \$ of Borrower's equity to be deposited in the Cost of Issuance Fund (2015 Bonds).

#### **Section 4.2 Capitalized Interest Account (2015 Bonds).**

a) There is created and established within the Bond Fund established by the Original Indenture, a "Capitalized Interest Account" - Capitalized Interest Account (2015 Bonds), which shall be held by the Trustee and which shall be used for the purpose of paying the interest on the 2015 Bonds at the times set forth in the 2015 Bonds and in the manner provided herein. At the Issuance Date there shall be deposited in the Capitalized Interest Account (2015) of the Bond Fund the amount of \$ [interest at 6%] from 2015 Bond proceeds for the purpose of paying interest on the 2015 Bonds for the period beginning on the Issuance Date and ending on May 31, 2017.

b) Any monies so deposited with and held by the Trustee and not so applied to the payment of 2015 Bonds for at least five (5) years after the date on which the same shall have become due shall then be paid by the Trustee in accordance with Section 5.9(b) of the Original Indenture. Thereafter, Bondholders shall be entitled to look only to the Borrower for payment, the Borrower shall be liable for any interest thereon and the Trustee shall have no further responsibilities with respect to such monies. The obligation of the Trustee under this Section to pay any such funds to the Borrower shall be subject, however, to any provisions of law applicable to the Trustee or to such funds providing other requirements for disposition of such funds.

Section 4.3 Cost of Issuance Fund (2015 Bonds). There is created and established in the "Cost of Issuance Fund" established by Section 5.3 of the Original Indenture the Costs of Issuance Fund (2015), which shall be held by the Trustee. This Fund is to be funded at the Issuance Date by the Borrower from equity. None of the Proceeds of the 2015 Bonds may be used to pay the Costs of Issuance of the 2015 Bonds. Amounts in the Cost of Issuance Fund shall be used to pay issuance costs upon filing with the Trustee a written requisition of the Authorized Borrower Representative. Any monies remaining in the Cost of

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Issuance Fund three months after the Issuance Date shall be transferred to the Equity Account in the Acquisition and Rehabilitation Fund.

Section 4.4 Debt Service Reserve Fund. There is hereby created and established a "Debt Service Reserve Account (2015V within the Debt Service Reserve Fund established by Section 5.5 of the Original Indenture, which shall be held by the Trustee in trust solely for the benefit of the 2015 Bonds. At the Issuance Date, the Debt Service Reserve Account (2015) shall be funded to the Debt Service Reserve Requirement for the 2015 Bonds from proceeds of the 2015 Bonds, [add mechanics for using DSRF for 2015 Bonds]

## Article V

### Amendments to the Original Indenture

Section 5.1 Article I of the Original Indenture; Definitions. Article I of the Original is hereby amended by adding the following definitions in alphabetical order therein:

"Bonds" means the 2013 Bonds and the 2015 Bonds.

"Completion Date" shall have the meaning set forth in the Loan Agreement.

"General Partner" means CH-GB Affordable Partners, LLC, an Illinois limited liability company.

"Partnership Agreement" means the Second Amended and Restated Agreement of Limited Partnership dated as of May 1, 2015 among the General Partner, the Equity Investor, Celadon Goldblatts, LLC, as Class C Limited Partner and CH-Goldblatts, Inc. as a withdrawing partner.

Section 5.1 Article I of the Original Indenture; Definitions. Article I of the Original Indenture is hereby further amended by deleting the definition of "Revenues" and replacing it with the following:

"Revenues" means (i) all receipts, revenues, payments, income and other moneys received by or on behalf of the Borrower from any source, in connection with the ownership or the operation of all or any part of the Project, including, without limitation, all resident and commercial rents, gross income, SLF Payments (except deposits held as security), and all other operating and non-operating revenues, and all rights to receive the same whether in the form of accounts, accounts receivable, contract rights, chattel paper, instruments, general intangibles of the Borrower and the proceeds thereof, the proceeds of any insurance coverage on and condemnation awards in respect of the Project or any gain on the sale or other Borrower disposition of the Project; all of the foregoing, whether now existing or hereafter coming into existence and whether now owned or held or hereafter acquired by the Borrower; and (ii) all right, title and interest of the Borrower in and to the funds and accounts established under this Indenture.

Section 5.2 Amendment to Section 5.4(a) of the Original Indenture; Acquisition and Rehabilitation Fund. The first sentence of Section 5.4(a) of the Original Indenture is hereby amended and restated in its entirety as follows:

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"There is credited and established a "Acquisition and Rehabilitation Fund" and, within the Acquisition and Rehabilitation Fund, a "Bond Proceeds Account" and an "Equity Account" which shall be held by the Trustee and disbursed by the Trustee at the written request of the Borrower to pay, or reimburse the Borrower for payment of, costs of acquisition, rehabilitation and equipping of the Project, and, to the extent permitted by the Code, Costs of Issuance of the Bonds in accordance with the Loan Agreement; provided that moneys on the deposit in the Equity Account shall be used for such purpose and exhausted before moneys in the Bond Proceeds Account are used for such purpose."

Section 5.3 Amendments to Section 5.7 of the Original Indenture; Project Fund. Section 5.7 of the Original Indenture is hereby amended as follows:

- a) All references to "December 1, 2015" are hereby replaced with "one year after the

Completion Date";

- b) all references to "June 1, 2014" are hereby replaced with "the Completion Date";
- c) all references to "January 1, 2014" are hereby replaced with "the Completion Date"; and
- d) all references to "1.10" are hereby replaced with "1.20".

Section 5.4 Amendments to Section 5.8 of the Original Indenture; Initial Lease Up Reserve Fund. Section 5.8 of the Original Indenture is hereby amended as follows:

- a) The reference to "June 1, 2014" is hereby replaced with "on the Completion Date";
- b) The reference to "1.10" is replaced with "1.20".

#### Article VI Miscellaneous

Section 6.1 Notices. The following notice addresses shall be substituted in Section 13.4 of the Original Indenture for the corresponding notice addresses set forth in such Section 13.4:

The Trustee: UMB Bank, n.a. as successor Trustee  
120 Sixth Street South, Suite 1400 Minneapolis, MN  
55402 Attention: Virginia Housum

The Borrower: CH-GB Affordable Partners, LLC  
c/o Celadon Holdings, LLC 2047 West  
Wilmette Avenue Wilmette, Illinois 60091

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Attention: Scot Henry, President

with copy to: R4 NCSL Acquisition LLC  
c/o R4 Capital LLC 780 Third Avenue, 10<sup>th</sup>  
Floor New York, NY 10017 Attention: Marc  
Schnitzer

The Equity Investor: R4 NCSL Acquisition LLC  
c/o R4 Capital LLC 780 Third Avenue, 10<sup>th</sup>  
Floor New York, NY 10017 Attention: Marc  
Schnitzer

with a copy to: Nixon Peabody LLP  
437 Madison Avenue New York, NY  
10022 Attention: Alan S. Cohen



Section 6.2 Ratification of Original Indenture. The Original Indenture is in all respects ratified, approved and confirmed and the Original Indenture, together with this First Supplement to Indenture, shall be read, taken and construed as one and the same instrument. Except as herein otherwise expressly permitted, all the provisions, definitions, terms and conditions of the Original Indenture shall be deemed to be incorporated in, and made part of, this First Supplement to Indenture and applicable to the 2015 Bonds. In executing and delivering this First Supplement to Indenture, the Trustee shall be entitled to all of the privileges and immunities afforded to the Trustee under the terms and provisions of the Original Indenture.

Section 6.3 Applicable Law. This First Supplement to Indenture shall be governed by the applicable laws of the State of Illinois.

Section 6.4 Severability. If any one of the covenants or agreements provided in this First Supplement to Indenture on the part of the parties hereto to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this First Supplement to Indenture.

Section 6.5 Counterparts. This First Supplement to Indenture may be executed in several counterparts, all or any part of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

*[Signature Page Follows]*

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In Witness Whereof, the City of Chicago has caused this First Supplement to Indenture to be executed by its Mayor, attested by its City Clerk or its Deputy City Clerk and its corporate seal to be affixed to this Indenture; and the Trustee has caused this Indenture to be executed by one of its Authorized Officers, all as of the day and year first above written.

City of Chicago

Mayor

[Seal]

Attest:

Name:	Susana	A.	Mendoza	Title:	City
Clerk					

UMB Bank, n.a.,  
as Trustee

Authorized Officer

Exhibit A Form of Bond

**UNITED STATES OF AMERICA**

**CITY OF CHICAGO MULTI-FAMILY HOUSING REVENUE BONDS  
(GOLDBLATT'S SUPPORTIVE LIVING PROJECT), SERIES 2015**

NO. R-1

NOTICE: Unless this bond certificate is presented by an authorized representative of The Depository Trust Company to the Issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

INTEREST RATE: 6:00% through May 31, 2017, 8.00% thereafter  
MATURITY DATE: December 1, 2030  
DATED DATE: May 2015  
CUSIP NO.:  
REGISTERED OWNER: CEDE & CO.  
PRINCIPAL AMOUNT: \$

THIS BOND DOES NOT CONSTITUTE A GENERAL OBLIGATION OF THE CITY OF CHICAGO OR A DEBT OR PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF ILLINOIS OR THE CITY OF CHICAGO; THE PRINCIPAL OF AND INTEREST AND PREMIUM, IF ANY, ON THIS BOND ARE PAYABLE SOLELY FROM THE REVENUES AND FUNDS PLEDGED FOR THEIR PAYMENT IN ACCORDANCE WITH THE INDENTURE.

The CITY OF CHICAGO, a duly constituted and existing municipality and home rule unit of government of the State of Illinois ("Issuer"), acknowledges itself indebted and for value received promises to pay to Cede & Co. or registered assigns, the principal sum of (\$ ), on the Maturity Date stated above or on the date fixed for prior redemption, as the case may be, together with interest on such principal sum from the Dated Date of

this bond until the Issuer's obligation with respect to the payment of such principal sum shall be discharged, at the Interest Rate per annum stated above payable on 2015, and thereafter on each June 1 and December 1 until maturity or earlier redemption. This bond, as to principal and redemption premium, if any, when due, will be payable at the corporate

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trust office of Seaway Bank and Trust Company, or its successors as trustee under the Indenture mentioned below (the "Trustee"). Interest on this bond will be payable by check or bank draft and will be mailed to the registered owner who shall appear on the registration books of the Issuer which shall be kept and maintained by the Registrar hereinafter mentioned, as determined on the 15th day of May and November (the "Record Date") (or, in the case of any proposed redemption of the bond, the day next preceding the date of the first publication of notice of such redemption); provided, that at the written request of a Registered Owner of \$1,000,000 or more of bonds, such interest shall be paid by wire transfer of funds to a bank account located in the United States as designated by such Registered Owner. Payment of the principal of, redemption premium, if any, and interest on this bond shall be made in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This bond is the duly authorized issue of revenue bonds, designated as Multi-Family Housing Revenue Bonds (Goldblatts Supportive Living Project), Series 2015 (the "2015 Bonds") of the Issuer, limited to the aggregate principal amount of \$ , and authorized and issued under and pursuant to: (i) a resolution of the Issuer duly adopted on 2015 (the "Resolution"); and (iii) a First Supplement to Trust Indenture (the "First Supplement to Indenture") from the Issuer to the Trustee dated as of May 1, 2015 supplementing the Trust Indenture dated January 1, 2013 (the "Original Indenture," together with the First Supplement to Indenture, the "Indenture"). Copies of the Indenture are on file in the office of the Issuer in Chicago, Illinois and at the principal corporate trust office of the Trustee. All capitalized terms used but not defined in this bond shall have the respective meanings assigned to such terms in the Indenture.

Pursuant to the First Supplement to Loan Agreement dated as of May 1, 2015 (the "First Supplement to Loan Agreement"), between the Issuer and Goldblatts of Chicago Limited Partnership, an Illinois limited partnership (the "Borrower"), supplementing the original Loan Agreement dated as of January 1, 2013 (as so supplemented the "Loan Agreement"), the Borrower is obligated to make payments to the Trustee in the amounts and at the times corresponding to the payments of principal of, redemption premium, if any, and interest on the 2015 Bonds (the "Bond Service Charges") when due. The obligations of the Borrower under the First Supplement to Loan Agreement are evidenced by a Promissory Note of the Borrower (the "2015 Note") which is secured by the Mortgage described below. By the Indenture, the Issuer has assigned its right, title and interest in and to the Loan Agreement (except for the Issuer's "Unassigned Rights" as defined in the Indenture) to the Trustee as security for the payment of the Bond Service Charges. The 2015 Bonds are issued under the Indenture on a parity with the Issuer's \$18,000,000 City of Chicago Multi-Family Housing Revenue Bonds (Goldblatts Supportive Living Project) Series 2013.

The 2015 Bonds are special limited obligations of the Issuer and the principal of, redemption premium, if any, and interest on the 2015 Bonds shall be payable solely from and secured by: (i) amounts paid by the Borrower under the Loan Agreement and the 2015 Note, (ii) an assignment to the Trustee of all the Issuer's rights (except for the Unassigned Rights under the Loan Agreement and the 2015 Note); (iii) a pledge of and security interest in all moneys and investments held by the Trustee under the Indenture, including any moneys representing earnings on monies held under the Indenture; (iv) a mortgage on the Borrower's ownership interest in certain property located generally at 4707 S. Marshfield Avenue and 1635 W. 47th Street within the territorial jurisdiction of the Issuer, as amended (the "Mortgage"); (v) the Security Agreement; (vi) the Assignment (as defined in the Indenture), (vii) the 2015 Note and (viii) the Collateral Assignment None of the

State of Illinois (the "State"), the Issuer, nor any other political subdivision or body corporate and politic, or agency, of the State or the Issuer (except to the

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limited extent provided herein) shall in any event be liable for the payment of the principal of, premium, if any, or interest on the 2015 Bonds or for the performance of any pledge, obligation or agreement of any kind whatsoever of the Issuer, and neither this bond nor any of the Issuer's agreements or obligations shall be construed to constitute an indebtedness of the State, the Issuer, or any other political subdivision or body corporate and politic of the State or the Issuer (except to the limited extent provided herein), within the meaning of any constitutional or statutory provision whatsoever.

This bond is transferable, as provided in the Indenture, only upon the registration books of the Issuer which are kept for that purpose at the corporate trust office of the Trustee in Chicago, Illinois, as registrar under the Indenture (the "Registrar"), or its successor as Registrar, upon surrender of this bond together with a written instrument of transfer which is satisfactory to the Registrar and which is duly executed by the registered owner or by such duly authorized attorney, and thereupon the Issuer shall issue in the name of the transferee a new registered 2015 Bond or 2015 Bonds, of the same aggregate principal amount and series, designation, maturity and interest rate as the surrendered 2015 Bond as provided in the Indenture, upon payment of the charges therein prescribed. The Issuer, the Trustee, the Registrar and any Paying Agent of the Issuer may treat and consider the person in whose name this bond is registered as the holder and absolute owner of this bond for the purpose of receiving payment of the principal of, redemption premium, if any, and interest due on the bond and for all other purposes.

The 2015 Bonds shall be subject to optional redemption, in whole or in part, after the required notice of redemption is given, on or after June 1, 2025, at a redemption price of 100% (expressed as a percentage of the principal amount of the 2015 Bonds to be redeemed) as shown in the following table, plus accrued interest to the redemption date.

The 2015 Bonds are subject to mandatory redemption in whole on the earliest date after the required notice of redemption can be given following a Determination of Taxability but not less than 35 days following the Trustee's receipt of notice of such occurrence at a redemption price equal to 103% of the principal amount of the 2015 Bonds so redeemed, plus accrued interest to the redemption date. Notwithstanding anything in the Indenture to the contrary, the Trustee shall give prompt written notice of the occurrence of a Determination of Taxability to the Bondholders and the Borrower. All of the 2015 Bonds outstanding on the redemption date selected shall be redeemed on that date, except that 2015 Bonds subject to Mandatory Sinking Fund Redemption prior to that date, but after the selection thereof, shall be retired on that Mandatory Sinking Fund Redemption date at the same price as if they had been called for redemption on the redemption date. No other redemption premium shall be payable in the event of a Determination of Taxability.

The 2015 Bonds shall be subject to redemption in whole and not in part prior to maturity, at a redemption price of 100% of the principal amount to be redeemed plus accrued interest to the date fixed for redemption, upon the receipt by the Trustee of a written certification of the Borrower fixing a redemption date (which date shall be at least 45 days but not more than 60 days after the date of the certification), and stating that one of the following events has occurred: any insurance proceeds received by the Trustee as a result of damage to the Project or defective title are applied to the prepayment of the 2015 Note; condemnation and proceeds received by the Trustee are applied to the prepayment of the 2015 Note; the Borrower becomes subject to the Bankruptcy Code and the trustee in bankruptcy causes or directs prepayment of the Mortgage; or upon an event of default under the Loan Agreement and an acceleration of the 2015 Note.

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The 2015 Bonds are subject to mandatory redemption, to the extent of excess moneys in the Bond Proceeds Account of the Acquisition and Rehabilitation Fund, at a redemption price equal to 100% of the principal amount of the 2015 Bonds to be redeemed plus accrued interest to the redemption date, without redemption premium in the maximum principal amount of Authorized Denominations permitted by the balance of moneys transferred to the Bond Fund as described in (ii) below and not otherwise necessary for the payment of principal of, redemption premium, if any, or interest on the 2015 Bonds within the next 12 months. Such redemption shall occur on the first Interest Payment Date upon which proper notice of redemption can be given following (i) delivery by the Borrower of the certificate pursuant to Section 3.3(d) of the Loan Agreement evidencing completion of the Project and (ii) the transfer of excess moneys, if any, from the Bond Proceeds Account of the Acquisition and Rehabilitation Fund to the Bond Fund pursuant to Section 3.3(d) of the Loan Agreement.

[Add redemption from 5<sup>th</sup> installment and mandatory sinking fund installments]

A redemption of 2015 Bonds shall be a redemption of the whole or of any part of the Bonds from any funds available for that purpose in accordance with the provisions of the Indenture, provided, that there shall be no partial redemption of any 2015 Bond which would result in the unredeemed portion not being of an Authorized Denomination. If less than all the 2015 Bonds are called for redemption under any provision of the Indenture permitting such partial redemption, the particular 2015 Bonds to be redeemed shall be selected by the Trustee, in such manner as the Trustee in its discretion may deem fair and appropriate (except when the 2015 Bonds are held in a book-entry system, in which case the selection of 2015 Bonds to be redeemed will be made in accordance with the procedures established by DTC or any other applicable book-entry depository), in the principal amount designated to the Trustee by the Borrower or otherwise as required by this Indenture; provided, that the portion of any 2015 Bond to be redeemed shall be in an Authorized Denomination. If it is determined that a portion, but not all, of the principal amount represented by any such 2015 Bond is to be called for redemption, then upon notice of intention to redeem such portion, the Registered Owner of such 2015 Bond upon surrender of such 2015 Bond to the Trustee for payment to such Registered Owner of the redemption price of the portion called for redemption shall be entitled to receive a new 2015 Bond or 2015 Bonds in the aggregate principal amount of the unredeemed balance of the principal amount of such 2015 Bond. New 2015 Bonds representing the unredeemed balance of the principal amount of such 2015 Bond shall be issued to the Registered Owner without charge. If the Registered Owner of any such 2015 Bond of a denomination greater than the principal amount to be redeemed shall fail to present such 2015 Bond to the Trustee for payment and exchange as aforesaid, such 2015 Bond shall, nevertheless, become due and payable on the date fixed for redemption to the extent of the portion of the principal amount called for redemption (and to that extent only).

If any of the 2015 Bonds are called for redemption, the Trustee shall give notice, in the name of the Issuer, of the redemption of such 2015 Bonds, by mailing a copy of such notice by certified mail or registered mail, postage prepaid not less than 30 nor more than 60 days prior to the redemption date which notice shall (i) specify the 2015 Bonds to be redeemed, the redemption date, the redemption price, and the place or places where amounts due upon such redemption will be payable (which shall be the Principal Office of the Trustee) and, if less than all of the 2015 Bonds are to be redeemed, the numbers of the 2015 Bonds, and the portion of the 2015 Bonds, so to be redeemed, (ii) state any condition to such redemption, and (iii) state that on the redemption date, and upon the satisfaction of any such condition, the 2015 Bonds to be redeemed shall cease to bear interest, provided that funds are available for such purpose on that date, and if funds are not available on such date, the redemption shall be deferred until funds are

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available. Such notice may set forth any additional information relating to such redemption. Such notice by mail shall be given at least 30 days and not more than 60 days prior to the date fixed for redemption to the holders of 2015 Bonds to be redeemed. No defect in any such notice shall in any manner defeat the effectiveness of the call for redemption.

Any 2015 Bonds and portions of 2015 Bonds which have been duly selected for redemption and which are deemed to be paid in accordance with Article VII of the Indenture shall cease to bear interest on the specified redemption date.

Official notice of redemption having been given as aforesaid, the 2015 Bonds or portions of 2015 Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price specified in the notice, and from and after such date (unless there is a default in the payment of the redemption price) such 2015 Bonds or portions of 2015 Bonds shall cease to bear interest. Upon surrender of such 2015 Bonds for redemption in accordance with said notice, such 2015 Bonds shall be paid by the Trustee at the redemption price. Upon surrender for any partial redemption of any 2015 Bonds, there shall be issued to the Registered Owner a new 2015 Bond or 2015 Bonds in the amount of the unredeemed principal in an Authorized Denomination. All 2015 Bonds which have been redeemed shall be canceled and destroyed by the Trustee and shall not be reissued.

In addition to the official notice of redemption, if the 2015 Bonds are not then held under a book-entry only system, further notice shall be given by the Trustee in the name of the Issuer as set out below; provided, that neither the failure to give any such notice nor any defect in any notice so given shall affect the sufficiency or validity of any proceedings for the redemption of the 2015 Bonds. Each further notice of redemption shall contain the information required for an official notice of redemption plus: (i) the CUSIP numbers of all 2015 Bonds being redeemed; (ii) the date of issue of the 2015 Bonds as originally issued; (iii) the rate of interest borne by each 2015 Bond being redeemed; (iv) the maturity date of each 2015 Bond being redeemed; and (v) any other descriptive information needed to identify accurately the 2015 Bonds being redeemed. Each further notice of redemption shall be sent at least 30 days before the redemption date by certified mail or overnight delivery service to all registered securities depositories then in the business of holding substantial amounts of obligations of the type comprising the 2015 Bonds and to one or more national information services, chosen in the discretion of the Trustee, that disseminate notice of redemption of obligations such as the 2015 Bonds.

The Trustee shall at all reasonable times make available to any interested party complete information as to 2015 Bonds which have been redeemed or called for redemption.

It is certified, recited and declared that (a) all conditions, acts and things which are required by the Constitution or by the statutes of the State or by the Resolution or Indenture to exist, to have happened or to have been performed precedent to or in the issuance of this bond exist, have happened and have been performed, and (b) the 2015 Bonds, together with all other indebtedness of the Issuer, are within every debt and other limit prescribed by said Constitution or statutes.

This bond shall not be entitled to any security or benefit under the terms of the Indenture or be valid or obligatory for any purpose unless the certificate of authentication has been duly executed by the Trustee upon original issuance and thereafter by the Registrar.

*[Signature Page follows]*

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In Witness Whereof, the City of Chicago has caused the seal of the City to be impressed or reproduced on this bond and this 2015 Bond to be signed by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the City Clerk or the Deputy City Clerk.

City of Chicago

(manual or facsimile signature) Mayor

[Seal]

Attest:

(manual or facsimile signature)

Name: Susana A. Mendoza Title: City Clerk -

Dated:

CERTIFICATE OF AUTHENTICATION

This is to certify that this bond is one of the 2015 Bonds described in the within-mentioned Indenture.

UMB BANK, N.A.,  
as Trustee

By:

Authorized Officer

Date:

Assignment

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common

UNIF GIFT MIN ACT - Custodian

(cust) (minor)

Under Uniform Gifts to Minors Act of

TEN ENT - as tenants by the entireties  
JT TEN - as joint tenants with right of survivorship and not  
as tenants in common

Additional abbreviations may also be used though not in the above list.

For value received the undersigned sells, assigns and transfers unto  
the within Bond and irrevocably constitutes  
attorney to transfer the said Bond on the  
and appoints  
books kept for registration thereof, with full power of substitution in the premises.

Dated:

Signature Guarantee:

Notice: Signature(s) must be guaranteed by a member firm of the New York Stock Exchanges or a commercial bank, trust company, national association or other banking institution incorporated under the laws of the United States or a state of the United States.

Signature:

Notice: The signature on this Assignment must correspond with a name that appears upon the face of the within Bond in particular, without alteration, enlargement or any change whatever.

The Trustee and Bond Registrar will be required to register a Bond in the name of a transferee only if provided with the information requested below. The transferee (or his or her designated representative) should provide as much of the information requested below as is applicable to him or her prior to submitting this Bond transfer.

Name:

Address:

Social Security or Employee Identification Number:

If a Trust, Name and Address of Trustee:

16156-0088 CH2\16292957 9

### **Exhibit C**

#### **First Supplement to Regulatory Agreement**

See attached.

Recording Requested By and When Recorded Send to:  
Schiff Hardin LLP 233 S. Wacker Drive Suite 6600  
Chicago, Illinois 60606



Attention: Bruce P. Weisenthal

**FIRST AMENDMENT TO REGULATORY AGREEMENT AND  
DECLARATION OF RESTRICTIVE COVENANTS**

by and among

Goldblatts of Chicago Limited Partnership, an Illinois limited  
partnership,

City of Chicago,  
a municipality and home rule unit of government duly organized and validly existing  
under the Constitution and the laws of the State of Illinois

and

UMB Bank, N.A., as successor Trustee to Seaway Bank and Trust  
Company, under the Indenture for the following Bonds:

Dated as of May 1, 2015

City of Chicago, Cook County, Illinois

**\$ Multi-Family Housing Revenue Bonds  
(Goldblatts Supportive Living Project), Series 2015  
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LEGAL DESCRIPTION

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**FIRST AMENDMENT TO REGULATORY AGREEMENT AND  
DECLARATION OF RESTRICTIVE COVENANTS**

This First Amendment to Regulatory Agreement and Declaration of Restrictive Covenants, dated as of May1, 2015 (this "Agreement"), is entered into by and among Goldblatts of Chicago Limited Partnership, an Illinois limited partnership (the "Borrower"), the City of Chicago, a municipality and home rule unit of government duly organized and validly existing under the Constitution and the laws of the State of Illinois (the "Issuer"), and UMB Bank, N.A., as successor to Seaway Bank and Trust Company, as trustee (the "Trustee") under the Indenture, as defined in this Agreement, under the circumstances summarized in the following recitals.

**WITNESSETH:**

Whereas, the Issuer has issued its Multi-Family Housing Revenue Bonds (Goldblatts Supportive Living Project), Series 2013 (the "2013 Bonds"), in order to finance a portion of the costs of acquiring and rehabilitating the Development (as defined below) and to pay capitalized interest, if required, a deposit into a debt service reserve fund for the Bonds, if required, and certain costs of issuing the Bonds;

Whereas, pursuant to a Loan Agreement, dated as of January 1, 2013, between the Issuer and the Borrower, (the "2013 Loan Agreement"), the proceeds of the 2013 Bonds were used to make a loan (the "2013 Loan") to the Borrower to finance a portion of the costs of acquiring, rehabilitating and equipping a low-income housing development project consisting of real property improved with a building (the "Building") that formerly housed a Goldblatt's Department Store and comprised of a supportive living facility with approximately 101 residential dwelling units and certain attendant facilities located on all but the commercial space areas on the ground floor of the Building, located on the real estate legally described on Exhibit A to this Agreement (the "Real Estate") (the Real Estate and the improvements on it related to the low-income housing development are referred to in this Agreement as the "Development"); and

Whereas, the 2013 Loan is evidenced by a Note dated as of January 1, 2013 (the "2013 Note"), from the Borrower to the Issuer; and

Whereas, the 2013 Note relating to the 2013 Loan and corresponding 2013 Bonds is assigned and pledged by the Issuer to the Trustee under the Indenture; and

Whereas, the Issuer has authorized the issuance of its Multi-Family Housing Revenue Bonds (Goldblatts Supportive Living Project), Series 2015 (the "2015 Bonds" and together with the 2013 Bonds the "Bonds"), in order to finance a portion of the costs of acquiring and rehabilitating the Development; and

Whereas, pursuant to a First Amendment to Loan Agreement, dated as of May 1, 2015, between the Issuer and the Borrower (the "2015 Loan Agreement," and, together with the 2013 Loan Agreement, the "Loan Agreement"), the proceeds of the 2015 Bonds will be used to make a loan (the "2015 Loan," and, together with the 2013 Loan, the "Loan") to the

Borrower to finance a portion of the costs of acquiring, rehabilitating and equipping the Development; and

Whereas, the 2015 Loan is evidenced by a Note, the "2015 Note," and, together with the 2013 Note, the "Note"), from the Borrower to the Issuer; and

Whereas, the 2015 Note relating to the 2015 Loan and the corresponding 2015 Bonds is assigned and pledged by the Issuer to the Trustee under the Indenture; and

Whereas, in connection with the issuance of 2013 Bonds and the maturity of the 2013 Loan, the parties to this Agreement entered into that certain Regulatory Agreement and Declaration of Restrictive Covenants, dated as of January 1, 2013 (the "Original Regulatory Agreement"); and

Whereas, in connection with the Original Regulatory Agreement, the Borrower agreed to rent or lease at least 40% of the dwelling units in the Development to families or individuals whose income is 60% or less of area median gross income, all for the public purpose of assisting persons of low and moderate income to afford the costs of decent, safe and sanitary housing; and

Whereas, the Code and the Regulations (as those terms are defined in the Original Regulatory Agreement) prescribe that the use and operation of the Development be restricted in certain respects in order to assure the continuing tax-exempt status of the Bonds, and in order to ensure that the Development will be acquired, constructed, used and operated in accordance with such requirements of the Code and the Regulations, the Issuer, the Trustee and the Borrower have determined to enter into this Agreement (this Agreement together with the Original Regulatory Agreement, the "Regulatory Agreement") in order to set forth certain terms and conditions relating to the acquisition, rehabilitation, occupancy, use and operation of the Development.

Now, Therefore, in consideration of the Loan and the mutual covenants and undertakings set forth in the Regulatory Agreement, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties hereto covenant, agree and declare as follows:

Section 1. Definitions and Interpretations. Except as otherwise defined in this Agreement, the terms used in this Agreement, including its preambles and recitals, shall for all purposes have the meanings specified in the preceding language of this Agreement or Article I of the Trust Indenture dated as of January 1, 2013, from the Issuer to the Trustee, as amended by the terms of that certain First Supplement to Indenture, dated as of April 1, 2015, from the Issuer to Trustee, securing the Bonds (together, the "Indenture"), Article I of the Loan Agreement and Section 1 of the Original Regulatory Agreement, unless the context clearly requires otherwise.

## **Section 2. Application of Original Regulatory Agreement to 2015 Bonds.**

The Original Regulatory Agreement is hereby amended and modified to apply in all respects to the 2015 bonds and the 2015 Loan to the same extent that such Original Regulatory Agreement applies to the 2013 Bonds and the 2013 Loan. Without limitation, Sections 2, 3, 4, 5, 6, 7, 8, 9,

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10, 11, 12, 13 and 14 of the Original Regulatory Agreement shall apply to the 2015 Bonds and 2015 Loan.

Section 3. Recording and Filing. The Borrower shall cause this Agreement and all amendments and supplements to it to be recorded and filed in the conveyance and real property records of Cook County, Illinois. The Borrower shall pay all fees charges incurred in connection with any such recording.

Section 4. Indemnification. The Borrower shall be required and agrees to pay, indemnify and hold the Trustee, the Issuer and their respective officers, officials and employees (except for claims arising out of acts or omissions of the Trustee resulting from its gross negligence or willful misconduct) harmless from, any and all loss, damage, cost, expense, suit, judgment, action, injury or liability which they, or any of them, may suffer or incur (including, without limitation, any costs, fees and expenses, including reasonable attorneys' fees, costs and expenses) by reason of any violation of the restrictions or provisions of this Agreement.

Section 5. Agent of the Trustee. The Trustee shall have the right to appoint an agent or administrator to carry out any of its duties and obligations under this Agreement, and shall inform the other parties to this Agreement of any such agency appointment by written notice.

Section 6. No Conflict With Other Documents. The Borrower warrants that it has not executed and will not execute any other agreement with provisions contradictory to, or in opposition to, the provisions of this Agreement, and that, in any event and except to the extent expressly provided in this Agreement, the requirements of this Agreement are paramount and controlling as to the rights and obligations in this Agreement set forth and supersede any other requirements in conflict with this Agreement.

Section 7. Interpretation. Any terms not defined in this Agreement, or defined as provided in this Agreement, shall have the same meaning as terms defined for purposes of Section 142(d) of the 1986 Code and in the Regulations.

Section 8. Amendments. This Agreement shall be amended only by a written instrument executed by the parties to it or their successors in title, and duly recorded in the real property records of Cook County, Illinois, the county in which the Development is located. The Borrower shall pay all fees and charges incurred in connection with any such recording.

No amendment to this Agreement concerning matters governed by the Code or the Regulations shall be effective unless there shall have been filed with the Issuer a written opinion of Bond Counsel to the effect that (a) such amendment will not cause or result in interest on the Bonds becoming includable in gross income of their holders for federal income tax purposes, and (b) compliance with the terms and provisions of the Agreement, as so amended, will be sufficient to ensure full compliance with the requirements of Section 142(d) of the Code and all then-applicable rules, rulings, policies, procedures, portions of the Regulations, or other statements promulgated, proposed or made by the Department of the Treasury or the Internal Revenue Service pertaining to obligations the exclusion of interest from gross income on which depends on continuing compliance with that Section 142(d).

Section 9. Notices. Any notice, demand or other communication required or permitted under this Agreement shall be in writing and shall be deemed to have been given if and when personally delivered and receipted for, or, if sent by private courier service or sent by overnight mail service, shall be deemed to have been given if and when received (unless the addressee refuses to accept delivery, in which case it shall be deemed to have been given when first presented to the addressee for acceptance),, or on the first day after being sent by telegram, or on the third day after being deposited in United States registered or certified mail, return receipt requested, postage prepaid. Any such notice, demand or other communication shall be addressed to a party at its address set forth below or to such other address as the party to receive such notice may have designated to all other parties by notice in accordance with this Agreement:

The Issuer: City of Chicago

Department of Housing and Economic Development  
121 North LaSalle Street  
Room 1000  
Chicago, Illinois 60602  
Attention: Commissioner  
Telephone: (312)744-9476  
Facsimile: (312)744-2271

with copies to:

Department of Law  
City Hall Room 600  
121 North LaSalle Street Chicago, Illinois  
60602  
Attention: Finance and Economic Development  
Division Telephone: (312)744-  
0200 Facsimile: (312) 744-8538

and to:

City of Chicago  
Department of Finance-Financial Policy 33 North  
LaSalle Street Chicago, Illinois 60602 Attention: Deputy  
Comptroller Telephone: (312) 744-7106 Facsimile: (312)  
744-4877

The Trustee:

UMB Bank, NA.

Attention:  
Telephone: (     )  
Facsimile: (     ) \_

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The Borrower:

CH-GB Affordable Partners, LLC  
c/o Celadon Holdings, LLC 2047 W. Wilmette  
Avenue Wilmette, Illinois 60091 Attention: Scott  
Henry, President

With a copy to:

Section 10. Binding Successors. This Agreement shall bind, and the benefits shall inure to, the respective parties to this Agreement, their legal representatives, executors, administrators, successors in office or interest, and assigns, provided that Borrower may not assign this Agreement or any of its obligations under it without the prior written approval of the Issuer.

Section 11. Captions. The captions used in this Agreement are inserted only as a matter of

convenience and for reference and in no way define, limit or describe the scope or the intent of this Agreement.

Section 12. Severability. If any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired.

Section 13. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Illinois, other than the choice of law rules of the State of Illinois and, where applicable, the laws of the United States of America.

Section 14. Limited Recourse. Notwithstanding any provisions of this Agreement to the contrary, enforcement of the provisions of this Agreement shall not result in any claim against the Developer, Loan or Loan proceeds, or the rents or other income from the Development. Notwithstanding any other provisions of this Agreement, any monetary obligation created under this Agreement shall not be enforceable personally against the Borrower or any partner of the Borrower, their successors and assigns, or against the assets of the Borrower or its successors or assigns.

*[the remainder of this page intentionally left blank]*

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In Witness Whereof, the Issuer, the Trustee and the Borrower have caused this First Amendment to Regulatory Agreement and Declaration of Restrictive Covenants to be duly executed and attested in their respective names by their duly authorized representatives, all as of the day and year first above written.

City of Chicago

(SEAL) By:

Name: Lois A. Scott Title: Chief Financial  
Officer

Attest:

Name:	Susana	A.	Mendoza	Title:	City
Clerk					

**Goldblatts of Chicago Limited Partnership, an Illinois limited partnership**

By: CH-GB Affordable Partners, LLC,  
an Illinois limited liability company Its: General Partner

By: Celadon Holdings LLC,  
an Illinois limited liability company Its: Managing Member

By:  
Scott Henry, Member

UMB Bank, N.A.,  
as Trustee

By: Its:

STATE OF ILLINOIS )

) SS.

COUNTY OF COOK )'

I, \_\_\_\_\_, a Notary Public in and for the County and State aforesaid, CERTIFY that Lois A. Scott, personally known to me to be the Chief Financial Officer of the City of Chicago and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that she signed and delivered the foregoing instrument as her own free and voluntary act and as the free and voluntary act of the City of Chicago for the uses and purposes set forth in such instrument.

GIVEN under my hand and Notarial Seal this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Notary Public in and for Cook County, Illinois

(SEAL)

My Commission Expires:

STATE OF ILLINOIS )

) SS.

COUNTY OF COOK )

I, \_\_\_\_\_, a Notary Public in and for the County and State aforesaid, CERTIFY that William Piatt, personally known to me to be the President of Goldblatts SLF of Chicago GP, Inc., an Illinois corporation and the general partner of Goldblatts of Chicago Limited Partnership, an Illinois limited partnership, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered the foregoing instrument as his own free and voluntary act and as the free and voluntary act of the partnership for the uses and purposes set forth in such instrument.

GIVEN under my hand and Notarial Seal this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

Notary Public in and for Cook County,  
Illinois

(SEAL)

My Commission Expires:

STATE OF ILLINOIS )

) SS.

COUNTY OF COOK )

I, \_\_\_\_\_, a Notary Public in and for the County and State aforesaid, CERTIFY that \_\_\_\_\_, personally known to me to be the \_\_\_\_\_ of UMB Bank, N.A., as Trustee, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he or she signed and delivered the foregoing instrument as his or her own free and voluntary act and as the free and voluntary act of said Bank for the uses and purposes set forth in such instrument.

GIVEN under my hand and Notarial Seal this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

Notary Public in and for Cook County, Illinois

(SEAL)



My Commission Expires:

## EXHIBIT A LEGAL DESCRIPTION

### PARCEL 1:

LOTS 1 TO 5 INCLUSIVE (EXCEPT THAT PART OF SAID LOTS TAKEN FOR WIDENING SOUTH ASHLAND AVENUE); LOT 43 (EXCEPT THAT PART OF SAID LOT 43 DEDICATED FOR AN ALLEY BY DOCUMENT NO. 5610414); LOTS 44 TO 47, BOTH INCLUSIVE AND 16 FOOT STRIP FORMERLY ALLEY AND NOW VACATED LYING WEST OF AND ADJOINING SAID LOTS 1, 2 AND 3, ALL IN BLOCK 1 IN BERGER AND JACOB'S SUBDIVISION OF BLOCK 9 IN STONE AND WHITNEY'S SUBDIVISION OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 6 AND THE NORTH HALF AND WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 7, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, ALSO ALL THAT PART OF THE NORTH AND SOUTH ALLEY BEING PART OF SAID LOT 43 AS DEDICATED AND RECORDED IN THE OFFICE OF THE RECORDER OF DEEDS IN COOK COUNTY, ILLINOIS ON APRIL 12, 1905 AS DOCUMENT NUMBER 5610414 TOGETHER WITH THAT PART OF THE NORTH AND SOUTH ALLEY LYING WEST OF AND ADJOINING THE WEST LINE OF LOTS 4 AND 5 AND LYING EAST OF AND ADJOINING THE EAST LINE OF ORIGINAL LOT 43 AND LYING NORTH OF AND ADJOINING A LINE DRAWN FROM THE SOUTHWEST CORNER OF LOT 5 TO THE SOUTHEAST CORNER OF ORIGINAL LOT 43, ALL IN BLOCK 1 OF BERGER AND JACOB'S SUBDIVISION AFOREMENTIONED.

EXCEPT THAT PART LYING BETWEEN THE HORIZONTAL PLANES OF 14.75 FEET AND 32.00 FEET, CHICAGO CITY DATUM (CCD), BASED ON THE CITY OF CHICAGO BENCHMARK MONUMENT NUMBER 90 HAVING AN ELEVATION OF 14.545 CCD, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID LOT 47; THENCE SOUTH 89 DEGREES 44 MINUTES 57 SECONDS EAST ALONG THE SOUTH LINE OF WEST 47<sup>TH</sup> STREET, BEING AN ASSUMED BEARING, 88.81 FEET TO A POINT ON THE NORTHERLY EXTENSION OF THE CENTERLINE OF AN EXISTING WALL WITHIN AN EXISTING BUILDING; THENCE SOUTH, EAST AND NORTH THE FOLLOWING FIVE COURSES ALONG SAID CENTERLINE: (1) SOUTH 00 DEGREES 22 MINUTES 21 SECONDS WEST 25.55 FEET; (2) SOUTH 89 DEGREES 37 MINUTES 39 SECONDS EAST 49.45 FEET; (3) NORTH 00 DEGREES 22 MINUTES 21 SECONDS EAST 7.00 FEET; (4) SOUTH 89 DEGREES 37 MINUTES 39 SECONDS EAST 44.40 FEET; (5) NORTH 00 DEGREES 22 MINUTES 21 SECONDS EAST 18.75 FEET TO A POINT ON SAID SOUTH LINE OF WEST 47<sup>TH</sup> STREET; THENCE SOUTH 89 DEGREES 44 MINUTES 57 SECONDS EAST ALONG SAID SOUTH LINE OF WEST 47<sup>TH</sup> STREET 65.69 FEET TO A POINT ON THE WEST LINE OF SAID SOUTH ASHLAND AVENUE AS WIDENED; THENCE SOUTH 00 DEGREES 01 MINUTE 39 SECONDS EAST ALONG SAID WEST LINE AS WIDENED 124.60 FEET TO A POINT ON THE SOUTH LINE OF SAID LOT 5; THENCE NORTH 89 DEGREES 44 MINUTES 57 SECONDS WEST ALONG THE SOUTH LINE OF SAID LOT 5 A DISTANCE OF 111.17 FEET TO THE SOUTHWEST CORNER THEREOF, ALSO BEING THE WESTERLY FACE OF THE EXISTING BRICK BUILDING; THENCE NORTH 00 DEGREES 18 MINUTES 39 SECONDS EAST ALONG SAID WEST FACE 16.36 FEET TO AN INSIDE CORNER OF SAID BRICK BUILDING; THENCE NORTH 89 DEGREES 41 MINUTES 21 SECONDS WEST ALONG THE SOUTHERLY FACE OF SAID BRICK BUILDING 17.58 FEET; THENCE SOUTH 00 DEGREES 18 MINUTES 39 SECONDS WEST 16.98 FEET TO A POINT ON THE NORTH LINE OF THE EXISTING PUBLIC ALLEY; THENCE NORTH 89 DEGREES 44 MINUTES 57 SECONDS WEST CONTINUING ALONG SAID NORTH LINE 46.81 FEET TO A POINT ON THE SOUTHERLY EXTENSION OF THE CENTERLINE OF AN EXISTING WALL WITHIN AN EXISTING BUILDING; THENCE NORTH AND WEST THE FOLLOWING SEVEN COURSES ALONG SAID CENTERLINE: (1) NORTH 00 DEGREES 18 MINUTES 39 SECONDS EAST 29.59 FEET; (2) SOUTH 89 DEGREES 56 MINUTES 47 SECONDS WEST 24.20 FEET; (3) NORTH 00 DEGREES 03 MINUTES 13 SECONDS WEST 17.06 FEET; (4) NORTH 41 DEGREES 31 MINUTES 43 SECONDS WEST 5.61 FEET; (5) SOUTH 89 DEGREES 56 MINUTES 47

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SECONDS WEST 18.01 FEET; (6) NORTH 00 DEGREES 03 MINUTES 13 SECONDS WEST 22.70 FEET; (7) SOUTH 89 DEGREES

56 MINUTES 47 SECONDS WEST 27.02 FEET TO A POINT ON THE EAST LINE OF SOUTH MARSHFIELD AVENUE; THENCE NORTH 00 DEGREES 02 MINUTES 06 SECONDS WEST ALONG SAID EAST LINE 52.03 FEET TO THE POINT OF BEGINNING.

ALSO EXCEPT THAT PART LYING BETWEEN THE HORIZONTAL PLANES OF 107.00 FEET AND 145.00 FEET, CHICAGO CITY DATUM (CCD), BASED ON THE CITY OF CHICAGO BENCHMARK MONUMENT NUMBER 90 HAVING AN ELEVATION OF 14.545 CCD, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID LOT 47; THENCE SOUTH 00 DEGREES 02 MINUTES 06 SECONDS EAST ALONG THE WEST LINE OF SAID LOT 47 ALSO BEING EAST LINE OF SOUTH MARSHFIELD AVENUE 125.20 FEET TO THE SOUTHWEST CORNER OF SAID LOT 47, ALSO BEING A POINT ON THE NORTH LINE OF A PUBLIC ALLEY; THENCE SOUTH 89 DEGREES 44 MINUTES 57 SECONDS EAST ALONG SAID NORTH LINE 36.20 FEET TO THE POINT ON THE WEST WALL OF THE EXISTING PENTHOUSE, SAID POINT BEING THE BEGINNING; THENCE NORTH 00 DEGREES 25 MINUTES 45 SECONDS EAST ALONG THE WEST WALL OF SAID PENTHOUSE 29.43 FEET TO THE NORTHWEST CORNER THEREOF; THENCE NORTH 89 DEGREES 55 MINUTES 26 SECONDS EAST ALONG THE NORTH WALL OF SAID PENTHOUSE 37.02 FEET TO THE NORTHEAST CORNER THEREOF; THENCE SOUTH 00 DEGREES 18 MINUTES 39 SECONDS WEST ALONG THE EAST WALL OF SAID PENTHOUSE 29.64 FEET TO A POINT ON THE NORTH LINE OF SAID PUBLIC ALLEY; THENCE NORTH 89 DEGREES 44 MINUTES 57 SECONDS WEST ALONG SAID NORTH LINE 37.08 FEET TO THE POINT OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS.

Address: 4707 S. Marshfield Avenue, Chicago, Illinois 60640 Permanent Index Number:  
20-07-207-001-0000 & 20-07-207-002-0000

PARCEL 2:

LOTS 1 AND 2 IN BLOCK 2 IN BERGER AND JACOB'S SUBDIVISION OF BLOCK 9 IN STONE AND WHITNEY'S SUBDIVISION IN THE NORTH HALF OF SECTION 7, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Address: 1635 W. 47<sup>th</sup> Street Permanent Index Number: 20-07-206-010

PARCEL 3:

NON-EXCLUSIVE EASEMENTS FOR THE BENEFIT OF PARCEL 1 AS SET FORTH IN THE DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS MADE BY 4700 SOUTH ASHLAND LLC, AN ILLINOIS LIMITED LIABILITY COMPANY, DATED AND RECORDED AS DOCUMENT NUMBER .

Exhibit D

Amendment to Redevelopment Agreement

See attached.

**4/30/15**

**AMENDMENT TO GOLDBLATTS OF CHICAGO LIMITED PARTNERSHIP  
REDEVELOPMENT AGREEMENT**

BY AND BETWEEN

THE CITY OF CHICAGO AND  
GOLDBLATTS OF CHICAGO LIMITED PARTNERSHIP  
&  
AHC ASHLAND LLC

This agreement was prepared by and after signature  
return to: Randall L. Johnson, Esq. City of Chicago Law  
Department 121 North LaSalle Street, Room 600  
Chicago, IL 60602

S:\Finance\Career <file:///S:/Finance/Career> Builder\Amendment to RDA.wpd.rtf

## AMENDMENT TO GOLDBLATTS OF CHICAGO LIMITED PARTNERSHIP REDEVELOPMENT AGREEMENT

This Amendment (the "Amendment") to the Goldblatts of Chicago Limited Partnership Redevelopment Agreement, originally executed as of January 1, 2013 (the "Original Agreement" and together with this Amendment known as the "Agreement") is made as of the \_\_\_\_\_ day of April, 2015, by and between the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Planning and Development ("DPD") as the successor to the Department of Housing and Economic Development ("HED"), and Goldblatts of Chicago Limited Partnership, an Illinois limited partnership (the "Goldblatts LP"), and AHC Ashland LLC, an Illinois limited liability company ("AHC- Ashland"; together with Goldblatts LP collectively known as the "Developer").

### RECITALS

A. Constitutional Authority. As a home rule unit of government under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois (the "State"), the City has the power to regulate for the protection of the public health, safety, morals and welfare of its inhabitants, and pursuant thereto, has the power to encourage private development in order to enhance the local tax base, create employment opportunities

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and to enter into contractual agreements with private parties in order to achieve these goals.

B. Statutory Authority. The City is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 etseq., as amended from time to time (the "Act"), to finance projects that eradicate blighted conditions and protect conservation areas through the use of tax increment allocation financing for redevelopment projects.

C. City Council Authority.

1. To induce redevelopment pursuant to the Act, the City Council of the City (the "City Council") adopted the following ordinances on March 27, 2002: (1) an Ordinance of the City of Chicago, Illinois Authorizing Approval of the "Tax Increment Financing Redevelopment Plan for the 47<sup>th</sup>/Ashland Redevelopment Project Area", which ordinance was amended pursuant to ordinances adopted May 12, 2010, April 13, 2011 and June 8, 2011 (the "TIF Plan Ordinance"); (2) an Ordinance of the City of Chicago, Illinois Authorizing the "Designation of the 47 /Ashland Redevelopment Project Area as a Tax Increment Financing District and Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act" (the

"TIF Designation Ordinance"); and (3) an Ordinance of the City of Chicago, Illinois Authorizing "Adoption of Tax Increment Allocation Financing for the 47<sup>th</sup>/Ashland Redevelopment Project Area" (the "TIF Adoption Ordinance") (items(1)-(3) collectively referred to herein as the "TIF Ordinances"). The redevelopment project area referred to above (the "Redevelopment Area") is legally described in Exhibit A hereto.

2. Pursuant to an ordinance (the "First Ordinance") adopted by the City Council on June 8, 2011, and published at pages 577-777 of the Journal of the Proceedings of the City Council (the "Journal") of such date, the City entered into the Original Agreement which was duly executed as of January 1, 2013 and authorized a grant of up to \$2,900,000 in tax increment financing funds (the "TIF Funds") to AHC Ashland. The First Ordinance also authorized the issuance of City of Chicago Multi-Family Housing Revenue Bonds (Goldblatts Supportive Living Project) in an aggregate amount not to exceed \$18,000,000 (the "Bonds"), and a loan of funds in the principal amount of \$1,000,000 (the "Loan"; and together with the TIF Funds and the Bonds collectively referred to as the "City Financing") to Goldblatts LP, the general partner of which was then Goldblatts SLF of Chicago GP, Inc., an Illinois corporation (the "Original General Partner"). Pursuant to a subsequent ordinance (the "Restructure Ordinance") adopted by the City Council on April 30, 2014, and published at pages 78908-78911 of the Journal of such date, the City authorized DPD to approve a restructuring (the "Restructuring") of the City Financing in a manner which (1) replaces the Original General Partner of the Borrower with CH-GB Affordable Partners, LLC, an Illinois limited liability company (hereinafter to be referred to as "CH-GB" or the "General Partner" in the Agreement), (2) provides no additional City bond, loan or TIF Funds in connection with the Project, and (3) permits the liens on the Property securing the interests of the City in connection with the Bonds, the Loan and the TIF Funds to be subordinated, if necessary, and subject to restrictions in applicable documents, to any new liens required in connection with any new or additional sources of financing

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determined by the Commissioner of DPD to be necessary or advisable for the completion of the Project in his sole discretion (collectively, the "Material Terms")

D. Project Background. Affordable Housing Continuum, an Illinois not-for-profit corporation ("AHC"), the sole member of AHC-Ashland, acquired an interest in certain real property located within the Redevelopment Area at 4707 South Marshfield Avenue, Chicago, IL 60609 (the "Property"), which is improved with a building containing approximately one hundred forty two thousand three hundred ninety seven (142,397) square feet of interior space divided among five floors (the "Building"); the Building is individually listed on the National Register of Historic Places, has been subdivided pursuant to a vertical subdivision along with a reciprocal easement agreement (the "VPR Easement"), and all but the ground floor of the Building containing approximately twenty four thousand five hundred and seventy six (24,576) square feet of interior space and other attendant interests in the Property pursuant to the VPR Easement was sold to Goldblatts LP (such sale to Goldblatts LP being the "Acquisition"). Goldblatts LP also acquired real property (the "Parking Property") known as 1635 West 47<sup>th</sup> Street, Chicago, IL 60609 which shall be used as an attendant parking lot (the "Parking Lot"). Both the Property and the Parking Property are legally described on Exhibit B to the Original Agreement. Within the time frames set forth in Section 3.01 hereof, Developer has commenced rehabilitation of the Project and the attendant real property (including the Parking Property) into an approximately ninety eight thousand five hundred fifty (98,550) square foot supportive living facility with approximately 101 residential dwelling units and certain attendant facilities (the "Facility") thereon. The Facility and related

improvements (including but not limited to those TIF-Funded Improvements as defined below and set forth on Exhibit C to the Original Agreement) are collectively referred to herein as the "Project"

E. Additional Equity Requirements. Developer has encountered financial and logistical difficulties in completing the Project which have lead to an increase in costs. Goldblatts LP and certain additional parties entered into that certain Withdrawal Agreement dated as of November 20, 2013 (and amended a number of times by letter agreement to extend the outside completion date) pursuant to which the Original General Partner agreed to voluntarily withdraw from Goldblatts LP and from participation in the Project. In order to complete the Project, the Goldblatts LP intends to obtain additional financing through certain other sources including, without limitation, the syndication of historic tax credits that will be available due to the Restructuring. In connection with obtaining such additional financing, Goldblatts LP has requested that the City approve, and the City has agreed to approve the replacement of the Original General Partner with CH-GB LLC as the new General Partner with the members of CH-GB LLC being Celadon Holdings, LLC, an Illinois limited liability company, and AHC Ashland. The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement.

NOW, THEREFORE, in connection of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

## Section 1. INCORPORATION

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1.1 Incorporation. The recitals set forth above and the exhibits attached hereto are incorporated herein by this reference and made a part hereof.

## Section 2. AMENDMENTS

1 Definition of General Partner. The definition of General Partner set forth in Section 2 of the Original Agreement hereinafter shall mean CH-GB Affordable Partners LLC, an Illinois limited liability company.

2 Update of Total Project Cost, and Sources of Funds. The cost of the Project is now estimated to be approximately \$44,962,738, to be applied in the manner set forth in the Project Budget. Such costs shall be funded from the following sources:

Equity (subject to Sections f4.03(b)l and 4.06)	\$16,778,284
Low-Income Housing Tax Credit Equity	\$11,743,548
AHC Capital Contribution (DCEO Grant)	\$ 179,845
General Partner Equity	\$ 100
Historic Tax Credit Equity	\$ 4,854,791

Lender Financing \$19,000,000

Bond Loan (Tax Exempt Bond Proceeds) \$18,000,000

HOME LOAN (through the City) \$ 1,000,000



### Section 3. Representations

3.1 Covenants, Representations and Warranties of Developer. Developer hereby states that all covenants, representations, warranties, certificates, schedules, reports or other communication made, provided or stated in connection with the Agreement or any related agreement continue to be true and accurate in all respects except for the following:

A. The Project is currently not In Balance as defined in Section 4.07(g) however, upon the closing on the Restructuring and related transactions, the Project shall be In Balance.

B. The Title Policy as updated as of the closing date on the Restructuring and pursuant to Section 5.05 of the Original Agreement contains only those exceptions listed as Permitted Liens on the updated Exhibit G attached hereto which shall replace the Exhibit G attached to the Original Agreement.

C. As set forth in Section 5.14 of the Original Agreement, CH-GB LLC has provided all corporate documents and an Economic Disclosure Statement, in the City's then current form, dated as of the closing date of the Restructuring.

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D. Developer shall update the description of all pending or threatened litigation provided pursuant to Section 5.15 to include all litigation (including mechanics liens and related lawsuits filed by the General Contractor) filed in relation to the difficulties Goldblatts LP has encountered in completing the Project.

### SECTION 4. MISCELLANEOUS

1 No Effect on Other Agreement Provisions. The parties agree that entering into this Amendment shall have no effect on other provisions of the Agreement (including the effective date) and that this Amendment shall relate back to the date the Agreement was originally executed by the parties.

2 No Change in Defined Terms. All capitalized terms not otherwise defined herein, shall have the same meaning as set forth in the Agreement.

3 Other Terms in Agreement Remain. All other provisions and terms of the Agreement shall remain unchanged including, without limitation, the covenants and representations of the City set forth in Section 9 of the Agreement.

*(Intentionally left blank-signature and notary pages follow)*



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IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed on or as of the day and year first above written.

GOLDBLATTS OF CHICAGO LIMITED PARTNERSHIP, an Delaware limited liability company

By: CH-GB AFFORDABLE PARTNERS LLC, an Illinois Limited Liability Company, its General Partner

By: Celadon Holdings, LLC, an Illinois limited liability company, its Managing Member

By:

Print Name:

Its:

AHC ASHLAND LLC, an Illinois limited liability company

By: Affordable Housing Continuum, an Illinois not-for-profit corporation, its sole member

By:

Its:

Affordable Housing Continuum, an Illinois not-for-profit corporation

By:

Its:

CITY OF CHICAGO, a Municipal  
Corporation,

By:

Andrew J. Mooney  
Commissioner, Department of Planning and  
Development

STATE OF ILLINOIS )

)SS

COUNTY OF COOK )

I, \_\_\_\_\_, a notary public in and for the said County, in the State  
aforesaid, DO HEREBY CERTIFY that \_\_\_\_\_, personally known to  
me to be the \_\_\_\_\_ of Celadon Holdings, LLC, an Illinois limited  
liability company, which is the Managing Member of CH-GB Affordable Partners LLC, an Illinois limited liability  
company, which is the general partner of Goldblatts of Chicago Limited partnership, an Illinois limited  
partnership (a "Developer"), and personally known to me to be the same person whose name is subscribed to  
the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed,  
sealed, and delivered said instrument, pursuant to the authority given to him/her by the Partners of the  
Developer, as his/her free and voluntary act and as the free and voluntary act of the Developer, for the uses  
and purposes therein set forth.

GIVEN under my hand and official seal this \_\_\_\_\_ day of \_\_\_\_\_,  
2013.

Notary Public

My Commission Expires.

(SEAL)

STATE OF ILLINOIS )

)SS

COUNTY OF COOK )

I, \_\_\_\_\_, a notary public in and for the said County, in the State  
aforesaid, DO HEREBY CERTIFY that \_\_\_\_\_, personally known to  
me to be the \_\_\_\_\_ of Affordable Housing Continuum, an Illinois  
not-for-profit corporation and the sole member of AHC Ashland LLC, an Illinois limited liability company, an  
Illinois limited liability company (a "Developer"), and personally known to me to be the same person whose  
name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged  
that he/she signed, sealed, and delivered said instrument, pursuant to the authority given to him/her by the  
[Board of Directors] of the Developer, as his/her free and voluntary act and as the free and voluntary act of the  
Developer, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_,  
2015.

Notary Public

My Commission Expires

(SEAL)

STATE OF ILLINOIS )  
 ) SS  
COUNTY OF COOK )

I, \_\_\_\_\_, a notary public in and for the said County, in the State  
aforesaid, DO HEREBY CERTIFY that \_\_\_\_\_, personally known to  
me to be the \_\_\_\_\_ of Affordable Housing Continuum, an Illinois  
not-for-profit corporation (the "General Partner"), and personally known to me to be the same person whose  
name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged  
that he/she signed, sealed, and delivered said instrument, pursuant to the authority given to him/her by the  
[Board of Directors] of the Developer, as his/her free and voluntary act and as the free and voluntary act of the  
Developer, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this \_\_\_\_\_ day of \_\_\_\_\_,  
2013.

Notary Public

My Commission Expires.

(SEAL)

STATE OF ILLINOIS )  
 ) SS  
COUNTY OF COOK )

\_\_\_\_\_, a notary public in and for the said County, in the  
personally known to me to be the \_\_\_\_\_  
State aforesaid, DO HEREBY CERTIFY that \_\_\_\_\_  
Commissioner of the Department  
of Community Development of the City of Chicago (the "City"), and personally known to me to be the  
same person whose name is subscribed to the foregoing instrument, appeared before me this day in  
person and acknowledged that he/she signed, sealed, and delivered said instrument pursuant to the  
authority given to him/her by the City, as his/her free and voluntary act and as the free and voluntary  
act of the City, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this \_\_\_\_\_

Notary Public

My Commission Expires \_\_\_\_\_

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■ Mayor

APMtovr- APJROVEI

***CORPORATION COUN\*<sup>t</sup> S'f\*\*/'***