

ORDINANCE

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

WHEREAS, the City has determined that the continuance of a shortage of affordable rental housing is harmful to the health, prosperity, economic stability and general welfare of the City; and

WHEREAS, as a home rule unit and pursuant to the Constitution, the City is authorized and empowered to issue multi-family housing revenue bonds for the purpose of financing costs of the acquisition, construction, renovation, rehabilitation, development, and equipping of affordable multi-family housing facilities for low- and moderate-income families located in the City; and

WHEREAS, by this ordinance, the City Council of the City (the "**City Council**") has determined that it is necessary and in the best interests of the City to provide financing to (i) 208 LaSalle Affordable LP, an Illinois limited partnership (the "**Affordable Borrower**"), the general partner of which is 208 LaSalle AH GP, LLC, an Illinois limited liability company (the "**Affordable General Partner**"), whose indirect owners are affiliated entities of The Prime Group, Inc., an Illinois corporation ("**The Prime Group**"), and (ii) 208 LaSalle Market Landlord, LLC, an Illinois limited liability company (the "**Market Rate Borrower**"), the managing member of which is 208 LaSalle Residences, LLC, an Illinois limited liability company (the "**Market Rate Managing Member**") whose indirect owners are affiliated entities of The Prime Group, (the Affordable Borrower and the Market Rate Borrower being collectively referred to as the "**Borrowers**"); and

WHEREAS, the City proposes to assist the Borrowers in financing a portion of the costs of acquiring, constructing, rehabilitating and equipping of a portion of the existing building located at 208 S. LaSalle Street, Chicago, Illinois, as more particularly described in Exhibit F hereto (the "**Project Site**"), in a vertical separation comprising a portion of the ground floor and portions of floors 13 through 16, in order to create (i) approximately 51-units of affordable residential rental housing therein to be owned by the Affordable Borrower and which units are expected to be leased to individuals or families whose annual income does not exceed 80% of Chicago-area median income, of which at least 40% of such units are expected to be leased to individuals or families whose annual income does not exceed 60% of Chicago-area median income (the "**Affordable Units**" and, together with an allocable share of certain residential amenities, the "**Affordable Project**"), and (ii) approximately 117-units of market rate residential rental housing therein to be owned by the Market Rate Borrower (the "**Market Rate Units**" and, together with an allocable share of the residential amenities, the "**Market Rate Project**") (the Affordable Project and the Market Rate Project being referred to collectively, as the "**Project**"); and

WHEREAS, the portion of the Project Site on which the Affordable Project will be situated shall be known as the "**Affordable Property**" and the portion of Project Site on which the Market Rate Project will be situated shall be known as the "**Market Rate Property**"; and

WHEREAS, the Market Rate Units will be leased by the Market Rate Borrower to 208 LaSalle Market Master Tenant, LP, an Illinois limited partnership, whose general partner is 208 LaSalle Residences Master Tenant GP, LLC, an Illinois limited liability company, whose sole member is 208 LaSalle Owner, LLC, an Illinois limited liability company ("**208 LaSalle Owner**"); and

WHEREAS, the Project Site will also be subdivided into a hotel portion and a retail portion which will be owned by separate entities and will not be the subject of the financings described in this ordinance; and

WHEREAS, the Borrowers desire to (i) acquire the Project Site and (ii) obtain financing from the City for the purpose of financing a portion of the costs of acquisition, construction, renovation, rehabilitation and equipping of the Affordable Project and to pay a portion of the costs of issuance and other costs incurred in connection therewith; and

WHEREAS, by this ordinance, the City Council has determined that it is necessary and in the best interests of the City to issue its Multifamily Housing Revenue Bonds (208 S. LaSalle Project), Series 2025 (the "**Bonds**") to finance costs of the Affordable Project (which shall be special limited obligations of the City); and

WHEREAS, in connection with the issuance of the Bonds, the City Council has determined by this ordinance that it is necessary and in the best interests of the City to enter into (i) a Bond Indenture (the "**Bond Indenture**") between the City and a trustee (the "**Bond Trustee**") to be selected by the Chief Financial Officer, providing for the security for and terms and conditions of the Bonds to be issued; (ii) a Loan Agreement (the "**Loan Agreement**") among the City, the Bond Trustee, and the Affordable Borrower providing for the use of the proceeds of the Bonds to make a loan to the Affordable Borrower, the proceeds of which will finance a portion of the costs of the Affordable Project; (iii) a Bond Purchase Agreement (the "**Bond Purchase Agreement**") among the City, the Affordable Borrower and Stifel, Nicolaus & Company, Incorporated (together with any additional or substitute underwriters for the Bonds, the "**Underwriter**") providing for the sale of the Bonds and the preparation and circulation, if necessary, of a preliminary official statement for the Bonds or, alternatively, another type of disclosure document prepared in connection with the offer and sale of the Bonds (in either case, a "**Preliminary Official Statement**") and a final official statement or alternative disclosure document prepared in connection with the offer and sale of the Bonds (the "**Official Statement**"); and (iv) an arbitrage certificate, tax regulatory agreement and/or tax certificate (a "**Tax Agreement**") between the City and the Affordable Borrower; and

WHEREAS, the principal and interest on the Bonds will be secured by, among other things, Eligible Funds (as defined in the Bond Indenture), which, in the aggregate, will not exceed the amount set forth in the Bond Indenture; and

WHEREAS, in connection with the issuance of the Bonds and the financing of the Affordable Project with the proceeds thereof, the City Council has determined by this ordinance that it is necessary and in the best interests of the City to enter into a Land Use Restriction Agreement between the City and the Affordable Borrower (the "**Land Use Restriction Agreement**"); and

WHEREAS, the Bonds and the obligation to pay interest thereon do not now and shall never constitute an indebtedness of or an obligation of the City, the State of Illinois (the "**State**") or any political subdivision thereof, within the purview of any Constitutional limitation or statutory provision, or a charge against the general credit or taxing powers of any of them. No owner of the Bonds shall have the right to compel the taxing power of the City, the State or any political subdivision thereof to pay any principal installment of, prepayment premium, if any, or interest on the Bonds; and

WHEREAS, pursuant to ordinances adopted by the City Council on November 15, 2006 and published at pages 92019 to 92114 of the Journal of the Proceedings of the City Council (the "**Journal**") for such date (as amended, the "**TIF Ordinances**"), and under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4.1 et seq., as amended (the "**Act**"), the City Council: (i) approved a redevelopment plan and project (the "**Original Plan**") for a portion of the City known as the "LaSalle Central Redevelopment Project Area" (the "**Area**") (the "**Original Plan Ordinance**"); (ii) designated the Area as a "redevelopment project area" within the requirements of the Act; and (iii) adopted tax increment financing for the Area; and

WHEREAS, the Original Plan Ordinance was amended on February 7, 2007 and published at pages 97850 to 97855 of the Journal ("**Amendment No. 1**"); and on May 9, 2007 and published at pages 104253 to 104259 of the Journal ("**Amendment No. 2**"), and published in the Journal for such respective dates; and

WHEREAS, the Original Plan as amended by Amendment No. 1 and Amendment No. 2 is hereinafter referred to as the "**Plan**"; and

WHEREAS, the Project is necessary for the redevelopment of the Area; and

WHEREAS, pursuant to Resolution 24-CDC-26 adopted by the Community Development Commission of the City (the "**Commission**") on June 11, 2024, the Commission has recommended that 208 LaSalle Owner (and the related entities ultimately formed and referenced in the following paragraph), be designated as the Developer (as hereinafter defined) for the Project described herein, and that the City be authorized to negotiate, execute and deliver a redevelopment agreement with the Developer; and

WHEREAS, the Affordable Borrower, the Market Rate Borrower and LaSalle Development Partners NFP, an Illinois not-for-profit corporation (the "**LaSalle NFP**"), or a to-be-formed entity of which LaSalle NFP is the sole member (the "**TIF Recipient Entity**" and, together with the Affordable Borrower and the Market Rate Borrower, the "**Developer**") will be obligated to undertake the Project in accordance with the Plan and the terms and conditions of a proposed redevelopment agreement (the "**Redevelopment Agreement**") to be executed by the Developer and the City, with the Project to be financed in part by certain pledged incremental taxes deposited from time to time in the Special Tax Allocation Fund for the Area (the "**TIF Fund**") pursuant to Section 5/11-74.4-8(b) of the Act (the "**Incremental Taxes**"); and

WHEREAS, there has been presented to this meeting of the City Council forms of the following documents in connection with the Bonds:

(a) the form of Bond Indenture, which includes a form of the Bonds to be issued by the City (attached as **Exhibit B** hereto); and

(b) the form of Loan Agreement (attached as **Exhibit C** hereto); and

(c) the form of Land Use Restriction Agreement (attached as **Exhibit D** hereto); and

WHEREAS, the Borrowers now desire to obtain financing from various sources including, but not limited to, the proceeds from the sale of the Bonds loaned to the Affordable Borrower, all such financing as described in **Exhibits A-1 and A-2**; now therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. Incorporation of Recitals. The recitals contained in the preambles to this ordinance are hereby incorporated into this ordinance by this reference.

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. Thus, authority is granted to the Chief Financial Officer or the City Comptroller (each such officer being referred to herein as the "**Authorized Officer**") to determine to sell the Bonds on such terms as and to the extent such officer determines that such sale or sales is desirable and in the best financial interest of the City. Any such designation and determination by the Authorized Officer shall be signed in writing by the Authorized Officer and filed with the City Clerk and shall remain in full force and effect for all purposes of this ordinance unless and until revoked, such revocation to be signed in writing by the Authorized Officer and filed with the City Clerk.

SECTION 3. Authorization of Bonds. Upon the approval and availability of the additional financing as shown in **Exhibit A-1** (with respect to the Affordable Project) and **Exhibit A-2** (with respect to the Market Rate Project) (the "**Additional Financing**"), the issuance of the Bonds in an aggregate principal amount of not to exceed Twenty-Five Million Dollars (\$25,000,000) is hereby authorized.

The Bonds shall contain a provision that they are issued under authority of this ordinance. The Bonds shall not mature later than seven (7) years after the date of issuance thereof. The Bonds shall bear interest at a rate or rates not to exceed seven and one-half percent (7.50%) per annum, payable on the interest payment dates as set forth in the Bond Indenture. The Bonds shall be dated, shall be subject to redemption and/or tender prior to maturity, shall be payable in such places and in such manner and shall have such other details and provisions as prescribed by the Bond Indenture and the form of the Bonds therein.

The provisions for execution, signatures, authentication, payment and prepayment, with respect to the Bonds shall be as set forth in the Bond Indenture and the form of the Bonds therein.

The Authorized Officer is hereby authorized to execute and deliver the Bond Indenture on behalf of the City, such Bond Indenture to be in substantially the form attached hereto as **Exhibit B** and made a part hereof and hereby approved with such changes therein as shall be approved

by the Authorized Officer executing the same, with such execution to constitute conclusive evidence of such Authorized Officer's approval of any changes or revisions from the form of the Bond Indenture attached to this ordinance.

The Authorized Officer is hereby authorized to execute and deliver the Loan Agreement on behalf of the City, such Loan Agreement to be in substantially the form attached hereto as **Exhibit C** and made a part hereof and hereby approved with such changes therein as shall be approved by the Authorized Officer executing the same, with such execution to constitute conclusive evidence of such Authorized Officer's approval of any changes or revisions from the form of the Loan Agreement attached to this ordinance.

The Authorized Officer is hereby authorized to execute and deliver the Land Use Restriction Agreement on behalf of the City, such Land Use Restriction Agreement to be in substantially the form attached hereto as **Exhibit D** and made a part hereof and hereby approved with such changes therein as shall be approved by the Authorized Officer executing the same, with such execution to constitute conclusive evidence of such Authorized Officer's approval of any changes or revisions from the form of the Land Use Restriction Agreement attached to this ordinance.

The Authorized Officer is hereby authorized to execute and deliver a Tax Agreement on behalf of the City, in substantially the form of tax regulatory agreements used in previous issuances of tax-exempt bonds pursuant to programs similar to the Bonds, with appropriate revisions to reflect the terms and provisions of the Bonds and the applicable provisions of the Internal Revenue Code of 1986, as amended (the "**Code**"), and the regulations promulgated thereunder, and with such other revisions in text as the Authorized Officer executing the same shall determine are necessary or desirable in connection with the exclusion from gross income for federal income tax purposes of interest on the Bonds.

The City Clerk or the Deputy City Clerk is hereby authorized to attest the signature of the Authorized Officer to any document referenced herein and to affix the seal of the City to any such document.

SECTION 4. Security for the Bonds. The Bonds shall be limited obligations of the City, payable solely from (i) all right, title and interest of the City in and to all revenues, derived or to be derived by the City under the terms of the Bond Indenture and the Loan Agreement (other than certain reserved rights of the City); (ii) the proceeds of the Bonds and income from the temporary investment thereof, as provided in the Bond Indenture; and (iii) all funds, monies and securities and any and all other rights and interests in property whether tangible or intangible from time to time hereafter by delivery or by writing of any kind, conveyed, mortgaged, pledged, assigned or transferred as and for additional security hereunder for the Bonds by the City or by anyone on its behalf. In order to secure the payment of the principal of, premium, if any, and interest on the Bonds, such rights, proceeds and investment income are hereby pledged to the extent and for the purposes as provided in the Bond Indenture and are hereby appropriated for the purposes set forth in the Bond Indenture. The Bond Indenture shall set forth such covenants with respect to the application of such rights, proceeds and investment income as shall be deemed necessary by the Authorized Officer in connection with the sale of the Bonds.

SECTION 5. Sale and Delivery of Bonds. The Bonds shall be sold and delivered to, or upon the direction of, the Underwriter to be selected by the Authorized Officer, subject to the terms and conditions of the Bond Purchase Agreement. The Authorized Officer is authorized to execute and deliver on behalf of the City, with the concurrence of the Chairman of the Committee on Finance of the City Council, the Bond Purchase Agreement in substantially the form of bond purchase agreements used in previous sales of bonds pursuant to programs similar to the Bonds, with appropriate revisions to reflect the terms and provisions of the Bonds and which may include the fact that the Bonds may be sold to certain institutional investors at a premium or discount, and with such other revisions in text as the Authorized Officer shall determine are necessary or desirable in connection with the sale of the Bonds. The distribution of the Preliminary Official Statement and the Official Statement to prospective purchasers of the Bonds and the use thereof by the Underwriter in connection with the offering and sale of the Bonds are hereby authorized, provided that the City shall not be responsible for the content of the Preliminary Official Statement or the Official Statement except as specifically provided in the Bond Purchase Agreement, and provided further that, if the Bonds are sold directly to institutional investors, the City may forgo the use of a Preliminary Official Statement or Official Statement, but only if such institutional investors execute and deliver to the City "sophisticated investor" letters satisfactory to the Authorized Officer. The compensation paid to the Underwriter in connection with the sale of the Bonds shall not exceed three-quarters of one percent (0.75%) of the aggregate principal purchase price of the Bonds, exclusive of legal costs in connection therewith. In connection with the offer and delivery of the Bonds, the Authorized Officer, and such other officers of the City as may be necessary, are authorized to execute and deliver such instruments and documents as may be necessary to implement the transaction and to effect the issuance and delivery of the Bonds. Any limitation on the amount of Bonds issued pursuant to this ordinance as set forth herein shall be exclusive of any original issue discount or premium.

SECTION 6. Notification of Sale. Subsequent to the sale of the Bonds, the Authorized Officer shall file in the Office of the City Clerk a Notification of Sale for the Bonds directed to the City Council setting forth (i) the aggregate original principal amount of, sale price, maturity schedule, redemption provisions for and nature of the Bonds sold, (ii) the extent of any tender rights to be granted to the holders of the Bonds, (iii) the identity of the Bond Trustee, (iv) the interest rates on the Bonds, (v) the identity of the Underwriter, and (vi) the compensation paid to the Underwriter in connection with such sale. There shall be attached to such notification the final form of the Bond Indenture.

SECTION 7. Use of Proceeds. The proceeds from the sale of the Bonds shall be deposited as provided in the Bond Indenture and used for the purposes set forth in the fifth paragraph of the recitals of this ordinance.

SECTION 8. Additional Authorization. The Mayor, the Authorized Officer, the City Treasurer and, upon the approval and availability of the Additional Financing, the City's Commissioner of Planning and Development or a designee or successor thereof (the "Authorized DPD Officer") and the City's Commissioner of Housing or a designee or successor thereof (the "Authorized DOH Officer") are each hereby authorized to execute and deliver and the City Clerk and the Deputy City Clerk are each hereby authorized to enter into, execute and deliver such other documents and agreements and perform such other acts as may be necessary or desirable in connection with the Bonds, including, but not limited to,

the exercise following the delivery date of the Bonds of any power or authority delegated to such official under this ordinance with respect to the Bonds upon original issuance, but subject to any limitations on or restrictions of such power or authority as herein set forth.

SECTION 9. 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 of the Bonds, whether in temporary or definitive form, and to any other instrument, certificate or document required to be signed by the Mayor or the Authorized Officer pursuant to this ordinance or the Bond Indenture. 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 documents which such person shall be authorized to sign as proxy for the Mayor and the Authorized Officer, respectively. A written signature of the Mayor or the Authorized Officer, respectively, executed by the person so designated underneath, shall be attached to each notice. Each 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 is so affixed to an instrument, certificate or document at the direction of the Authorized Officer in the specified manner, the same, in all respects, shall be as binding on the City as if signed by the Authorized Officer in person.

SECTION 10. Volume Cap. The Bonds are obligations taken into account under Section 146 of the Code in the allocation of the City's volume cap.

SECTION 11. Developer Designation. The Developer is hereby designated as the "Developer" for the Project pursuant to Section 5/11-74.4-4 of the Act.

SECTION 12. Public Hearing; Public Approval. The City Council directs that the Bonds shall not be issued unless and until the requirements of Section 147(f) of the Code, including particularly the approval requirement following any required public hearing, have been fully satisfied. To the extent that the hearing and notice requirements of Section 147(f) of the Code have occurred prior to the passage of this ordinance, this ordinance constitutes approval for purposes of Section 147(f) of the Code. All such actions taken prior to the enactment of this ordinance are ratified and confirmed.

SECTION 13. Authorization of Fees and Expenses. Subject only to any maximum limits which may be imposed by the Code in order to preserve the tax exemption of the Bonds and subject to approval by the Department of Housing, the following fees and expenses are hereby authorized in connection with the Bonds: (i) an Issuer Fee in an amount equal to 1.5 percent of the par amount of the Bonds, payable to the City on the date of issuance of the Bonds, (ii) a Bond Legal Reserve Fee in the amount of 0.1 percent of the par amount of the Bonds, payable to the City on the date of issuance of the Bonds (such fee to be used to pay for other legal and other fees incurred by the City in connection with private activity bonds issued by the City), and (iii) a City Administrative Fee in an amount equal to 0.15 percent of the outstanding principal of the Bonds, accruing monthly but payable to the City on a semi-annual basis.

SECTION 14. Authorization of Redevelopment Agreement. Upon the approval and availability of the Additional Financing, the Authorized DPD Officer is each hereby authorized, with the approval of the City's Corporation Counsel, to negotiate, execute and deliver the Redevelopment Agreement between the Developer and the City in connection with payment of the Redevelopment Project Costs (as defined in the Redevelopment Agreement) with the tax increment financing ("TIF") funds, substantially in the form attached hereto as **Exhibit E** and made a part hereof, and such other supporting documents as may be necessary to carry out and comply with the provisions of the Redevelopment Agreement, with such changes, deletions and insertions as shall be approved by the persons executing the Redevelopment Agreement, with such execution to constitute conclusive evidence of the Authorized DPD Officer's approval of any changes or revisions from the form of Redevelopment Agreement attached to this Ordinance.

SECTION 15. Payment of Incremental Taxes. The City Council hereby finds that the City is authorized to pay an aggregate amount not exceeding \$26,000,000 ("**City Funds**") from Incremental Taxes deposited in the general account of the TIF Fund, to the TIF Recipient Entity to finance a portion of costs included within the Project and eligible under the Act, including securing any portion of the Additional Financing. The proceeds of the City Funds are hereby appropriated for the purposes set forth in this Section 15.

SECTION 16. Maintenance and Use of TIF Fund. Pursuant to the TIF Ordinances, the City has created the TIF Fund. The Authorized Officer (or his or her designee) is hereby directed to maintain the TIF Fund as a segregated interest-bearing account, separate and apart from the City's Corporate Fund or any other fund of the City. Pursuant to the TIF Ordinances, all Incremental Taxes received by the City for the Area shall be deposited into the TIF Fund. The City shall use the funds in the TIF Fund to make payments pursuant to the terms of the Redevelopment Agreement.

SECTION 17. Separability. If any provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this ordinance.

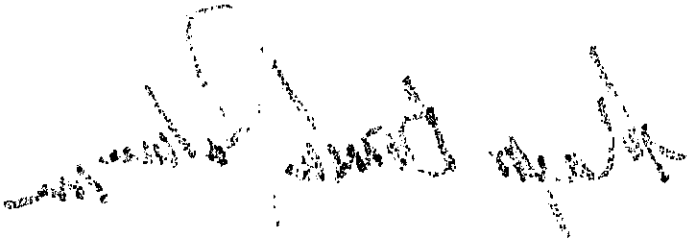
SECTION 18. Inconsistent Provisions. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

SECTION 19. No Impairment. No provision of the Municipal Code 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 render any agreement or instrument authorized hereby voidable at the option of the City or to impair the rights of the owners of the Bonds to receive payment of the principal of, premium, if any, or interest on the Bonds or to impair the security for the Bonds; 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 under the Municipal Code.

SECTION 20. Affordable Housing. The Affordable Project shall be deemed to qualify as "Affordable Housing" for purposes of Chapter 16-18 of the Municipal Code.

SECTION 21. Effective Date. This ordinance shall be in full force and effect immediately upon its passage and approval.

Exhibits "A," "B," "C," "D," "E" and "F" referred to in this ordinance read as follows:

A handwritten signature in dark ink, appearing to be "D. J. Smith", written in a cursive style.A handwritten signature in dark ink, appearing to be "D. J. Smith", written in a cursive style.

Ordinance Exhibit A-1

Affordable Project

AFFORDABLE BORROWER: 208 LaSalle Affordable LP, an Illinois limited partnership, the general partner of which will be 208 LaSalle AH GP, LLC (the "**Affordable General Partner**"), and the limited partners to be hereafter selected.

PROJECT: Affordable Project as described in the Ordinance.

1. **BONDS** As described in the Ordinance.

ADDITIONAL FINANCING

2. AFFORDABLE FHA LOAN

Amount: \$47,500,000 (Affordable Project and Market Rate Project combined), or such other amount(s) acceptable to the Authorized DOH Officer
Source: Merchants Bank of Indiana or such other source acceptable to the Authorized DOH Officer
Term: 40 years plus the construction period, or such other term acceptable to the Authorized DOH Officer
Interest: 8.0% per annum or such other rate acceptable to the Authorized DOH Officer
Security: Mortgage on the Affordable Property senior to the City Mortgage, and/or such other security acceptable to the Authorized DOH Officer (the "**Senior Mortgage**")

3. CITY TIF GRANT (Grants may be allocated between the Affordable Project and the Market Rate Project)

Amount: Not to exceed \$26,000,000 (Affordable Project and Market Rate Project combined)
Source: The City's TIF funds from available incremental taxes from the LaSalle Central Redevelopment Project Area pursuant to the Redevelopment Agreement, which funds may be advanced to the TIF Recipient Entity to be loaned to the Borrowers for reimbursement of the TIF eligible project costs incurred by the Borrowers
Security: Recapture Mortgage on the Affordable Property and the Market Rate Property (whether one or two separate mortgages, the "**City Mortgage**"), junior to the Senior Mortgage; and/or such other security acceptable to the Authorized DOH Officer

4. AFFORDABLE TIF PROCEEDS SPONSOR LOAN

Amount: Not to exceed \$26,000,000 (Affordable Project and Market Rate Project combined)
Source: The City's TIF funds from available incremental taxes from the LaSalle Central Redevelopment Project Area received by the TIF Recipient Entity pursuant to the Redevelopment Agreement, which funds will then be loaned by the TIF Recipient Entity to the Borrower and may be used to pay

for or reimburse the Borrower for the TIF eligible project costs

Term: 40 years plus construction period or such other term acceptable to the Authorized DOH Officer

Interest: 0% per annum or such other interest rate acceptable to the Authorized DOH Officer

Security: Mortgage on the Affordable Property and the Market Rate Property (whether one or two separate mortgages); junior to the Senior Mortgage and the City Mortgage; and/or such other security acceptable to the Authorized DOH Officer

5. AFFORDABLE TIF BRIDGE LOAN

Amount: Not to exceed \$26,000,000 (Affordable Project and Market Rate Project combined)

Source: Merchants Bank of Indiana or such other source acceptable to the Authorized DOH Officer

Term: 5 years or such other term acceptable to the Authorized DOH Officer

Interest: Floating 300 basis points over 30-day SOFR (with all-in floor of 3.50%) or such other rate acceptable to the Authorized DOH Officer

Security: An assignment of TIF Recipient Entity's rights under the Affordable TIF Proceeds Sponsor Loan (and Market Rate TIF Proceeds Sponsor Loan, as applicable) documents and/or such other security acceptable to the Authorized DOH Officer

6. LOW-INCOME HOUSING TAX CREDIT ("LIHTC") BRIDGE LOAN. (Could be combined with HTC Bridge Loan)

Amount: \$8,424,478 or such other amount acceptable to the Authorized DOH Officer

Source: Merchants Bank of Indiana or such other source acceptable to the Authorized DOH Officer

Term: 5 years or such other term acceptable to the Authorized DOH Officer

Interest: Floating 300 basis points over 30-day SOFR (with all-in floor of 3.50%) or such other rate acceptable to the Authorized DOH Officer

Security: An assignment of the LIHTC investor's rights under the LIHTC documents, an assignment of the Affordable General Partner's partnership interests and/or such other security acceptable to the Authorized DOH Officer

7. HISTORIC TAX CREDIT ("HTC") BRIDGE LOAN. (Could be combined with LIHTC Bridge Loan)

Amount: \$7,918,592 (Affordable Project and Market Rate Project combined) or such other amount acceptable to the Authorized DOH Officer

Source: Merchants Bank of Indiana or such other source acceptable to the Authorized DOH Officer

Term: 5 years or such other term acceptable to the Authorized DOH Officer

Interest: Floating 300 basis points over 30-day SOFR (with all-in floor of 3.50%) or such other rate acceptable to the Authorized DOH Officer

Security: An assignment of the HTC investor's rights under the HTC documents, an assignment of the Affordable General Partner's partnership interests and/or such other security acceptable to the Authorized DOH Office

8. SELLER FINANCING LOAN AND/OR DEVELOPER EQUITY

Amount: \$9,100,000 (Affordable Project and Market Rate Project combined) or such

Source: other amount acceptable to the Authorized DOH Officer
 Term: 208 LaSalle, LLC, an Illinois limited liability company
 Interest: 40 years plus construction period or such other term acceptable to the Authorized DOH Officer
 Security: Long-term Applicable Federal Rate as of the closing date or such other rate acceptable to the Authorized DOH Officer
 Mortgage on the Affordable Property junior to the Senior Mortgage and, the City Mortgage; , or such other security acceptable to the Authorized DOH Officer (the "**Seller Mortgage**")

9. LIHTC EQUITY

Amount: Approximately \$8,424,478 or such other amount acceptable to the Authorized DOH Officer, all or a portion of which may be paid in on a delayed basis, and all or a portion of which may be used to repay all or a portion of the LIHTC Bridge Loan or other debt
 Source: To be derived from the syndication of the LIHTCs generated by the issuance of the Bonds

10. HTC EQUITY

Amount: Approximately \$7,918,592 (Affordable Project and Market Rate Project combined) or such other amount acceptable to the Authorized DOH Officer, all or a portion of which may be paid in on a delayed basis, and all or a portion of which may be used to repay all or a portion of the HTC Bridge Loan or other debt
 Source: To be derived from the syndication of the HTCs

11. AFFORDABLE GENERAL PARTNER EQUITY

Amount: Approximately \$100
 Source: General Partner, or such other source acceptable to the Authorized DOH Officer

12. DEFERRED DEVELOPER FEE (Affordable and Market Rate combined)

Amount: Approximately \$3,600,000
 Source: The Developer, or such other source acceptable to the Authorized DOH Officer

Ordinance Exhibit A-2

Market Rate Project

MARKET RATE BORROWER: 208 LaSalle Market Landlord, LLC, an Illinois limited liability company, the managing member of which will be 208 LaSalle Residences, LLC (the "**Market Rate Managing Member**"), and the non-managing members to be hereafter selected.

PROJECT: Market Rate Project as described in the Ordinance

ADDITIONAL FINANCING

1. MARKET RATE FHA LOAN

Amount: \$47,500,000 (Affordable Project and Market Rate Project combined), or such other amount(s) acceptable to the Authorized DOH Officer
Source: Merchants Bank of Indiana or such other source acceptable to the Authorized DOH Officer
Term: 40 years plus the construction period, or such other term acceptable to the Authorized DOH Officer
Interest: 8.0% per annum or such other rate acceptable to the Authorized DOH Officer
Security: The Senior Mortgage

2. CITY TIF GRANT (Grants may be allocated between the Affordable Project and the Market Rate Project)

Amount: Not to exceed \$26,000,000 (Affordable Project and Market Rate Project combined)
Source: The City's TIF funds from available incremental taxes from the LaSalle Central Redevelopment Project Area pursuant to the Redevelopment Agreement, which funds may be advanced to the TIF Recipient Entity to be loaned to the Borrowers for reimbursement of the TIF eligible project costs incurred by the Borrowers
Security: The City Mortgage

3. MARKET RATE TIF PROCEEDS SPONSOR LOAN

Amount: Not to exceed \$26,000,000 (Affordable Project and Market Rate Project combined)
Source: The City's TIF funds from available incremental taxes from the LaSalle Central Redevelopment Project Area received by the TIF Recipient Entity pursuant to the Redevelopment Agreement, which funds will then be loaned by the TIF Recipient to the Market Rate Borrower and may be used to pay for or reimburse the Market Rate Borrower for TIF eligible project costs
Term: 40 years plus construction period or such other term acceptable to the Authorized DOH Officer
Interest: 0% per annum or such other interest rate acceptable to the Authorized DOH Officer
Security: Mortgage on the Market Rate Property and the Affordable Property

(whether one or two separate mortgages); junior to the Senior Mortgage and City Mortgage; and/or such other security acceptable to the Authorized DOH Officer

4. MARKET RATE TIF BRIDGE LOAN

Amount: Not to exceed \$26,000,000 (Affordable Project and Market Rate Project combined)
Source: Merchants Bank of Indiana or such other source acceptable to the Authorized DOH Officer
Term: 5 years or such other term acceptable to the Authorized DOH Officer
Interest: Floating 300 basis points over 30-day SOFR (with all-in floor of 3.50%) or such other rate acceptable to the Authorized DOH Officer
Security: An assignment of TIF Recipient Entity's rights under the Market Rate TIF Proceeds Sponsor Loan (and Affordable TIF Proceeds Sponsor Loan, as applicable) documents and/or such other security acceptable to the Authorized DOH Officer

5. HISTORIC TAX CREDIT ("HTC") BRIDGE LOAN

Proceeds: \$7,918,592 (Affordable Project and Market Rate Project combined) or such other amount acceptable to the Authorized DOH Officer
Source: Merchants Bank of Indiana or such other source acceptable to the Authorized DOH Officer
Term: 5 years or such other term acceptable to the Authorized DOH Officer
Interest: Floating 300 basis points over 30-day SOFR (with all-in floor of 3.50%) or such other rate acceptable to the Authorized DOH Officer
Security: An assignment of HTC investor's rights under the HTC documents, an assignment of the Market Rate Managing Member's membership interests and/or such other security acceptable to the Authorized DOH Officer

6. SELLER FINANCING LOAN AND/OR DEVELOPER EQUITY

Amount: \$9,100,000 (Affordable Project and Market Rate Project combined) or such other amount acceptable to the Authorized DOH Officer
Source: 208 LaSalle, LLC, an Illinois limited liability company
Term: 40 years plus construction period or such other term acceptable to the Authorized DOH Officer
Interest: Long-term Applicable Federal Rate as of the closing date or such other rate acceptable to the Authorized DOH Officer
Security: The Seller Mortgage; or such other security acceptable to the Authorized DOH Officer

7. HTC EQUITY

Proceeds: Approximately \$7,918,592 (Affordable Project and Market Rate Project combined) or such other amount acceptable to the Authorized DOH Officer, all or a portion of which may be paid in on a delayed basis, and all or a portion of which may be used to repay all or a portion of the HTC Bridge Loan or other debt
Source: To be derived from the syndication of the HTCs

8. MARKET RATE MANAGING MEMBER EQUITY

Amount: Approximately \$100

Source: Market Rate Managing Member, or such other source acceptable to the Authorized DOH Officer

9. **DEFERRED DEVELOPER FEE (Affordable and Market Rate combined)**

Amount: Approximately \$3,600,000

Source: The Developer, or such other source acceptable to the Authorized DOH Officer

Ordinance Exhibit B
Form of Bond Indenture

[See Attached]

INDENTURE

Between

CITY OF CHICAGO

and

ZIONS BANCORPORATION, NATIONAL ASSOCIATION,

as Trustee

With Respect to

**\$ _____ Multifamily Housing Revenue Bonds
(208 S. LaSalle Project)
Series 2025**

Dated as of _____ 1, 2025

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INDENTURE

THIS INDENTURE (“**Indenture**”), dated as of _____ 1, 2025, between 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 **ZIONS BANCORPORATION, NATIONAL ASSOCIATION**, a national banking association, as Trustee (such trustee or any of its successors in trust, the “**Trustee**”).

RECITALS

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

WHEREAS, the Issuer has determined to issue, sell and deliver \$ _____ aggregate principal amount of its Multifamily Housing Revenue Bonds (208 S. LaSalle Project), Series 2025 (the “**Bonds**”), as provided herein for the purpose of making a loan to 208 LaSalle Affordable LP, a limited partnership organized under the laws of the State of Illinois, and its successors and assigns (the “**Borrower**”), which loan will be used, together with other amounts, to finance the (i) acquisition and adaptive reuse of a subdivided portion of a 21-story building located on a portion of the ground floor and portions of floors thirteen through sixteen thereof, [including an allocable portion of the real estate acquisition costs thereof] located at 208 S. LaSalle Street, Chicago, Illinois (the “**Project Site**”) and the (ii) rehabilitation on the Project Site of a residential rental project consisting of 51 housing units (consisting of a mix of 21 studio units, 21 one-bedroom units and 9 two-bedroom units (the “**Units**”), of which 100% will be affordable for households earning no more than 80 percent of the area median income, and at least 40% of which units are expected to be leased to individuals or families whose annual income does not exceed 60% of area median income, as well as an allocable portion of residential amenities for the tenants thereof (the “**Facility**”); and

WHEREAS, the Borrower desires to (i) acquire the Project Site and (ii) obtain Multifamily Housing Financing from the City for the purpose of financing a portion of the costs of the construction and/or rehabilitation of the Facility on the Project Site, as further defined in **Exhibit A**, the “**Project**”), and to pay a portion of the costs of issuance and other costs incurred in connection therewith; and

WHEREAS, the Issuer will loan the proceeds of the Bonds to the Borrower by entering into a Loan Agreement dated as of _____ 1, 2025, by and among the Issuer, the Borrower, and the Trustee (the “**Loan Agreement**”) and the Bonds shall be payable 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; and

WHEREAS, the Bonds will be secured by this Indenture, and the Issuer is authorized to execute and deliver this Indenture and to do or cause to be done all acts provided or required herein to be performed on its part;

WHEREAS, all things necessary to make the Bonds, when authenticated by the Trustee and issued as in this Indenture provided, the valid, binding and legal limited obligations of the Issuer according to the import thereof, and to constitute this Indenture a valid assignment and pledge of the amounts assigned and pledged to the payment of the principal of, premium, if any, and interest on the Bonds and the creation,

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

NOW, THEREFORE, that to secure the payment of Bond Service Charges on the Bonds according to their true intent and meaning, to secure the performance and observance of all of the covenants, agreements, obligations and conditions contained therein and herein, and to declare the terms and conditions upon and subject to which the Bonds are and are intended to be issued, held, secured and enforced, and in consideration of the premises and the acceptance by the Trustee of the trusts created herein and of the purchase and acceptance of the Bonds by the Holders, and for other good and valuable consideration, the receipt of which is acknowledged, the Issuer has executed and delivered this Indenture and absolutely assigns hereby to the Trustee (except Reserved Rights), and to its successors in trust, and its and their assigns, all right, title and interest of the Issuer in and to:

GRANTING CLAUSES

For the equal and proportionate benefit, security and protection of the Bonds issued under and secured by this Indenture without privilege, priority or distinction as to the lien or otherwise of any of the Bonds over any of the others of the Bonds:

(i) the Revenues, including, without limitation, all Loan Payments, Eligible Funds and other amounts receivable by or on behalf of the Issuer under the Loan Agreement in respect of repayment of the Loan,

(ii) the Special Funds, including all accounts in those Funds and all money deposited therein and the investment earnings on such money,

(iii) subject to the provisions of the Ordinance, all right, title and interest of the Issuer in the proceeds derived from the sale of the Bonds, and any securities in which money in the Special Funds are invested, and (except for money required to be rebated to the United States of America under the Code) the proceeds derived therefrom, and any and all other real or personal property of every name and nature from time to time hereafter by delivery or by writing of any kind pledged, assigned or transferred, as and for additional security hereunder by the Issuer or by anyone on its behalf, or with its written consent, to the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms of this Indenture,

(iv) the Note, and

(v) the Loan Agreement, except for the Reserved Rights (the foregoing collectively referred to as the "Trust Estate").

PROVIDED, HOWEVER, AND NOTWITHSTANDING THE FOREGOING, THE TRUST ESTATE SHALL NOT INCLUDE THE REBATE FUND OR ANY MONEYS OR INVESTMENTS REQUIRED TO BE DEPOSITED INTO THE REBATE FUND;

TO HAVE AND TO HOLD unto the Trustee and its successors in that trust and its and their assigns forever;

BUT IN TRUST, NEVERTHELESS, and subject to the provisions hereof,

(a) except as provided otherwise herein, for the equal and proportionate benefit, security and protection of all present and future Holders of the Bonds issued or to be issued under and secured by this Indenture,

(b) for the enforcement of the payment of the principal of and interest on the Bonds, when payable, according to the true intent and meaning thereof and of this Indenture, and

(c) to secure the performance and observance of and compliance with the covenants, agreements, obligations, terms and conditions of this Indenture,

in each case, without preference, priority or distinction, as to lien or otherwise, of any one Bond over any other by reason of designation, number, date of the Bonds or of authorization, issuance, sale, execution, authentication, delivery or maturity thereof, or otherwise, so that each Bond and all Bonds shall have the same right, lien and privilege under this Indenture and shall be secured equally and ratably hereby, it being intended that the lien and security of this Indenture shall take effect from the date hereof, without regard to the date of the actual issue, sale or disposition of the Bonds, as though upon that date all of the Bonds were actually issued, sold and delivered to purchasers for value; provided, however, that

- (i) if the principal of the Bonds and the interest due or to become due thereon shall be well and truly paid, at the times and in the manner to which reference is made in the Bonds, according to the true intent and meaning thereof, or the Outstanding Bonds shall have been paid and discharged in accordance with Article IX hereof,
- (ii) if all of the covenants, agreements, obligations, terms and conditions of the Issuer under this Indenture shall have been kept, performed and observed and there shall have been paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, and
- (iii) this Indenture and the rights assigned hereby shall cease, determine and be void, except as provided in Section 9.02 hereof with respect to the survival of certain provisions hereof; otherwise, this Indenture shall be and remain in full force and effect.

It is declared that all Bonds issued hereunder and secured hereby are to be issued, authenticated and delivered, and that the Trust Estate assigned hereby is to be dealt with and disposed of under, upon and subject to, the terms, conditions, stipulations, covenants, agreements, obligations, trusts, uses and purposes provided in this Indenture. The Issuer has agreed and covenanted, and agrees and covenants with the Trustee and with each and all Holders, as follows:

ARTICLE 1 DEFINITIONS

Section 1.01 Definitions. The terms defined in this Section 1.01 or in the Recitals hereto (except as herein otherwise expressly provided or unless the context otherwise requires) for all purposes of this Indenture and of any indenture supplemental hereto shall have the respective meanings specified in this Section 1.01 or in the Recitals hereto.

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

"Additional Payments" means the amounts required to be paid by the Borrower pursuant to the provisions of Section 4.04 of the Loan Agreement.

"Administrative Expenses" means the Issuer Fee, the City Administrative Fee, the Ordinary Trustee Fees and Expenses and the Dissemination Agent Fee.

"Affiliated Party" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control" when used with respect to any specified Person means the power to direct the policies of such Person, directly or indirectly, whether through the power to appoint and remove its directors, the ownership of voting securities, by contract, or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Authorized Borrower Representative" means any person who, at any time and from time to time, is designated as the Borrower's authorized representative by written certificate furnished to the Issuer and the Trustee containing the specimen signature of such person and signed on behalf of the Borrower by or on behalf of any authorized General Partner of the Borrower if the Borrower is a general or limited partnership, by any authorized managing member of the Borrower if the Borrower is a limited liability company, or by any authorized officer of the Borrower if the Borrower is a corporation, which certificate may designate an alternate or alternates. The Trustee may conclusively presume that a person designated in a written certificate filed with it as an Authorized Borrower Representative is an Authorized Borrower Representative until such time as the Borrower files with it (with a copy to the Issuer) a written certificate revoking such person's authority to act in such capacity.

"Authorized Denomination" means \$5,000, or any integral multiple of \$1,000 in excess thereof.

"Authorized Issuer Representative" means any person or persons specifically authorized by the Ordinance to take the action intended.

"Bankruptcy Code" means Title 11 of the United States Code entitled "Bankruptcy," as in effect now and in the future, or any successor statute.

"Beneficial Owner" means with respect to the Bonds, the Person owning the Beneficial Ownership Interest therein.

"Beneficial Ownership Interest" means the right to receive payments and notices with respect to the Bonds held in a Book-Entry System.

"Bond Counsel" or "Co-Bond Counsel" means Miller, Canfield, Paddock and Stone, P.L.C. and Holley & Pearson-Farrer LLP, or any attorney at law or firm of attorneys, of nationally recognized standing in matters pertaining to the federal tax exemption of interest on bonds issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States of America or the District of Columbia.

"Bond Fund" means the Bond Fund created in Section 4.01 hereof.

"Bond Payment Date" means each Interest Payment Date and any other date Bond Service Charges on the Bonds are due, whether at maturity, upon redemption, Mandatory Tender or acceleration or otherwise.

“Bond Purchase Agreement” means the Bond Purchase Agreement, dated _____, 2025, among the Underwriter, the Issuer and the Borrower.

“Bond Service Charges” means, for any period or payable at any time, the principal of and interest on the Bonds for that period or payable at that time whether due at maturity or upon redemption, Mandatory Tender or acceleration.

“Bond Year” means each annual period of twelve months ending on _____ 1 as applicable; provided, however, that the first annual period commences on the date of the original issuance and delivery of the Bonds and ends on _____ 1, 2026 and the last of which ends on the maturity of the Bonds.

“Bonds” means the Issuer’s Multifamily Housing Revenue Bonds (208 S. LaSalle Project), Series 2025 in the aggregate principal amount of \$ _____ issued under and secured by this Indenture.

“Book-Entry Form” or *“Book-Entry System”* means, with respect to the Bonds, a form or system, as applicable, under which (a) physical Bond certificates in fully registered form are issued only to a Securities Depository or its nominee, with the physical Bond certificates “immobilized” in the custody of the Securities Depository and (b) the ownership of book-entry interests in Bonds and Bond Service Charges thereon may be transferred only through a book-entry made by others than the Issuer or the Trustee. The records maintained by others than the Issuer or the Trustee constitute the written record that identifies the owners, and records the transfer, of book-entry interests in those Bonds and Bond Service Charges thereon.

“Borrower” means 208 LaSalle Affordable LP, a limited partnership organized under the laws of the State of Illinois, and its successors and assigns.

“Borrower Documents” when used with respect to the Borrower, means all documents and agreements executed and delivered by the Borrower as security for or in connection with the issuance of the Bonds, including but not limited to, the Financing Documents and the Mortgage Loan Documents. 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.

“Bridge Lender” means Merchants Bank of Indiana, in its capacity as lender on the Bridge Loan.

“Bridge Loan” means that loan in the amount not to exceed \$ _____ .00 from Bridge Lender to Borrower.

“Business Day” means any day of the year on which (i) banks located in the City of Chicago and the city in which the principal office of the Trustee is located, are not required or authorized to remain closed and (ii) The New York Stock Exchange is not closed.

“Cash Flow Projection” means a written cash flow projection prepared by an Independent firm of certified public accountants, a financial advisory firm, a law firm or other Independent third party qualified and experienced in the preparation of cash flow projections for structured finance transactions similar to the Bonds, designated by the Borrower and acceptable to the Rating Agency, establishing the sufficiency of (a) the amount on deposit in the Special Funds, (b) projected investment income to accrue on amounts on deposit in the Special Funds during the applicable period and (c) any additional Eligible Funds delivered to the Trustee by or on behalf of the Borrower to pay Bond Service Charges and the Administrative Expenses, in each instance, when due and payable, including, but not limited to, any cash flow projection prepared in connection with (i) the initial issuance and delivery of the Bonds, (ii) a proposed remarketing of the Bonds, as provided in Section 3.07 hereof, (iii) the release of Eligible Funds from the Negative

Arbitrage Account, as provided in Section 4.03 hereof, and (iv) the purchase, sale or exchange of Eligible Investments as provided in Section 4.10 hereof.

"Certificate of the Issuer," "Statement of the Issuer," "Request of the Issuer" and "Requisition of the Issuer" mean, respectively, a written certificate, statement, request or requisition, with or without the seal of the Issuer, signed in the name of the Issuer by an Authorized Issuer Representative. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and if so combined shall be read and construed as a single instrument.

"City Administrative Fee" means the City Administrative Fee to be paid by the Trustee on behalf of the Borrower to the Issuer, described in Section 4.15 of this Indenture.

"Closing Date" means the initial date of delivery of the Bonds in exchange for the purchase price of the Bonds sized as set forth in Section 2.13(b).

"Code" means the Internal Revenue Code of 1986, and any regulations thereunder applicable to the Bonds.

"Collateral Fund" means the Collateral Fund created in Section 4.01 hereof.

"Completion Certificate" means the certificate attached as Exhibit C to the Loan Agreement.

"Completion Date" means the date of the completion of the construction of the Project, as that date shall be certified as provided in Section 3.09 of the Loan Agreement.

"Confirmation of Rating" means a written confirmation, obtained prior to the event or action under scrutiny, from the Rating Agency to the effect that, following the proposed action or event under scrutiny at the time such confirmation is sought, the rating of the Rating Agency with respect to all Bonds then Outstanding and then rated by the Rating Agency will not be downgraded, suspended, qualified or withdrawn as a result of such action or event.

"Continuing Disclosure Agreement" means the Continuing Disclosure Agreement, dated the date of issuance of the Bonds, between the Borrower and the Trustee, as dissemination agent, as the same may amended, restated or supplemented from time to time.

"Controlling Holders" means, in the case of consent or direction to be given hereunder, the Holders of the majority in aggregate principal amount of the Outstanding Bonds.

"Controlling HUD and GNMA Requirements" means the National Housing Act and any applicable HUD or GNMA regulations, and related HUD or GNMA administrative requirements and prohibitions.

"Costs of Issuance" means the "issuance costs" with respect to the Bonds within the meaning of Section 147(g) of the Code.

"Costs of Issuance Fund" means the Costs of Issuance Fund created in Section 4.01 hereof.

"Designated Office of the Trustee" means the office of the Trustee at the Notice Address set forth in this Section 1.01 or, solely for purposes of presentation for transfer, payment or exchange of the Bonds, the designated corporate trust operations or agency office of the Trustee in Seattle, Washington, or at such other address as may be specified in writing by the Trustee.

"Disbursement Agreement" means the Loan Disbursement Agreement dated as of the Closing Date, by and among the Lender, the Bridge Lender, the Issuer, the Subordinate Lender, the Trustee, the Investor Limited Partner, [TITLE COMPANY] and the Borrower, relating to the funding of the Mortgage Loan by the Lender.

"Dissemination Agent" means the Trustee, or any successor, as Dissemination Agent under the Continuing Disclosure Agreement.

"Dissemination Agent Fee" means the fee payable to the Dissemination Agent as compensation for its services and expenses in performing its obligations under the Continuing Disclosure Agreement; provided, however, the amount of the Dissemination Agent Fee payable under this Indenture is limited to money withdrawn from the Expense Fund and the Borrower will be responsible to pay the remaining amount of the Dissemination Agent Fee pursuant to Section 4.04 of the Loan Agreement.

"DTC" means The Depository Trust Company (a limited purpose trust company), New York, New York, and its successors or assigns.

"DTC Participant" means any participant contracting with DTC under its book-entry system and includes securities brokers and dealers, banks and trust companies and clearing corporations.

"Electronic Means" means e-mail, facsimile, or any other electronic means of communication approved in writing by the Issuer, Trustee and Underwriter.

"Eligible Funds" means, as of any date of determination, any of:

- (a) the proceeds of the Bonds (including any additional amount paid to the Trustee as the purchase price thereof by the Underwriter);
- (b) money received by the Trustee representing advances to the Borrower of Lender Funds, proceeds of the Bridge Loan, and proceeds of the Subordinate Loan;
- (c) amounts drawn by the Trustee on a letter of credit;
- (d) remarketing proceeds of the Bonds (including any additional amount paid to the Trustee as the remarketing price thereof by the Remarketing Agent) received from the Remarketing Agent or any purchaser of Bonds (other than funds provided by the Borrower, the Issuer or any Affiliated Party of either the Borrower or the Issuer);
- (e) any other amounts, including the proceeds of refunding bonds, for which the Trustee has received an Opinion of Counsel (which opinion may assume that no Holder or Beneficial Owner of Bonds is an "insider" within the meaning of the Bankruptcy Code) to the effect that (I) the use of such amounts to make payments on the Bonds would not violate Section 362(a) of the Bankruptcy Code or that relief from the automatic stay provisions of such Section 362(a) would be available from the bankruptcy court and (II) payments of such amounts to Holders would not be avoidable as preferential payments under Section 547 or 550 of the Bankruptcy Code should the Issuer or the Borrower become a debtor in proceedings commenced under the Bankruptcy Code;

- (f) any payments made by the Borrower and held by the Trustee for a continuous period of 123 days, provided that no Act of Bankruptcy has occurred during such period; and
- (g) investment income derived from the investment of the money described in (a) through (f) above.

"Eligible Investments" means, subject to the provisions of Section 4.10 hereof and to the extent authorized under State law any of the following obligations which mature (or are redeemable at the option of the Trustee) at such time or times as to enable disbursements to be made from the fund in which such investment is held or allocated in accordance with the terms of this Indenture:

(a) Government Obligations; and

(b) Shares or units in any money market mutual fund rated "Aaa-mf" by Moody's (or the equivalent Highest Rating Category given by the Rating Agency for that general category of security) including mutual funds of the Trustee or its affiliates or for which the Trustee or an affiliate thereof serves as investment advisor or provides other services to such mutual fund and receives reasonable compensation therefor that are "registered under the Investment Company Act of 1940, as amended, whose investment portfolio consists solely of direct obligations of the government of the United States of America.

"Event of Default" means (a) with respect to this Indenture, any of the events described as an Event of Default in Section 6.01 hereof and (b) with respect to the Loan Agreement, any of the events described as an Event of Default in Section 8.01 of the Loan Agreement.

"Expense Fund" means the Expense Fund created in Section 4.01 hereof.

"Extension Payment" means the amount due, if any, to provide adequate additional funds for the payment of Bond Service Charges and Administrative Expenses during a Remarketing Period in connection with the change or extension of the Mandatory Tender Date pursuant to Section 3.07 hereof, and (a) which shall be determined by a Cash Flow Projection approved in writing by the Rating Agency and (b) must consist of Eligible Funds other than the proceeds of the Bonds.

"Federal Tax Status" means, as to the Bonds, the status of the interest on the Bonds as excludable from gross income for federal income tax purposes of the Holders of the Bonds (except on Bonds while held by a substantial user or related person, each as defined in the Code).

"FHA" means the Federal Housing Administration, an organizational unit within HUD, and may refer to the Commissioner thereof, any authorized representative thereof or the successor thereof.

"FHA Commitment" means the Commitment for Insurance of Advances issued by FHA with respect to FHA Insurance on the Mortgage Loan, as the same may be amended.

"FHA Insurance" means the mortgage insurance for the Mortgage Loan by FHA under the provisions of Section 221(d)(4) of the National Housing Act and the regulations promulgated thereunder.

"Financing Documents" means this Indenture, the Bonds, the Loan Agreement, the Note, the Disbursement Agreement, the Tax Certificate, the Land Use Restriction Agreement, the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Remarketing Agreement and any other instrument

or document executed in connection with the Bonds, together with all modifications, extensions, renewals and replacements thereof, but excluding the GNMA Documents and the Mortgage Loan Documents.

“Force Majeure” means any of the causes, circumstances or events described as constituting Force Majeure in Section 8.01 of the Loan Agreement.

“General Partner” means 208 LaSalle AH GP, LLC, an Illinois limited liability company.

“GNMA” means the Government National Mortgage Association, and its successors and assigns.

“GNMA Certificate” means a mortgage backed security issued by the Lender, guaranteed as to timely payment of principal and interest by GNMA pursuant to the National Housing Act and the regulations thereunder, and issued with respect to and backed by the Mortgage Loan.

“GNMA Documents” means any GNMA Certificate, the commitment issued by GNMA to the Lender to guarantee the GNMA Certificate or GNMA Certificates and all other documents, certifications and assurances executed and delivered by the Lender, GNMA or the Borrower in connection with the GNMA Certificate or GNMA Certificates.

“Government Obligations” means (i) noncallable, non-redeemable direct obligations of the United States of America for the full and timely payment of which the full faith and credit of the United States of America is pledged, and (ii) obligations issued by a Person controlled or supervised by and acting as an instrumentality of the United States of America, the full and timely payment of the principal of, premium, if any, and interest on which is fully guaranteed as a full faith and credit obligation of the United States of America (including any securities described in (i) or (ii) issued or held in book-entry form on the books of the Department of the Treasury of the United States of America), which obligations, in either case, are not subject to redemption prior to maturity at less than par at the option of anyone other than the holder thereof.

“Highest Rating Category” means, with respect to an Eligible Investment, that the Eligible Investment is rated by a Rating Agency in the highest rating given by that Rating Agency for that Rating Category, provided that such rating shall include but not be below “Aaa” or “Aaa/VMIG 1” if rated by Moody’s or “A-1+” or “AA+” if rated by S&P.

“Holder” or *“Bondholder”* when used with respect to any Bond, means the Person in whose name such Bond is registered.

“HUD” means the United States Department of Housing and Urban Development, and its successors.

“HUD Regulatory Agreement” means the Regulatory Agreement for Insured Multifamily Housing Projects between the Borrower and HUD with respect to the Project, as the same may be supplemented, amended or modified from time to time.

“Indenture” means this Indenture, dated as of _____ 1, 2025, between the Issuer and the Trustee, as amended or supplemented from time to time.

“Independent” when used with respect to a specified Person means such Person has no specific financial interest direct or indirect in the Borrower or any Affiliate of the Borrower and in the case of an individual is not a director, trustee, officer, partner, member or employee of the Borrower or any Affiliate of the Borrower and in the case of an entity, does not have a partner, director, trustee, officer, member or

employee who is a director, trustee, partner, member, officer or employee of any partner or member of the Borrower or any Affiliate of the Borrower.

"Inducement Ordinance" means the Ordinance adopted by the Issuer on June 12, 2024.

"Initial Borrower Deposit" means funds in the amount of \$_____ provided by or on behalf of the Borrower, which is to be deposited as provided in Section 4.02(b) hereof.

"Initial Interest Rate" means ____% per annum.

"Initial Mandatory Tender Date" means _____ 1, 20__.

"Initial Remarketing Date" means the Initial Mandatory Tender Date, but only if the conditions for remarketing the Bonds on such date as provided in Section 3.07 hereof are satisfied.

"Interest Payment Date" means (a) _____ 1 and _____ 1 of each year beginning _____ 1, 202_, (b) each Redemption Date and (c) each Mandatory Tender Date. In the case of insufficient funds to pay the purchase price on the Bonds following Mandatory Tender on the Initial Mandatory Tender Date, *"Interest Payment Date"* also means the first Business Day of each month as provided in the second paragraph of Section 2.02 hereof. In the case of a payment of defaulted interest, *"Interest Payment Date"* also means the date of such payment established pursuant to Section 2.03 hereof.

"Interest Period" means, initially, the period from the Closing Date to and including _____ 1, 2025, and thereafter, the period commencing on each succeeding Interest Payment Date and ending on the last day of the month preceding the next Interest Payment Date.

"Interest Rate" means the Initial Interest Rate to but not including the Initial Mandatory Tender Date, and thereafter the applicable Remarketing Rate.

"Interest Rate for Advances" means the rate per annum which is two percent plus that interest rate announced by the Trustee in its lending capacity as a bank as its "Prime Rate" or its "Base Rate."

"Investor Limited Partner" means [RSEP Holdings, LLC, a Delaware limited liability company], and its permitted successors and assigns.

"Issuer" means 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.

"Issuer Documents" means the Financing Documents to which the Issuer is a party.

"Issuer Fee" means the amount of \$_____, which represents 1.5% of the par amount of the Bonds, paid by the Trustee on behalf of the Borrower to the Issuer on the Closing Date in connection with, and as consideration for, the issuance of the Bonds.

"Land Use Restriction Agreement" means the Land Use Restriction Agreement dated as of _____ 1, 2025, between the Issuer and the Borrower with respect to the Project and the Bonds.

"Lender" means Merchants Capital Corp., an Indiana corporation.

"Lender Funds" means warehouse funds or other funds of the Lender to be advanced by the Lender to the Trustee and/or proceeds, if any, received from the sale by the Lender of GNMA Securities, which, in

the aggregate, do not exceed \$_____.00, and which do not represent an advance of Mortgage Loan funds.

"Loan" means the loan by the Issuer to the Borrower of the proceeds received from the sale of the Bonds.

"Loan Agreement" means the Loan Agreement dated as of the date hereof among the Issuer, the Borrower and the Trustee, as the same may be amended, restated or supplemented from time to time.

"Loan Payments" means the amounts required to be paid by the Borrower in repayment of the Loan pursuant to the provisions of the Note and Section 4.01 of the Loan Agreement.

"Local Time" means central time (daylight or standard, as applicable) in Chicago, Illinois.

"Mandatory Tender" means a tender of Bonds required by Section 3.05 hereof.

"Mandatory Tender Date" means (a) the Initial Mandatory Tender Date and (b) if the Bonds Outstanding on the Initial Mandatory Tender Date or on any subsequent Mandatory Tender Date are remarketed pursuant to Section 3.07 hereof for a Remarketing Period that does not extend to the final maturity of the Bonds, the day after the last day of the Remarketing Period.

"Maturity Date" means _____ 1, 20__.

"Maximum Interest Rate" means the interest rate equal to the lesser of: (a) 12% per annum, or (b) the maximum interest rate per annum permitted by applicable State law.

"Mortgage Loan" means the mortgage loan to be made from the Lender to the Borrower in the principal amount of \$_____.00 with respect to the Project, as described and provided for in the FHA Commitment.

"Mortgage Loan Documents" means the mortgage, the mortgage note, the HUD Regulatory Agreement and all other documents required by the Lender and/or FHA in connection with the Mortgage Loan.

"National Housing Act" means the National Housing Act of 1934, as amended.

"Negative Arbitrage Account" means the Negative Arbitrage Account of the Bond Fund created in Section 4.01 hereof.

"Note" means the promissory note of the Borrower, dated as of even date with the Bonds initially issued, in the form attached as Exhibit A to the Loan Agreement and in the principal amount of \$_____, evidencing the obligation of the Borrower to make Loan Payments.

"Notice Address" means with respect to each of the Persons listed below the address set forth below until such time as such Person shall have notified each of the other Persons listed below of a new Notice Address.

If to the Issuer:

City of Chicago
Department of Housing
City Hall
121 N. LaSalle Street, Room 1006
Chicago, Illinois 60602

With copies to:

City of Chicago
Office of the Corporation Counsel
City Hall - Room 600
121 North LaSalle Street
Chicago, Illinois 60602
Attention: Finance and Economic Development Division

and to:

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

If to the Borrower:

208 LaSalle Affordable LP
c/o The Prime Group, Inc.
120 North LaSalle Street, Suite 2800
Chicago, IL 60602
Attention: Jeffrey Breden

With a copy to:

Applegate & Thorne-Thomsen, P.C.
425 S. Financial Place, Suite 1900
Chicago, IL 60605
Attention: Nicholas J. Brunick

If to the Lender:

Merchants Capital Corp.
410 Monon Boulevard, 5th Floor
Carmel, Indiana 46032
Attention: FHA Asset Management

With a copy to:

Dinsmore & Shohl LLP
211 North Pennsylvania Street, Suite 1800
Indianapolis, IN 46204
Attention: John W. Hamilton, Esq.

If to the Trustee: Zions Bancorporation, National Association
111 W. Washington Street, Suite 1860
Chicago, Illinois 60602
Attn: Corporate Trust

If to the Remarketing Agent: Stifel, Nicolaus & Company, Incorporated
1401 Lawrence Street, Suite 900
Denver, Colorado 80202
Attention: Mark Risch

If to the Investor Limited
Partner:

With a copy to:

If to the Rating Agency: Moody's Investors Service, Inc.
7 World Trade Center
250 Greenwich Street, 16th Floor
New York, New York 10007
Attention: Public Finance Group – Housing Team
Electronic notices shall be delivered to:
Housing@moody.com

"Notice by Mail" or *"notice"* of any action or condition "by Mail" shall mean a written notice meeting the requirements of this Indenture mailed by first-class mail to the Holders of specified registered Bonds at the addresses shown in the Bond Register.

"Optional Redemption Date" means the date on which an optional redemption of the Bonds may be exercised, as provided in Section 3.01(a) of this Indenture.

"Ordinance" means the ordinance adopted by the City Council of the Issuer on March __, 2025, authorizing the issuance, sale and delivery of the Bonds.

"Ordinary Trustee Fees and Expenses" means an upfront fee in the amount of \$5,000 payable on the Closing Date, payable from funds of the Borrower.

"Organizational Documents" means the Borrower's Amended and Restated Agreement of Limited Partnership dated as of _____ 1, 2025.

"Outstanding" when used with respect to the Bonds, means all Bonds theretofore authenticated and delivered under this Indenture, except:

(a) Bonds theretofore cancelled by the Trustee or theretofore delivered to the Trustee for cancellation;

(b) Bonds for the payment or redemption of which money or obligations shall have been theretofore deposited with the Trustee in accordance with Article IX hereof;

(c) Bonds paid pursuant to Section 2.03 hereof; and

(d) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered under this Indenture.

"Participant" when used with respect to any Securities Depository means any participant of such Securities Depository.

"Paying Agent" or *"paying agent"* means the Trustee and its successors designated pursuant to this Indenture.

"Person" or *"Persons"* means one or more natural persons, firms, associations, partnerships, corporations, limited liability companies or public bodies.

"Plans and Specifications" means the plans and specifications describing the Project as now prepared and as they may be changed, revised and updated from time to time as provided in the Loan Agreement.

"Predecessor Bond" of any particular Bond means every previous Bond evidencing all or a portion of the same debt as that evidenced by the particular Bond. For the purposes of this definition, any Bond authenticated and delivered under Section 2.09 hereof in lieu of a lost, stolen or destroyed Bond shall, except as otherwise provided in Section 2.09, be deemed to evidence the same debt as the lost, stolen or destroyed Bond.

"Project" means the acquisition and adaptive reuse of a subdivided portion of a 21-story building located on a portion of the ground floor and portions of floors thirteen through sixteen thereof, [including an allocable portion of the real estate acquisition costs thereof] located at 208 S. LaSalle Street, Chicago, Illinois (the "Project Site") and the construction on the Project Site of a residential rental project consisting of 51 housing units (consisting of a mix of 21 studio units, 21 one-bedroom units and 9 two-bedroom units (the "Units")), of which 100% will be affordable for households earning no more than 80 percent of the area median income, and at least 40% of which units are expected to be leased to individuals or families whose annual income does not exceed 60% of area median income, as well as an allocable portion of residential amenities for the tenants thereof, to be known as [208 S. LaSalle Apartments].

"Project Costs" means, to the extent authorized by the Code, any and all costs incurred by the Borrower with respect to the acquisition and construction of the Project, including, without limitation, costs for site preparation, the planning of housing and related facilities and improvements, the acquisition of property, the removal, demolition or rehabilitation of existing structures, the construction of housing and related facilities and improvements, and all other work in connection therewith, and all costs of financing, including, without limitation, the cost of consultant, accounting and legal services, other expenses necessary or incident to determining the feasibility of the Project, contractors' and Borrower's overhead and supervisors' fees and costs directly allocable to the Project, administrative and other expenses necessary or incident to the Project and the financing thereof (including reimbursement to any municipality, county or entity for expenditures made for the Project), and interest accrued during construction and prior to the Completion Date.

"Project Fund" means the Project Fund created in Section 4.01 hereof

“Qualified Project Costs” means Project Costs (excluding Costs of Issuance) paid (i) after the date which is 60 days prior to the adoption of the Inducement Ordinance or (ii) prior to such date which are nevertheless eligible for reimbursement under the Code, which either constitute land or property of a character subject to the allowance for depreciation under Section 167 of the Code or are chargeable to a capital account with respect to the Project for federal income tax and financial accounting purposes, or would be so chargeable either with a proper election by the Borrower or but for the proper election by the Borrower to deduct those amounts within the meaning of Code Regulation 1.103-8(a)(1)(i); provided, however, that only such portion of interest accrued during construction of the Project shall constitute a Qualified Project Cost as bears the same ratio to all such interest as the Qualified Project Costs bear to all Project Costs; and provided, further, that interest accruing after the Completion Date shall not be a Qualified Project Cost; and provided still further that, if any portion of the Project is being constructed by an Affiliated Party (whether as a general contractor or a subcontractor), “Qualified Project Costs” shall include only (a) the actual out-of-pocket costs incurred by such Affiliated Party in constructing the Project (or any portion thereof), (b) any reasonable fees for supervisory services actually rendered by the Affiliated Party and (c) any overhead expenses incurred by the Affiliated Party which are directly attributable to the work performed on the Project, and shall not include, for example, intercompany profits resulting from members of an affiliated group (within the meaning of Section 1504 of the Code) participating in the construction of the Project or payments received by such Affiliated Party due to early completion of the Project (or any portion thereof).

“Rating Agency” means Moody’s, S&P or any other nationally recognized securities rating agency rating the Bonds, or such rating agency’s successors or assigns, and initially means Moody’s so long as Moody’s is rating the Bonds’.

“Rating Category” means one of the rating categories of the Rating Agency for the specific type and duration of the applicable Eligible Investment.

“Rebate Amount” means the amount required to be rebated to the United States pursuant to Section 148 of the Code.

“Rebate Analyst” means a certified public accountant, financial analyst or attorney, or any firm of the foregoing, or a financial institution (which may include the Trustee) experienced in making the arbitrage and rebate calculations required pursuant to Section 148 of the Code and selected by the Issuer at the expense of the Borrower to calculate the Rebate Amount or, in the event that the Issuer fails to so select a Rebate Analyst and the Borrower fails to pay such fee one month prior to any date on which calculations are required to be made, any qualified person retained by the Trustee to calculate the Rebate Amount. The initial Rebate Analyst shall be Tiber Hudson LLC.

“Rebate Analyst Fee” means the fee of the Rebate Analyst in an amount to be paid from moneys in the Rebate Fund and other funds provided by the Borrower for such purpose.

“Rebate Fund” means the Rebate Fund created in Section 4.01 hereof.

“Redemption Date” means any date on which Bonds are redeemed in accordance with this Indenture, including (a) the Maturity Date, (b) the date of acceleration of the Bonds and (c) pursuant to Sections 3.01 and 3.05 hereof.

“Register” means the books kept and maintained by the Trustee for registration and transfer of Bonds pursuant to Section 2.10 hereof.

“Regular Record Date” means, with respect to any Bond, the fifteenth day of the calendar month next preceding an Interest Payment Date.

“Rehabilitation Expenditures” shall mean, unless otherwise provided in Section 147(d)(3) of the Code and the Regulations, any amount, whether or not financed with the net proceeds of the Bonds, that is:

- (a) properly chargeable to the capital account of the Project;
- (b) incurred by the Borrower, or by the seller of such building pursuant to applicable contract of sale, after the inducement date and prior to the date that is 2 years after the later of the issue date or the acquisition of such building by the Borrower;
- (c) incurred for property (or additions or improvements to property) in connection with the rehabilitation of a building comprising a part of the Project and, in the case of an integrated operation contained in such a building before its acquisition by the Borrower, the rehabilitation of existing equipment in such building or the replacement of such equipment with equipment having substantially the same function; and
- (d) not an expenditure described in Section 47(c)(2)(B) of the Code.

“Remarketing Agent” means Stifel, Nicolaus & Company, Incorporated or any successor as Remarketing Agent designated in accordance with Section 7.17 hereof.

“Remarketing Agent’s Fee” means the fee of the Remarketing Agent for its remarketing services.

“Remarketing Agreement” means the Remarketing Agreement, dated as of _____ 1, 2025, by and between the Borrower and the Remarketing Agent, as amended, supplemented or restated from time to time, or any agreement entered into in substitution therefor.

“Remarketing Date” means the Initial Remarketing Date and, if the Bonds Outstanding on such date or on any subsequent Remarketing Date are remarketed pursuant to Section 3.07 for a Remarketing Period that does not extend to the final maturity of the Bonds, the day after the last day of the Remarketing Period.

“Remarketing Expenses” means the costs and expenses, other than Administrative Expenses, incurred by the Trustee and its counsel, the Remarketing Agent and its counsel, the Issuer and its counsel, and Bond Counsel in connection with the remarketing of the Bonds, including bond printing and registration costs, costs of funds advanced by the Remarketing Agent, registration and filing fees, rating agency fees, the costs of any cash flow verification reports, and other costs and expenses incurred in connection with or properly attributable to the remarketing of Bonds as certified to the Trustee by the Remarketing Agent in writing.

“Remarketing Notice Parties” means the Borrower, the Issuer, the Trustee, the Remarketing Agent and the Lender.

“Remarketing Period” means the period beginning on a Remarketing Date and ending on the last day of the term for which Bonds are remarketed pursuant to Section 3.07 or the final Maturity Date of the Bonds, as applicable.

“Remarketing Proceeds Account” means the Remarketing Proceeds Account of the Bond Fund created in Section 4.01 hereof.

"Remarketing Rate" means the interest rate or rates established pursuant to the third paragraph of Section 2.02 and borne by the Bonds then Outstanding from and including each Remarketing Date to, but not including, the next succeeding Remarketing Date or the final Maturity Date of the Bonds, as applicable.

"Reserved Rights" of the Issuer means (a) the right of the Issuer to amounts payable to it pursuant to Section 4.04 of the Loan Agreement, (b) all rights which the Issuer or its members, directors, officers, officials, agents or employees may have under this Indenture and the Financing Documents to indemnification by the Borrower and by any other persons and to payments for expenses incurred by the Issuer itself, or its members, directors, officers, officials, agents or employees, (c) the right of the Issuer to receive notices, reports or other information, make determinations and grant approvals hereunder and under the other Financing Documents, (d) all rights of the Issuer to enforce the representations, warranties, covenants and agreements of the Borrower pertaining in any manner or way, directly or indirectly, to the requirements of the Act or of the Issuer, and set forth in any of the Financing Documents or in any other certificate or agreement executed by the Borrower, (e) all inspection rights of the Issuer, (f) all rights of the Issuer in connection with any amendment to or modification of the Financing Documents, and (g) all enforcement remedies with respect to the foregoing.

"Revenues" means (a) the Loan Payments, (b) the Eligible Funds, (c) all other money received or to be received by the Trustee in respect of repayment of the Loan, including without limitation, all money and investments in the Bond Fund, (d) any money and investments in the Project Fund and the Collateral Fund, and (e) all income and profit from the investment of the foregoing money. The term *"Revenues"* does not include any money or investments in the Rebate Fund.

"Securities Depository" means any securities depository registered as a clearing agency with the Securities and Exchange Commission pursuant to Section 17A of the Securities Exchange Act of 1934, as amended, and appointed as a securities depository for the Bonds.

"Special Funds" means, collectively, the Bond Fund, the Project Fund and the Collateral Fund, and any accounts therein, all as created in this Indenture.

"Special Record Date" means the date and time established by the Trustee for the determination of which Holders shall be entitled to receive overdue interest or principal on the Bonds pursuant to Section 2.03 hereof.

"State" means the State of Illinois.

"Subordinate Lender" means LaSalle Development Partners NFP, an Illinois not-for-profit corporation..

"Subordinate Loan" means the subordinate loan in the amount not to exceed \$_____.00 from Subordinate Lender to Borrower.

"Supplemental Indenture" means a supplement to this Indenture being authorized and executed pursuant to Section 8.01 or Section 8.02 hereof.

"Surplus Cash" has the meaning specified in the HUD Regulatory Agreement.

"Tax Certificate" means, the Tax Exemption Certificate and Agreement between the Issuer and the Borrower.

“Tendered Bond” means any Bond which has been tendered for purchase pursuant to a Mandatory Tender.

“Trust Estate” means the property rights, money, securities and other amounts pledged and assigned pursuant to the Granting Clauses of this Indenture.

“Trustee” means Zions Bancorporation, National Association, a national banking association, until a successor Trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter, *“Trustee”* shall mean the successor Trustee.

“Undelivered Bond” means any Bond that is required under this Indenture to be delivered to the Remarketing Agent or the Trustee for purchase on a Mandatory Tender Date but that has not been received on the date such Bond is required to be so delivered.

“Underwriter” means Stifel, Nicolaus & Company, Incorporated.

Section 1.02 Interpretation. Reference to Articles, Sections, and other subdivisions are to the designated Articles, Sections, and other subdivisions of this Indenture. The headings of this Indenture are for convenience only and do not define or limit the provisions hereof. Words of any gender shall be deemed and construed to include correlative words of the other genders. Words importing the singular number shall include the plural number and vice versa unless the context shall otherwise indicate.

ARTICLE 2 THE BONDS

Section 2.01 Issuance of Bonds. The Bonds shall be issued in the aggregate principal amount of \$_____; shall be designated “Multifamily Housing Revenue Bonds (208 S. LaSalle Project), Series 2025”; and shall be in the Authorized Denominations requested by the Holder (*provided, however*, that each Bond shall have only one principal maturity date, unless the Trustee shall be directed in writing to authenticate and deliver a Bond of more than one maturity). Unless the Issuer shall otherwise direct the Trustee in writing, the Bonds shall be numbered consecutively from R-1 upwards.

Each Bond shall be (i) substantially in the form attached as *Exhibit A* to this Indenture, (ii) dated _____, 2025, (iii) issued only as a fully registered bond, and, except as provided in Section 2.10 hereof, the Holder of a Bond shall be regarded as the absolute owner thereof for all purposes of this Indenture.

Section 2.02 Maturity and Interest. The Bonds shall bear interest on the principal amount Outstanding from the most recent date to which interest has been paid or duly provided for or, if no interest has been paid or provided for, from their date of initial delivery, payable on each Interest Payment Date. The Bonds shall bear interest for each Interest Period at the Interest Rate all as more specifically set forth hereinafter. Interest on the Bonds shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. The Bonds shall mature on the Maturity Date, subject to prior redemption as set forth in Section 3.01 hereof and subject to Mandatory Tender for purchase as set forth in Section 3.05 hereof.

From the date of their initial delivery to, but not including, the Initial Mandatory Tender Date, the interest rate on the Bonds shall be the Initial Interest Rate. On the Initial Mandatory Tender Date, the Bonds shall be subject to Mandatory Tender pursuant to Section 3.05 hereof. If insufficient funds are available to pay the purchase price on the Bonds following such Mandatory Tender on the Initial Mandatory Tender Date, the Bonds shall be redeemed in accordance with the provisions of Section 3.01(c) hereof.

The Remarketing Agent shall establish the interest rate on the Bonds Outstanding for each Remarketing Period at the Remarketing Rate in accordance with this Section 2.02. Not less than ten (10) Business Days preceding each Remarketing Date, the Remarketing Agent, taking into consideration prevailing market conditions, shall, using its best professional judgment, determine the minimum rate(s) of interest which, if borne by the Bonds then Outstanding for the Remarketing Period specified by the Remarketing Agent at the direction of the Borrower as provided in Section 3.05 hereof, would enable such Bonds to be remarketed at a price equal to 100% of the principal amount of such Bonds that would not exceed the Maximum Interest Rate. The rate of interest determined in accordance with the previous sentence shall be the Remarketing Rate for the specified Remarketing Period; provided that if the rate of interest so determined for such period would exceed the Maximum Interest Rate, the Bonds Outstanding shall be remarketed for the longest Remarketing Period for which the minimum rate of interest that would enable such Bonds to be remarketed at a price equal to 100% of the principal amount of such Bonds would not exceed the Maximum Interest Rate. Notwithstanding the foregoing, if the rate of interest so determined for any Remarketing Period would exceed the Maximum Interest Rate, the Bonds Outstanding shall not be remarketed and shall be redeemed from funds available to pay the tender price thereof in accordance with Sections 3.05(e)(ii) through (e)(v) hereof.

The Remarketing Agent shall, upon determination of the Remarketing Rate and Remarketing Period, immediately (and in no event later than the Business Day following the day on which the Remarketing Agent makes its determination of the Remarketing Rate and the Remarketing Period) give notice of its determination by telephone or electronic mail, promptly confirmed in writing, to the Trustee, the Issuer and the Borrower. The Remarketing Rate and the Remarketing Period shall be conclusive and binding upon actual receipt thereof by the Trustee, the Issuer, the Borrower and the Holders for the purposes of this Indenture.

Section 2.03 Payment and Ownership of Bonds. To the extent provided in and except as otherwise permitted by this Indenture, the Bonds shall be special limited obligations of the Issuer and the Bond Service Charges thereon shall be payable equally and ratably solely from and secured solely by (a) the Revenues, including but not limited to money and investments in the Special Funds, (b) the assignment of Revenues hereunder and by this Indenture, and (c) the Trust Estate. Notwithstanding anything herein contained to the contrary, any obligation which the Issuer may incur under this Indenture or under any instrument executed in connection herewith which shall entail the expenditure of money shall not be a general obligation of the Issuer but shall be a limited obligation payable solely from amounts assigned to the Trustee pursuant to this Indenture.

Bond Service Charges shall be payable in lawful money of the United States of America without deduction for the services of the Trustee. Subject to the provisions of Section 2.12 hereof, (a) the principal of any Bond shall be payable when due to a Holder by the Trustee, and (b) interest on any Bond shall be paid on each Interest Payment Date by check which the Trustee shall cause to be mailed on that date to the Person in whose name the Bond (or one or more Predecessor Bonds) is registered at the close of business on the Regular Record Date applicable to that Interest Payment Date on the Register at the address appearing therein.

If and to the extent, however, that the Issuer shall fail to make payment or provision for payment of interest on any Bond on any Interest Payment Date, that interest shall cease to be payable to the Person who was the Holder of that Bond (or of one or more Predecessor Bonds) as of the applicable Regular Record Date. In that event, except as provided below in this Section, when money becomes available for payment of the interest, (a) the Trustee shall, pursuant to Section 6.06(d) hereof, establish a Special Record Date for the payment of that interest which shall be not more than 15 nor fewer than 10 days prior to the date of the proposed payment, and (b) the Trustee shall cause notice of the proposed payment and of the Special Record Date to be mailed by first-class mail, postage prepaid, to each Holder at its address as it appears on the

Register not fewer than 10 days prior to the Special Record Date and, thereafter, the interest shall be payable to the Persons who are the Holders of the Bonds (or their respective Predecessor Bonds) at the close of business on the Special Record Date.

Subject to the foregoing, each Bond delivered under this Indenture upon transfer thereof, or in exchange for or in replacement of any other Bond, shall carry the rights to interest accrued and unpaid, and to accrue on that Bond, or which were carried by that Bond.

Except as provided in this Section and Section 2.09 hereof, (a) the Holder of any Bond shall be deemed and regarded as the absolute owner thereof for all purposes of this Indenture, (b) payment of or on account of the Bond Service Charges on any Bond shall be made only to or upon the order of that Holder or its duly authorized attorney in the manner permitted by this Indenture, and (c) neither the Issuer nor the Trustee shall, to the extent permitted by law, be affected by notice to the contrary. All of those payments shall be valid and effective to satisfy and discharge the liability upon that Bond, including without limitation, the interest thereon, to the extent of the amount or amounts so paid. Notwithstanding anything to the contrary herein or in any of the Bond Documents, the Trustee is authorized to use funds on deposit in the Special Funds, as and when provided, to pay principal and interest on the Bonds when due.

Section 2.04 Restriction on Issuance of Bonds. No Bonds may be issued under the provisions of this Indenture except in accordance with this Article. The total principal amount of Bonds that may be issued hereunder, other than Bonds issued pursuant to the provisions of Section 2.09 hereof or in substitution for other Bonds, is expressly limited to the amount set forth in Section 2.01.

Section 2.05 Limited Obligations. The Bonds and the interest thereon are limited obligations of the Issuer, payable solely from the revenues, receipts and security pledged therefor in the Granting Clauses hereof. The Bonds, together with premium, if any, and interest thereon, do not constitute an indebtedness, liability, general or moral obligation or a pledge of the full faith or loan of credit of the Issuer, the State, or any political subdivision of the State within the meaning of any constitutional or statutory provisions. None of the Issuer, the State or any political subdivision thereof shall be obligated to pay the principal of, premium, if any, or interest on the Bonds or other costs incident thereto except from the payments pledged with respect thereto and certain reserve funds established in connection therewith. Neither the faith and credit nor the taxing power of the United States of America, the Issuer, the State or any political subdivision thereof is pledged to the payment of the principal of, premium, if any, or interest on the Bonds or other costs incident thereto. The Bonds are not a debt of the United States of America or any agency thereof, and are not guaranteed by the United States of America or any agency thereof.

Section 2.06 Indenture Constitutes Contract. In consideration of the purchase and acceptance of the Bonds issued hereunder by those who shall hold them from time to time, the provisions of this Indenture shall be deemed to be a part of, and continue to be, a contract between the Issuer and the Holders of the Bonds from time to time.

Section 2.07 Execution. The Bonds shall be executed on behalf of the Issuer by the manual or facsimile signature of its Mayor, attested by the manual or facsimile signature of its City Clerk or Deputy City Clerk, under the official seal, or a facsimile thereof, of the Issuer. Any facsimile signatures shall have the same force and effect as if said officers had manually signed said Bonds. Any reproduction of the official seal of the Issuer on the Bonds shall have the same force and effect as if the official seal of the Issuer had been impressed on the Bonds.

In case any officer whose manual or facsimile signature shall appear on any Bonds shall cease to be such officer before the delivery of such Bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until delivery, and also any

Bond may bear the facsimile signatures of, or may be signed by, such persons as at the actual time of the execution of such Bond shall be the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

Section 2.08 Authentication. Only such Bonds as shall have endorsed thereon a certificate of authentication substantially in the form on the attached **Exhibit A** duly executed by the Trustee shall be entitled to any right or benefit under this Indenture. No Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly executed manually by the Trustee; and such executed certificate upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture. The Trustee's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer of the Trustee, but it shall not be necessary that the same person sign the certificate of authentication of all of the Bonds.

Section 2.09 Mutilated, Lost, Stolen or Destroyed Bonds. In the event any Bond is mutilated, lost, stolen or destroyed, the Issuer shall execute and the Trustee shall authenticate a new Bond, of like date, interest rate, maturity and denomination as that mutilated, lost, stolen or destroyed. Any mutilated Bond shall first be surrendered to the Trustee; and in the case of any lost, stolen or destroyed Bond, there shall first be furnished to the Issuer and the Trustee evidence of such loss, theft or destruction reasonably satisfactory to them together with indemnity reasonably satisfactory to them. In the event any such Bond shall have matured, instead of issuing a duplicate Bond or Bonds the Trustee shall, upon the written direction of the Issuer, pay the same without surrender thereof. The Issuer and the Trustee may charge the holder or owner of such Bond with their reasonable fees and expenses, including the cost of printing replacement Bonds.

Every new Bond issued pursuant to this Section shall, with respect to such Bond, constitute an additional contractual obligation of the Issuer, whether or not the mutilated, lost, stolen or destroyed Bond shall be found at any time, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Bonds duly issued hereunder. All Bonds shall be held and owned on the express condition that the foregoing provisions of this Section are exclusive with respect to the replacement or payment of mutilated, lost, stolen or destroyed Bonds and shall preclude any and all rights or remedies, notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or other securities without their surrender.

Section 2.10 Transfer and Exchange of Bonds; Persons Treated as Holders. The Trustee as Registrar shall cause a bond register (herein sometimes referred to as the "Bond Register") to be kept for the registration of transfers of Bonds. Any Bond may be transferred only upon an assignment duly executed by the registered Holder or his or her duly authorized representative in such form as shall be satisfactory to the Registrar, and upon surrender of such Bond to the Trustee for cancellation. Whenever any Bond or Bonds shall be surrendered for transfer, the Issuer shall execute and the Trustee shall authenticate and deliver to the transferee a replacement fully registered Bond or Bonds of Authorized Denomination in an aggregate principal amount equal to the unmatured and unredeemed principal amount of, and bearing interest at the same rate and maturing on the same date or dates as, the Bonds being presented and surrendered for transfer.

Any Bond may, in accordance with its terms, be exchanged, at the office of the Trustee, for a new fully registered Bond or Bonds, of the same maturity, of any Authorized Denomination or Denominations in an aggregate principal amount equal to the unmatured and unredeemed principal amount of, and bearing interest at the same rate as, the Bonds being exchanged. In the event of a partial redemption of a Bond, the Trustee shall authenticate and deliver to the Owner thereof a new Bond of like date, interest rate, maturity and denomination as the partially redeemed Bond in the amount of the unredeemed principal thereof.

In all cases in which Bonds shall be transferred or exchanged hereunder, the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange.

All Bonds issued upon any transfer or exchange of Bonds shall be the valid limited obligations of the Issuer, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Bonds surrendered upon transfer or exchange. Neither the Issuer nor the Trustee shall be required to make any exchange or transfer of a Bond during a period beginning at the opening of business 15 days before (i) any Interest Payment Date (including any special interest payment date described in Section 2.02 hereof), or (ii) the day of the mailing of a notice of redemption of Bonds and ending at the close of business on the day of such mailing or such Interest Payment Date, or to transfer or exchange any Bonds selected for redemption, in whole or in part.

The Person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of or on account of the principal of and premium and interest on any such Bond shall be made only to or upon the order of the registered Holder thereof or his legal representative, and neither the Issuer nor the Trustee shall be affected by any notice to the contrary. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums to be paid.

Section 2.11 Cancellation and Disposition of Bonds. Any Bond surrendered for the purpose of payment or retirement, or for exchange, or for replacement or payment pursuant to Section 2.09, shall be cancelled upon surrender thereof to the Trustee. Evidence of such surrender and cancellation shall be provided to the Issuer by the Trustee, if requested in writing. Cancelled Bonds, or unissued Bond inventory held in blank by the Trustee upon the maturity or total redemption of the Bonds, shall be disposed of by the Trustee in accordance with its retention policy then in effect and evidence of such disposition shall be provided by the Trustee to the Issuer, if requested in writing.

Section 2.12 Book-Entry Provisions. The provisions of this Section shall apply so long as the Bonds are maintained in book-entry form with The Depository Trust Company or another Securities Depository, any provisions of this Indenture to the contrary notwithstanding.

(a) *Payments.* The Bonds shall be payable to the Securities Depository, or its nominee, as the registered owner of the Bonds, on each date on which the principal of, interest on, and premium, if any, on the Bonds is due as set forth in this Indenture and in the Bonds. Such payments shall be made to the offices of the Securities Depository specified by the Securities Depository to the Issuer and the Trustee in writing. Without notice to or the consent of the beneficial owners of the Bonds, the Issuer and the Securities Depository may agree in writing to make payments of principal, premium, if any, and interest in a manner different from that set forth herein. If such different manner of payment is agreed upon, the Issuer shall give the Trustee written notice thereof, and the Trustee shall make payments with respect to the Bonds in the manner specified in such notice as set forth herein. Neither the Issuer nor the Trustee shall have any obligation with respect to the transfer or crediting of the principal of, interest on, and premium, if any, on the Bonds to Participants or the beneficial owners of the Bonds or their nominees.

(b) *Replacement of the Securities Depository.* The Issuer may, and in the case of subparagraph (ii) or (iii) below shall, discontinue use of a Securities Depository as the depository of the Bonds if (i) the Issuer, in its sole discretion, determines that (A) such Securities Depository is incapable of discharging its duties with respect to the Bonds, or (B) the interest of the beneficial owners of the Bonds might be adversely affected by the continuation of the book-entry system with such Securities Depository as the depository for the Bonds, (ii) the beneficial owners of 100% of

the Bonds Outstanding direct the Issuer to do so, or (iii) such Securities Depository determines not to continue to act as a depository for the Bonds or is no longer permitted to act as such depository. Notice of any determination pursuant to clauses (i), (ii) or (iii) shall be given to such Securities Depository at least 30 days prior to any such determination (or such fewer number of days as shall be acceptable to such Securities Depository). The Issuer shall have no obligation to make any investigation to determine the occurrence of any events that would permit the Issuer to make any determination described in this paragraph.

(c) *Discontinuance of Book-Entry or Change of Securities Depository.* If, following a determination or event specified in paragraph (b) above, the Issuer discontinues the maintenance of the Bonds in book-entry form with the then current Securities Depository, the Issuer will issue replacement Bonds to the successor Securities Depository, if any, or, if no replacement Securities Depository is selected for the Bonds, directly to the Participants as shown on the records of the former Securities Depository or, to the extent requested by any Participant or if directed to do so by the beneficial owners of 100% of the Bonds Outstanding pursuant to subparagraph (b)(ii) above, to the beneficial owners of the Bonds shown on the records of such Participant. Replacement Bonds shall be in fully registered form and in authorized denominations, be payable as to interest on the Interest Payment Dates of the Bonds by check mailed to each registered owner at the address of such owner as it appears on the bond registration books maintained by the Bond Registrar for such purpose at the principal corporate trust office of the Trustee or at the option of any registered owner of not less than \$1,000,000 principal amount of Bonds, by wire transfer to any address in the continental United States of America on such Interest Payment Date to such registered owner as of the Regular Record Date relating to such Interest Payment Date, if such registered owner provides the Trustee with written notice of such wire transfer address not later than such Regular Record Date (which notice may provide that it will remain in effect with respect to subsequent Interest Payment Dates unless and until changed or revoked by subsequent written notice provided 10 business days prior to the next applicable Regular Record Date). Principal and redemption premium, if any, on the replacement Bonds are payable only upon presentation and surrender of such replacement Bond or Bonds at the principal corporate trust office of the Trustee.

(d) *Effect of Book-Entry System.* The Securities Depository and its Participants and the beneficial owners of the Bonds, by their acceptance of the Bonds, agree that the Issuer and the Trustee shall not have liability for the failure of such Securities Depository to perform its obligations to the Participants and the beneficial owners of the Bonds, nor shall the Issuer or the Trustee be liable for the failure of any Participant or other nominee of the beneficial owners to perform any obligation of the Participant to a beneficial owner of the Bonds.

Section 2.13 Delivery of the Bonds. Upon execution and delivery of this Indenture, and satisfaction of the conditions established by the Issuer in the Ordinance and in the Bond Purchase Agreement for delivery of the Bonds, the Issuer shall execute the Bonds and deliver them to the Trustee with written directions to authenticate them. The Trustee shall authenticate and deliver the Bonds as provided in this Indenture, but only upon the receipt of the following:

- (i) An order of the Issuer directing the Trustee to authenticate and deliver the Bonds (a form of which is attached hereto as **Exhibit A**) against receipt of the initial purchase price therefor;
- (ii) A certified copy of the Ordinance;
- (iii) Executed counterparts of this Indenture and the other Financing Documents specifically listed in the definition of Financing Documents;

(iv) An opinion of Counsel to the Issuer addressed to the Trustee to the effect that the Bonds have been duly authorized, executed and delivered and that the Bond Documents have been duly executed and delivered by the Issuer and constitute valid and binding obligations of the Issuer, enforceable against the Issuer in accordance with their respective terms, subject to bankruptcy, insolvency or other laws affecting creditors' rights generally and, with respect to certain remedies which require, or may require, enforcement by a court of equity, such principles of equity as the court having jurisdiction may impose;

(v) An opinion of Bond Counsel addressed to the Trustee, substantially to the effect that this Indenture and the Bonds constitute legal, valid and binding obligations of the Issuer, subject to customary exceptions relating to bankruptcy and insolvency, and to the further effect that the interest on the Bonds is excludable from the gross income of the holders thereof for federal income tax purposes under existing law, subject to customary exceptions and this Indenture creates a lien on the Trust Estate;

(vi) An opinion of counsel for the Borrower addressed to the Trustee to the effect that the Borrower Documents have been duly authorized, executed and delivered by the Borrower and are legal, valid and binding agreements of the Borrower in accordance with their respective terms subject to customary qualifications and exceptions;

(vii) Funds the Trustee is required to receive for deposit pursuant to Section 4.02 hereof;

(viii) Reimbursement of all fees and expenses due to Trustee hereunder;

(ix) A request and authorization signed by an Authorized Issuer Representative authorizing the Trustee to authenticate and to deliver the Bonds to the Underwriter upon payment to the Trustee for the account of the Issuer of the amount specified in such request and authorization plus accrued interest, if any, thereon to the date of delivery;

(x) Evidence in writing of recordation of the Land Use Restriction Agreement (which may be in the form of a title company certified copy); and

(xi) Any other documents or opinions which the Trustee, the Issuer or Bond Counsel may reasonably require, which requirement shall be deemed to be satisfied upon the delivery of the Opinion of Bond Counsel.

Section 2.14 Special Agreement with Holders. Notwithstanding any provision of this Indenture or of any Bond to the contrary, with the written approval of the Borrower, the Trustee may but shall not be obligated to, enter into an agreement with any Holder providing for making all payments to that Holder of principal of and interest on that Bond or any part thereof (other than any payment of the entire unpaid principal amount thereof) at a place and in a manner other than as provided in this Indenture and in the Bond, without presentation or surrender of the Bond, upon any conditions which shall be satisfactory to the Trustee and the Borrower; provided, that payment in any event shall be made to the Person in whose name a Bond shall be registered on the Register, with respect to payment of principal, on the date such principal is due, and, with respect to the payment of interest, as of the applicable Regular Record Date or Special Record Date, as the case may be.

The Trustee will furnish a copy of each of those agreements, certified to be an accurate copy by an officer of the Trustee, to the Issuer and the Borrower. Any payment of principal or interest pursuant to such an agreement shall constitute payment thereof pursuant to, and for all purposes of, this Indenture.

Section 2.15 CUSIP Numbers. The Issuer in issuing the Bonds may use “CUSIP” numbers (if then generally in use), and, if so, the Trustee shall use “CUSIP” numbers in notices of redemption as a convenience to Holders; *provided* that the Trustee shall have no liability for any defect in the “CUSIP” numbers as they appear on any Bond, notice or elsewhere, and, *provided further* that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Bonds or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Bonds, and any such redemption shall not be affected by any defect in or omission of such numbers. The Issuer will promptly notify the Trustee in writing of any change in the “CUSIP” numbers.

ARTICLE 3 REDEMPTION OF BONDS

Section 3.01 Redemption of Bonds. The Bonds are subject to redemption prior to their stated maturity as follows:

(a) Optional Redemption. The Bonds are subject to optional redemption in whole or in part by the Issuer at the written direction of the Borrower on the Initial Remarketing Date at a redemption price of 100% of the principal amount of such Bonds to be redeemed plus accrued interest to the applicable Redemption Date given to the Trustee at least five (5) Business Days prior to the Initial Remarketing Date or the optional redemption date, as applicable. After the Initial Remarketing Date, the Borrower, in consultation with the Remarketing Agent, may establish an optional redemption date with respect to any subsequent Remarketing Period and, thereafter, the Bonds are subject to optional redemption in whole or in part by the Issuer at the written direction of the Borrower on or after the applicable Redemption Date at a redemption price of 100% of the principal amount of such Bonds to be redeemed plus accrued interest to the applicable Redemption Date.

(b) Reserved.

(c) Mandatory Redemption. The Bonds shall be redeemed in whole at a redemption price of 100% of the principal amount of such Bonds, plus accrued interest to the Redemption Date, on any Mandatory Tender Date upon the occurrence of any of the following events: (i) the Borrower has previously elected not to cause the remarketing of the Bonds, (ii) the conditions to remarketing set forth in this Indenture have not been met by the dates and times set forth in Section 3.07(b) or Section 3.07(d) hereof, or (iii) the proceeds of a remarketing on deposit in the Remarketing Proceeds Account at 11:00 a.m. Local Time on the Mandatory Tender Date are insufficient to pay the purchase price of the Outstanding Bonds on such Mandatory Tender Date. Bonds subject to redemption in accordance with this paragraph shall be redeemed from (I) amounts on deposit in the Collateral Fund, (II) amounts on deposit in the Negative Arbitrage Account of the Bond Fund, (III) amounts on deposit in the Project Fund, and (IV) any other Eligible Funds available or made available for such purpose at the written direction of the Borrower.

(d) Purchase in Lieu of Redemption. At the election of the Borrower upon a [scheduled][pending] redemption in whole of the Bonds, by written notice to the Trustee and the Remarketing Agent given not less than five (5) Business Days in advance of such redemption date, the Bonds will be deemed tendered for purchase in lieu of the redemption on such date and the call for redemption shall be cancelled. The purchase price of Bonds so purchased in lieu of redemption shall be the principal amount thereof together with all accrued and unpaid interest to the date of redemption and any prepayment fee, if due, and shall be payable on the date of redemption thereof. Bonds so purchased in lieu of redemption shall remain Outstanding and shall be registered to or upon the direction of the Borrower.

Section 3.02 Partial Redemption. In the case of a partial redemption of Bonds when Bonds of denominations greater than \$5,000 are then Outstanding, each \$5,000 unit of face value of principal thereof shall be treated as though it were a separate Bond of the denomination of \$5,000. If it is determined that one or more, but not all of the \$5,000 units of face value represented by a Bond are to be called for redemption, then upon notice of redemption of a \$5,000 unit or units, the Holder of that Bond shall surrender the Bond to the Trustee (a) for payment of the redemption price of the \$5,000 unit or units of face value called for redemption (including without limitation, the interest accrued to the date fixed for redemption and any premium), and (b) for issuance, without charge to the Holder thereof, of a new Bond or Bonds of the same series, of any Authorized Denomination or Denominations in an aggregate principal amount equal to the unmatured and unredeemed portion of, and bearing interest at the same rate and maturing on the same date as, the Bond surrendered.

If less than all of an Outstanding Bond of one maturity in a Book-Entry System is to be called for redemption, the Trustee shall give notice to the Depository or the nominee of the Depository that is the Holder of such Bond, and the selection of the Beneficial Ownership Interests in that Bond to be redeemed shall be at the sole discretion of the Depository and its participants.

Section 3.03 Notice of Redemption. Unless waived by any Holder of Bonds to be redeemed, official written notice of redemption shall be given by the Trustee on behalf of the Issuer by mailing a copy of an official redemption notice by first-class mail, postage prepaid, to the Holder of each Bond to be redeemed, at the address of such Holder shown on the Register at the opening of business on the fifth day prior to such mailing, not less than 20 days nor more than 30 days prior to the date fixed for redemption. With respect to a mandatory redemption pursuant to Section 3.01(c), the Notice of Mandatory Tender provided to Holders pursuant to Section 3.06 shall serve as the notice of redemption required by this Section 3.03 and no further notice of redemption will be required to the Holders. A second written notice of redemption shall be given by the Trustee on behalf of the Issuer, as soon as practicable, by first-class mail to the Holder of each Bond which has been so called for redemption (in whole or in part) but has not been presented and surrendered to the Trustee within 30 days following the date fixed for redemption of that Bond.

All notices of redemption shall state:

- (a) the Redemption Date;
- (b) the redemption price;
- (c) if less than all Outstanding Bonds are to be redeemed, the identification by designation, letters, numbers or other distinguishing marks (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed;
- (d) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date;
- (e) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the Designated Office of the Trustee, and;
- (f) that the notice of redemption is conditioned upon there being deposited with the Trustee on or prior to the date of redemption money sufficient to pay the redemption price of the Bonds to be redeemed and, in the case of any redemption premium on Bonds, that there be on deposit Eligible Funds sufficient to pay such redemption premium; and

(g) such other information as the Trustee deems advisable.

Notices of redemption shall be revocable in the event that there is not on deposit with the Trustee by 10:00 a.m. Central time on the date of redemption money sufficient to pay the redemption price of the Bonds to be redeemed or, in the case of any redemption premium on Bonds, there is not on deposit Eligible Funds sufficient to pay such redemption premium.

If the Bonds are not then held in a Book-Entry System, in addition to the foregoing notice, further written notice shall be given by the Trustee on behalf of the Issuer as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

(a) Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (i) the CUSIP numbers of all Bonds being redeemed; (ii) the date of issue of the Bonds as originally issued; (iii) the rate of interest borne by each Bond being redeemed; (iv) the maturity date of each Bond being redeemed; and (v) any other descriptive information deemed necessary in the sole discretion of the Trustee to identify accurately the Bonds being redeemed.

(b) Each further notice of redemption shall be sent at least 15 days before the redemption date by electronic mail, registered or certified mail or overnight delivery service to the Electronic Municipal Market Access ("EMMA") or if EMMA is not in existence, to one or more national information services that disseminate notices of redemption of obligations such as the Bonds.

(c) Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number (if any) identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Failure to receive notice by mailing or any defect in that notice regarding any Bond, however, shall not affect the validity of the proceedings for the redemption of any other Bond.

Notice of any redemption hereunder with respect to Bonds held under a Book-Entry System shall be given by the Trustee on behalf of the Issuer only to the Depository, or its nominee, as the Holder of such Bonds. Selection of Beneficial Ownership Interests in the Bonds called for redemption is the responsibility of the Depository and any failure of such Depository to notify the Beneficial Owners of any such notice and its contents or effect will not affect the validity of such notice of any proceedings for the redemption of such Bonds.

Section 3.04 Payment of Redeemed Bonds. Notice of Redemption having been given in the manner provided in this Article III, the Bonds and portions thereof called for redemption shall become due and payable on the Redemption Date, and upon presentation and surrender thereof at the place or places specified in that notice, shall be paid at the redemption price, including interest accrued to the Redemption Date.

Upon the payment of the price of Bonds being redeemed or prepaid, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed or prepaid with the proceeds of such check or other transfer.

If money for the redemption of all of the Bonds and portions thereof to be redeemed, together with interest accrued thereon to the Redemption Date, is held by the Trustee on the Redemption Date, so as to be available therefor on that date and if notice of redemption has been deposited in the mail as aforesaid, then from and after the Redemption Date those Bonds and portions thereof called for redemption shall cease

to bear interest and no longer shall be considered to be Outstanding hereunder. If such money shall not be so available on the redemption date, or that notice shall not have been deposited in the mail as aforesaid, those Bonds and portions thereof shall continue to bear interest, until they are paid, at the same rate as they would have borne had they not been called for redemption.

All money deposited in the Bond Fund and held by the Trustee for the redemption, purchase or prepayment of particular Bonds shall be held in trust for the account of the Holders thereof and shall be paid to them, respectively, upon presentation and surrender of those Bonds.

Section 3.05 Mandatory Tender

(a) Mandatory Tender for Purchase. All Outstanding Bonds shall be subject to Mandatory Tender by the Holders for purchase in whole and not in part on each Mandatory Tender Date. The purchase price for each such Bond shall be payable in lawful money of the United States of America by check, shall equal 100% of the principal amount to be purchased and accrued interest, if any, to the Mandatory Tender Date, and shall be paid in full on the applicable Mandatory Tender Date.

(b) Mandatory Tender Dates. The Mandatory Tender Dates shall consist of (i) the Initial Mandatory Tender Date and (ii) any subsequent dates for mandatory tender of the Bonds established in writing by the Borrower with the written consent of the Remarketing Agent in connection with a remarketing of the Bonds pursuant to Section 3.07 hereof.

(c) Holding of Tendered Bonds. While tendered Bonds are in the custody of the Trustee pending purchase pursuant hereto, the tendering Holders thereof shall be deemed the owners thereof for all purposes, and interest accruing on tendered Bonds through the day preceding the applicable Mandatory Tender Date is to be paid as if such Bonds had not been tendered for purchase.

(d) Effect of Prior Redemption. Notwithstanding anything herein to the contrary, any Bond tendered under this Section 3.05 will not be purchased if such Bond matures or is redeemed on or prior to the applicable Mandatory Tender Date.

(e) Purchase of Tendered Bonds. The Trustee shall utilize the following sources of payments to pay the tender price of the Bonds not later than 2:30 p.m. Local Time on the Mandatory Tender Date in the following priority: (i) amounts deposited in the Remarketing Proceeds Account, to pay the principal amount, plus accrued interest, of Bonds tendered for purchase; (ii) amounts on deposit in the Collateral Fund, to pay the principal amount of Bonds tendered for purchase; (iii) amounts on deposit in the Negative Arbitrage Account of the Bond Fund to pay the accrued interest, if any, on Bonds tendered for purchase; (iv) amounts on deposit in the Project Fund; and (v) any other Eligible Funds available or made available for such purpose at the written direction of the Borrower.

(f) Undelivered Bonds. Bonds shall be deemed to have been tendered for purposes of this Section 3.05 whether or not the Holders shall have delivered such Undelivered Bonds to the Trustee, and subject to the right of the Holders of such Undelivered Bonds to receive the purchase price of such Bonds on the Mandatory Tender Date, such Undelivered Bonds shall be null and void. If such Undelivered Bonds are to be remarketed, the Trustee shall authenticate and deliver new Bonds in replacement thereof pursuant to the remarketing of such Undelivered Bonds.

Section 3.06 Mandatory Tender Notice

(a) Notice to Holders. Not less than 30 days preceding a Mandatory Tender Date, the Trustee shall, on behalf of the Issuer, give written notice of mandatory tender to the Holders of the Bonds then Outstanding (with a copy to the Borrower, the General Partner, the Investor Limited Partner and the Remarketing Agent) by Electronic Means or by first class mail, postage prepaid, at their respective addresses appearing on the Register stating:

(i) the Mandatory Tender Date and that (A) all Outstanding Bonds are subject to Mandatory Tender for purchase on the Mandatory Tender Date, (B) all Outstanding Bonds must be tendered for purchase no later than 12:00 Noon, Local Time, on the Mandatory Tender Date and (C) Holders will not have the right to elect to retain their Bonds;

(ii) the address of the Designated Office of the Trustee at which Holders should deliver their Bonds for purchase;

(iii) that all Outstanding Bonds will be purchased on the Mandatory Tender Date at a price equal to the principal amount of the Outstanding Bonds plus interest accrued to, but not including, the Mandatory Tender Date; and

(iv) that any Bonds not tendered will nevertheless be deemed to have been tendered and will cease to bear interest from and after the Mandatory Tender Date.

(b) Second Notice. In the event that any Bond required to be delivered to the Trustee for payment of the purchase price of such Bond shall not have been delivered to the Trustee on or before the 30th day following a Mandatory Tender Date, the Trustee shall, on behalf of the Issuer, mail a second notice to the Holder of the Bond at its address as shown on the Register setting forth the requirements set forth in this Indenture for delivery of the Bond to the Trustee and stating that delivery of the Bond to the Trustee (or compliance with the provisions of this Indenture concerning payment of lost, stolen or destroyed Bonds) must be accomplished as a condition to payment of the purchase price or redemption price applicable to the Bond.

(c) Failure to Give Notice. Neither failure to give or receive any notice described in this Section 3.06, nor the lack of timeliness of such notice or any defect in any notice (or in its content) shall affect the validity or sufficiency of any action required or provided for in this Section 3.06.

Section 3.07 Remarketing of Bonds

(a) Notice of Mandatory Tender. No later than 11:00 a.m. Local Time on the 30th day prior to each Mandatory Tender Date, the Trustee shall give notice to the Borrower, the General Partner and the Remarketing Agent by telephone or electronic mail, confirmed on the same day in writing, which states the aggregate principal amount of Bonds which are to be tendered or deemed to be tendered pursuant to Section 3.05 hereof, which shall be all Outstanding Bonds.

(b) Preliminary Conditions to Remarketing. No later than 11:00 a.m. Local Time on the 15th day prior to the Mandatory Tender Date then in effect, the Borrower may give notice to the Remarketing Notice Parties by telephone or electronic mail, confirmed on the same day in writing, that it elects to cause the Bonds to be remarketed. A remarketing of the Bonds shall be permitted

only if the following conditions are satisfied no later than the time the foregoing election notice is given:

(i) Written notice by the Borrower to the Remarketing Notice Parties of the Remarketing Period pursuant to Section 3.10 of the Loan Agreement, which period shall be approved in writing by the Remarketing Agent;

(ii) Delivery to the Trustee, the Rating Agency, and the Remarketing Agent of a written preliminary Cash Flow Projection with respect to the proposed Remarketing Period;

(iii) The Borrower shall have notified the Issuer and the Trustee in writing that it has approved as to form and substance any disclosure document or offering materials which, in the Opinion of Counsel to the Remarketing Agent addressed to the Issuer and the Trustee, is necessary to be used in connection with the remarketing of the Outstanding Bonds; and

(iv) The Borrower shall have obtained the written consent of the Lender and HUD approving the remarketing of the Bonds.

(c) Remarketing. Not less than 10 days before each Remarketing Date, the Remarketing Agent shall offer for sale and use its best efforts to sell the Bonds Outstanding on the Remarketing Date at a price equal to 100% of the principal amount of such Bonds plus, if such Remarketing Date is a date other than an Interest Payment Date, accrued interest on such Bonds from the preceding Interest Payment Date to which interest has been paid. No later than the Business Day following the day on which the Remarketing Agent makes its determination of the Remarketing Rate, the Remarketing Agent shall give notice, by telephone or electronic mail, promptly confirmed in writing, to the Remarketing Notice Parties specifying the principal amount of Bonds, if any, it has remarketed (including Bonds to be purchased by the Remarketing Agent on the Remarketing Date for its own account), the Remarketing Rate(s) and the Remarketing Period applicable to the Bonds.

The Remarketing Agent shall have the right to remarket the Bonds tendered pursuant to Section 3.05 hereof; provided, however, that no Bonds shall be remarketed at a price less than 100% of the principal amount thereof plus accrued interest (if any) without the prior written consent of the Borrower and Investor Limited Partner; and provided, further, that the purchase price of any Bond paid to the tendering Holder allocable to such discount shall be paid with Eligible Funds made available therefor and on deposit with the Trustee prior to the remarketing of such Bonds. The Remarketing Agent shall have the right to purchase any Bond tendered or deemed tendered pursuant to Section 3.05 hereof at 100% of the principal amount thereof, and to thereafter sell such Bond. Any such purchase shall constitute a remarketing hereunder.

The Remarketing Agent shall not remarket any Bond to the Issuer, the Borrower, any guarantor of the Bonds or any person which is an "insider" of the Issuer, the Borrower, or any such guarantor within the meaning of the Bankruptcy Code.

(d) Final Conditions to Remarketing.

(i) If, not less than four (4) Business Days preceding the Remarketing Date:

(1) the Remarketing Agent shall have notified the Trustee in writing of the remarketing of the Outstanding Bonds and that the proceeds from the remarketing (including proceeds of remarketing of Outstanding Bonds to be purchased by the Remarketing Agent on the Remarketing Date for its own account) or other funds equal to the amount needed to purchase the remarketed Bonds on the Remarketing Date are expected to be available to the Trustee on the Remarketing Date for deposit into the Remarketing Proceeds Account; and

(2) the Trustee and the Issuer shall have received written notice from the Remarketing Agent that the Rating Agency shall have received and approved a Cash Flow Projection based on the interest rate(s) to be in effect with respect to the Outstanding Bonds on and after the applicable Remarketing Date;

(3) there shall be on deposit with the Trustee, from Eligible Funds provided by the Borrower an amount sufficient to pay the Extension Payment set forth in the Cash Flow Projection for deposit (A) to the Negative Arbitrage Account of the Bond Fund with respect to the payment of Bond Service Charges during the new Remarketing Period and (B) to the Expense Fund with respect to the payment of Administrative Expenses during the new Remarketing Period;

(4) there shall be on deposit with the Trustee, from Eligible Funds provided by the Borrower an amount sufficient to pay the estimated Remarketing Expenses for deposit in the Expense Fund, or provision for the payment of the estimated Remarketing Expenses shall have been made to the satisfaction of the Trustee and the Remarketing Agent;

(5) the Trustee shall have received written notice from the Remarketing Agent that the Remarketing Agent has received written confirmation from the Rating Agency that the then current rating assigned to the Outstanding Bonds will continue to be effective on the Remarketing Date; and

(6) the Trustee shall have received an Opinion of Bond Counsel to the effect that the remarketing of the Bonds will not adversely affect the excludability of interest on the Bonds from gross income for federal income tax purposes;

then the Trustee shall immediately give notice, by telephone or electronic mail, which notice shall be immediately confirmed in writing, to the Remarketing Agent, the Borrower and the [Investor Limited Partner] that (a) all conditions precedent to the remarketing of the Outstanding Bonds have been satisfied and (b) the sale and settlement of the Outstanding Bonds is expected to occur on the Mandatory Tender Date. Following the Trustee's notice, the Outstanding Bonds shall be sold to the purchasers identified by the Remarketing Agent for delivery and settlement on the Mandatory Tender Date, and the Trustee shall apply (i) the funds in the Remarketing Proceeds Account of the Bond Fund on the Remarketing Date to payment of the purchase price of the Outstanding Bonds and (ii) the funds in the Expense Fund to payment of the Remarketing Expenses.

(e) Failure to Satisfy Final Conditions. If not less than four (4) Business Days preceding a Mandatory Tender Date, any condition set forth in paragraph (d) of this Section 3.07 has not been satisfied then the Remarketing Agent shall not sell any of the Outstanding Bonds on the Remarketing Date and the Trustee shall cancel all Outstanding Bonds pursuant to Section 3.08 hereof.

(f) Remarketing Proceeds. No later than 11:00 a.m. Local Time on each Mandatory Tender Date, the Remarketing Agent shall either (i) pay to the Trustee, in immediately available funds, the proceeds theretofore received by the Remarketing Agent from the remarketing of Bonds tendered for purchase on such Mandatory Tender Date or (ii) cause to be paid to the Trustee by the purchasers of the remarketed Bonds the purchase price plus accrued interest (if any) in immediately available funds. The proceeds from the remarketing of the Bonds shall be deposited in the Remarketing Proceeds Account, segregated from any funds of the Borrower and the Issuer and shall in no case be considered to be or be assets of the Borrower or the Issuer. Funds representing remarketing proceeds received by the Remarketing Agent after 11:00 a.m. Local Time on each Mandatory Tender Date shall be paid to the Trustee as soon as practicable upon such receipt.

(g) Delivery of Purchased Bonds. On or before the Business Day next preceding each Mandatory Tender Date, the Remarketing Agent, by telephonic advice or electronic mail, shall notify the Trustee of (i) the principal amount of Bonds to be sold by the Remarketing Agent pursuant to Section 3.07 hereof and the purchase price, and, unless the Bonds are then in the Book-Entry System, the names, addresses and social security numbers or other tax identification numbers of the proposed purchasers thereof and (ii) the principal amount of Bonds tendered for purchase on such Mandatory Tender Date which will not be sold by the Remarketing Agent pursuant to Section 3.07 hereof. Such telephonic advice shall be confirmed by written notice delivered or electronically communicated at the same time as the telephonic advice.

Bonds purchased by the Trustee on a Mandatory Tender Date that have been remarketed shall be delivered to the purchasers thereof as directed in writing by the Remarketing Agent. Bonds delivered as provided in this Section shall be registered in the manner directed in writing by the recipient thereof.

Section 3.08 Cancellation of Bonds. The Trustee shall immediately cancel Bonds if the tender price of the Bonds is paid from amounts other than proceeds derived from the remarketing of the Bond.

ARTICLE 4 FUNDS; INVESTMENTS

Section 4.01 Establishment of Funds. The following funds are hereby established and shall be maintained by the Trustee under this Indenture and held in trust by the Trustee for the benefit of the Bonds:

- (a) the Bond Fund, and therein the Negative Arbitrage Account and the Remarketing Proceeds Account (but only at such times as money is to be deposited or held in such Accounts as provided in this Indenture);
- (b) Project Fund;
- (c) Costs of Issuance Fund;
- (d) Collateral Fund;

- (e) Rebate Fund; and
- (f) Expense Fund.

Each fund and account therein shall be maintained by the Trustee as a separate and distinct trust fund or account to be held, managed, invested, disbursed and administered as provided in this Indenture. All money deposited in the funds and accounts created hereunder shall be used solely for the purposes set forth in this Indenture. The Trustee shall keep and maintain adequate records pertaining to each fund and account, and all disbursements therefrom, in accordance with its general practices and procedures in effect from time to time. The Trustee may also terminate funds and accounts that are no longer needed.

The Trustee shall, at the written direction of an Authorized Borrower Representative and may, in its discretion, establish such additional accounts within any fund, and subaccounts within any of the accounts, as the Issuer (as requested in writing) or the Trustee may deem necessary or useful for the purpose of identifying more precisely the sources of payments into and disbursements from that fund and its accounts, or for the purpose of complying with the requirements of the Code, but the establishment of any such account or subaccount shall not alter or modify any of the requirements of this Indenture with respect to a deposit or use of money in the Special Funds or the Rebate Fund, or result in commingling of funds not permitted hereunder.

Section 4.02 Application of Bond Proceeds

- (a) The proceeds of the Bonds in the amount of \$_____ shall be allocated, deposited or delivered by the Trustee to the Project Fund.
- (b) On the Closing Date, the Trustee shall receive the Initial Borrower Deposit from or on behalf of the Borrower, which the Trustee shall deposit to the Costs of Issuance Fund.
- (c) On the Closing Date, the Trustee shall deposit Eligible Funds in the amount of \$0 for deposit to the Negative Arbitrage Account of the Bond Fund.

Section 4.03 Bond Fund

On the Closing Date, there shall be deposited in the Bond Fund, from the proceeds of the sale of the Bonds, any accrued interest to be paid with respect to the Bonds, and in the Negative Arbitrage Account of the Bond Fund the amount set forth in Section 4.02(c) hereof, which is an amount equal to the amount of interest payments on the Bonds from the closing date to the initial Mandatory Tender Date. The portion of any Extension Payment received by the Trustee in connection with a remarketing in accordance with Section 3.07 hereof designated for the payment of Bond Service Charges shall also be deposited in the Negative Arbitrage Account.

So long as there are any Outstanding Bonds, to the extent the Borrower has not received a credit against Loan Payments, all Loan Payments under the Loan Agreement shall be paid on or before each Interest Payment Date directly to the Trustee, and deposited in the Bond Fund, in at least the amount necessary to pay the Bond Service Charges due on the Bonds on such Interest Payment Date.

The Bond Fund (and accounts therein for which provision is made in this Indenture) and the money and Eligible Investments therein shall be used solely and exclusively for the payment of Bond Service Charges as they become due.

Bond Service Charges shall be payable, as they become due, in the following order: (a) from money on deposit in the Bond Fund (excluding the Negative Arbitrage Account therein), (b) next from money on deposit in the Negative Arbitrage Account of the Bond Fund, (c) next from money on deposit in the Collateral Fund and transferred as necessary to the Bond Fund, and (d) thereafter, from money on deposit in the Project Fund and transferred as necessary to the Bond Fund.

Upon receipt by the Trustee of a Cash Flow Projection provided on behalf of the Borrower, the Trustee is hereby authorized to release from the Negative Arbitrage Account the amount set forth in the Cash Flow Projection to be released to or at the written direction of the Borrower from such account.

Section 4.04 Project Fund

(a) Money in the Project Fund shall be disbursed in accordance with the provisions of this Section 4.04 and Section 3.06 of the Loan Agreement. Upon the deposit of Eligible Funds in the Collateral Fund as provided in Section 4.06 hereof, and subject to the provisions of this Section 4.04, the Trustee shall disburse the Bond proceeds on deposit in the Project Fund, for use by the Borrower to pay Costs of the Project in accordance with Section 3.06 of the Loan Agreement. Promptly upon the receipt of such Eligible Funds, the Trustee shall be unconditionally and irrevocably obligated to disburse an equal amount from the Project Fund, or, if the Trustee is unable for any reason to make such disbursement, the Trustee shall return such Eligible Funds to the party that provided them. The Trustee shall cause to be kept and maintained adequate records pertaining to the Project Fund and all disbursements therefrom. If requested in writing by the Issuer, the General Partner or the Borrower, after the Project has been completed and a Completion Certificate is filed as provided in Section 4.07 hereof, the Trustee shall provide copies of the records pertaining to the Project Fund and disbursements therefrom to the Issuer and the Borrower and the General Partner. The Trustee shall satisfy this obligation by providing statements for all periods in which there are funds in the Project Fund.

(b) In order to satisfy certain requirements of HUD with respect to the Mortgage Loan, proceeds of the Bonds may be provided to Lender, and thereafter be advanced by the Lender to the Borrower, for use by the Borrower to pay Costs of the Project. As set forth in the Tax Certificate, however, proceeds of the Bonds shall only be used by the Borrower to pay either Costs of the Project or Bond Service Charges.

(c) Notwithstanding any provision of the Loan Agreement or any other provision of this Indenture to the contrary, the Trustee shall not disburse money from the Project Fund, other than to pay Bond Service Charges on the Bonds, unless and until Eligible Funds or other Eligible Funds in an amount equal to or greater than the requested disbursement amount have been deposited in the Collateral Fund. Prior to making any disbursement (except to the extent necessary to pay Bond Service Charges), the Trustee shall determine that the aggregate principal amount that will be held in (a) the Collateral Fund and (b) the Project Fund, after the anticipated disbursement, is at least equal to the then-Outstanding principal amount of the Bonds; provided, however, to the extent money on deposit in the Project Fund is invested in Eligible Investments, the Trustee is hereby authorized to make the following allocations and exchanges, which allocations and exchanges shall occur prior to the disbursement of amounts on deposit in the Project Fund to pay Project Costs: (i) allocate all or a portion of the Eligible Investments in the Project Fund, in the amount specified in the request for disbursement, to the Collateral Fund and (ii) transfer a like amount from the Collateral Fund to the Project Fund. To the extent money is not otherwise available to the Trustee, including money on deposit in the Bond Fund or the Collateral Fund, the Trustee shall transfer from the Project Fund to the Bond Fund sufficient money to pay Bond Service Charges on each Interest Payment Date without further written direction. Except to the extent proceeds of the Bonds might

be used to pay Bond Service Charges, as described in the previous sentence, Bond Proceeds on deposit in the Project Fund shall only be used to fund Costs of the Project.

(d) On any Redemption Date, the Trustee shall transfer any amounts then on deposit in the Project Fund into the Bond Fund to pay Bond Service Charges on the Bonds.

(e) Upon obtaining actual knowledge of the occurrence and continuance of an Event of Default hereunder because of which the principal amount of the Bonds has been declared to be due and immediately payable pursuant to Section 6.02 hereof, any money remaining in the Project Fund shall be promptly transferred by the Trustee to the Bond Fund.

Section 4.05 Costs of Issuance Fund

Amounts on deposit in the Costs of Issuance Fund shall be used by the Trustee to pay costs of issuance as directed in writing by the Borrower. Any amounts remaining on deposit in the Costs of Issuance Fund 30 days after the Closing Date shall be promptly returned to the Borrower or disbursed at the written direction of the Borrower.

Section 4.06 Collateral Fund

The Trustee shall deposit into the Collateral Fund all Eligible Funds received pursuant to Section 4.02 of the Loan Agreement and any other Eligible Funds received by the Trustee for deposit into the Collateral Fund. Section 4.02 of the Loan Agreement requires the Borrower to provide written direction to the Lender to deliver or cause to be delivered the Lender Funds portion of the Eligible Funds, or to otherwise cause to be delivered Eligible Funds from any other source, to the Trustee for deposit into the Collateral Fund in an amount equal to, and as a prerequisite to the disbursement of, the amount of Bond proceeds on deposit in the Project Fund to be disbursed by the Trustee to pay Costs of the Project.

The Trustee shall transfer money in the Collateral Fund as follows: (a) on each Bond Payment Date, to the Bond Fund the amount necessary to pay Bond Service Charges on the Bonds on such Bond Payment Date (to the extent money is not otherwise available to the Trustee, including money on deposit in the Bond Fund); (b) on the Mandatory Tender Date, to the Bond Fund, the amount necessary to pay the purchase price of the Bonds, to the extent the Bonds are not remarketed on any Mandatory Tender Date or amounts on deposit in the Remarketing Proceeds Account of the Bond Fund are insufficient therefor; and (c) on the Maturity Date of the Bonds, to the Bond Fund the amount necessary to pay all amounts due on the Bonds on such date.

On any Redemption Date, the Trustee shall transfer all amounts then on deposit in the Collateral Fund into the Bond Fund to pay Bond Service Charges on the Bonds.

Amounts on deposit in the Collateral Fund in excess of the amount required to pay Bond Service Charges after payment in full of the Bonds shall be transferred to the Borrower.

The Bonds shall not be, and shall not be deemed to be, paid or prepaid by reason of any deposit into the Collateral Fund unless and until the amount on deposit in the Collateral Fund is transferred to the Bond Fund and applied to the payment of the principal of any of the Bonds, the principal component of the redemption price of any of the Bonds or the principal component of the tender price of any of the Bonds, all as provided in this Indenture.

Each deposit into the Collateral Fund shall constitute an irrevocable deposit solely for the benefit of the Holders, subject to the provisions hereof.

Section 4.07 Completion of the Project

The completion of the Project and payment of all costs and expenses incident thereto shall be evidenced by the filing with the Trustee of the Completion Certificate required by Section 3.09 of the Loan Agreement, the form of which is attached as Exhibit C thereto. As soon as practicable after the filing with the Trustee of the Completion Certificate, any balance remaining in the Project Fund (other than the amounts retained by the Trustee as described in the Completion Certificate) shall be deposited or applied in accordance with the written direction of the Authorized Borrower Representative pursuant to Section 3.06 of the Loan Agreement, subject to Section 10.12 hereof. Provided however that if the Mortgage Loan has been assigned to FHA (with notice of such assignment to be delivered to the Trustee by an Authorized Borrower Representative), any such balance shall be paid to the Lender.

Section 4.08 Expense Fund

The portion of any Extension Payment received by the Trustee in connection with an extension of the Mandatory Tender Date pursuant to Section 3.07 hereof designated for the payment of Administrative Expenses shall be deposited in the Expense Fund. The Trustee shall apply money on deposit in the Expense Fund solely for the following purposes, on the dates specified below, in the following order of priority:

- (a) to transfer money to the Rebate Fund to the extent necessary to pay the Rebate Amount (if any) pursuant to Section 4.09 hereof;
- (b) to pay the Ordinary Trustee's Fees and Expenses when due;
- (c) to pay the Issuer Fee and the City Administrative Fee when due;
- (d) to pay the Dissemination Agent Fee when due; and
- (e) to pay Remarketing Expenses associated with the remarketing of the Bonds on the Initial Mandatory Tender Date.

To the extent money in the Expense Fund is not sufficient to pay the foregoing fees and expenses, such deficiency shall be paid by the Borrower pursuant to Section 4.04 of the Loan Agreement immediately upon written demand by the Trustee.

Section 4.09 Rebate Fund

Any provision hereof to the contrary notwithstanding, amounts credited to the Rebate Fund shall be free and clear of any lien hereunder.

The Trustee shall, at the cost and expense of the Borrower, furnish to the Issuer, the Borrower and the General Partner all information reasonably requested in writing by the Issuer, the Borrower or the General Partner with respect to the Bonds and investments of the Funds and accounts maintained by the Trustee hereunder. The purpose of the Rebate Fund is to facilitate compliance with Section 148(f) of the Code. Any monies deposited in such Fund shall be for the sole benefit of the United States of America and shall not be subject to the lien of the Indenture or to the claim of any other Person, including, without limitation, the Bondholders and the Issuer. The requirements of this Section 4.09 are subject to, and shall be interpreted in accordance with, Section 148(f) of the Code and the Treasury Regulations applicable thereto (the "**Regulations**") and shall apply except to the extent the Trustee and the Issuer are furnished with an opinion of Bond Counsel or other evidence satisfactory to the Trustee and the Issuer that the

Regulations contain an applicable exception. The Trustee shall make all payments under the written direction of the Borrower or Rebate Analyst on their behalf.

Promptly at the end of each five-year period after the dated date of the Bonds and also upon the retirement of the Bonds, the Trustee shall provide the Borrower with a statement of earnings on funds and accounts held under this Indenture during any period not covered by a prior statement. Each statement shall include the purchase and sale prices of each investment, if any (including any commission paid thereon which shall be separately stated if such information is available), the dates of each investment transaction, information as to whether such transactions were made at a discount or premium and such other information known or reasonably available to the Trustee as the Borrower or rebate analyst shall reasonably request in writing. If so requested in writing by the Borrower at any time, the Trustee shall create within the Bond Fund separate accounts for purposes of accounting for earnings on amounts attributable to the Bonds.

The Trustee shall promptly transfer to the Rebate Fund each amount required to be deposited therein pursuant to the written direction of the Borrower, or the Rebate Analyst on their behalf, pursuant to the Tax Certificate, first from earnings in the Project Fund, and, second, to the extent amounts in the Project Fund are insufficient, from revenues which have been deposited into the Bond Fund and earnings thereon. To the extent that the amount to be deposited into the Rebate Fund exceeds the amount which can be transferred from such Funds, the Trustee shall promptly notify the Borrower and an amount equal to such deficiency shall be paid promptly by the Borrower to the Trustee for deposit into the Rebate Fund.

The Borrower and the Trustee, on behalf of the Issuer, shall keep such records as will enable them to fulfill their respective responsibilities under this Section 4.09 and Section 148(f) of the Code, and the Borrower shall engage a rebate analyst as may be necessary in connection with such responsibilities. The Trustee, to the extent records of all calculations performed by the rebate analyst are furnished to it in writing, will retain such records until six (6) years after the retirement of the last obligation of the Bonds. The fees and expenses of the rebate analyst shall be paid by the Borrower pursuant to the Loan Agreement to the extent amounts provided hereunder and available in the Rebate Fund are insufficient for such purpose. For purposes of the computation of rebatable arbitrage earnings required under the Tax Certificate, the Trustee shall, at the cost and expense of the Borrower, make available to the Borrower and the Issuer during normal business hours all written information in the Trustee's control which is requested in writing by the Borrower in connection with such computations.

Section 4.10 Investment of Special Funds and Rebate Fund

Except as otherwise set forth in this Section, money in the Special Funds and the Rebate Fund shall be invested and reinvested by the Trustee in Eligible Investments as designated in and at the written direction of the Authorized Borrower Representative. At no time shall the Borrower direct that any funds constituting gross proceeds of the Bonds (including, without limitation, moneys deposited in or credited to the Collateral Fund and the Negative Arbitrage Account) be used in any manner as would constitute failure of compliance with Section 148 of the Code.

Except as provided in the following paragraph, investments of money in the Bond Fund, the Project Fund and the Collateral Fund shall be invested in Government Obligations at the written directions of the Authorized Borrower Representative.

Money in the Bond Fund, the Project Fund, and the Collateral Fund may be invested in an investment described in clause (b) of the definition of Eligible Investments at the written directions of the Authorized Borrower Representative to the extent that (a) it is impractical to invest such money in Government Obligations because the amount to be invested is too small or Government Obligations are not available at that time for purchase, (b) such money is being held in the Remarketing Proceeds Account, (c)

such money has been received less than 30 days prior to date on which Bonds are to mature or be paid upon redemption or mandatory tender, or (d) the Borrower has directed the Trustee in writing that such money will be needed to make a disbursement from the Project Fund prior to the date on which available Government Obligations would mature.

Absent written investment instructions, the Trustee shall invest moneys in any Account for which investments are permitted in the **[Federated Treasury Cash Reserves Fund (TISXX) or a successor money market fund so long as Zions Bancorporation is Trustee]**.

Investments of money in the Bond Fund and the Collateral Fund shall mature or be redeemable at the direction of the Borrower at the times and in the amounts necessary to provide money to pay Bond Service Charges on the Bonds as they become due on each Interest Payment Date. Each investment of money in the Project Fund shall mature or be redeemable at the written direction of the Borrower to the Trustee at the times and in the amounts as may be necessary to make anticipated payments from the Project Fund. Any of those investments may be purchased from or sold to the Trustee, or any bank, trust company, securities firm or savings and loan association which is an Affiliated Party of the Trustee. The Trustee shall sell or redeem investments credited to the Bond Fund to produce sufficient money applicable hereunder to, and at the times required for the purposes of paying, Bond Service Charges when due as aforesaid, and shall do so without necessity for any order on behalf of the Issuer and without restriction by reason of any order. If the Trustee is required to sell or otherwise dispose of any Eligible Investments prior to maturity, the Borrower shall, at the Borrower's expense, deliver to the Trustee (i) a Cash Flow Projection and (ii) Eligible Funds in the amount set forth in such Cash Flow Projection, if any. Anything herein to the contrary notwithstanding, amounts on deposit in the Collateral Fund shall not be invested at a yield in excess of the yield of the Bonds.

An investment made from money credited to the Special Funds shall constitute part of that respective Fund. All investment earnings from amounts on deposit in the Project Fund and the Collateral Fund shall be allocated to the Bond Fund. All gains resulting from the sale of, or income from, any investment made from amounts on deposit in the Special Funds shall be credited to and become part of the Bond Fund. All investment earnings, gains resulting from the sale of, or income from, any investment made from amounts on deposit in the Rebate Fund shall be retained therein. Any investment losses from moneys credited to a Fund shall be charged against the respective Fund. The Trustee shall not be liable for losses on investments made in compliance with the provisions of this Indenture.

Ratings of Eligible Investments shall be determined at the time of purchase of such Eligible Investments and without regard to ratings subcategories. The Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such trades, including cash sweep account fees. Although each of the Issuer and the Borrower recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, each of the Issuer and the Borrower hereby agrees that confirmations of Eligible Investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered. No statement need be rendered for any fund or account if no activity occurred in such fund or account during such month. The Trustee may conclusively rely upon the Authorized Borrower Representative's written instructions as to both the suitability and legality of the directed investments.

Following the Closing Date, at the direction of the Borrower, the Trustee is permitted to purchase, sell or exchange Eligible Investments with a Cash Flow Projection. Notwithstanding anything herein to the contrary, (i) earnings received by the Trustee with respect to Eligible Investments purchased for the purpose of paying Bond Service Charges shall be held uninvested and (ii) Bond proceeds and the Negative Arbitrage Deposit shall be held uninvested until the Trustee has purchased, sold or exchanged Eligible Investments.

The Trustee may make any and all investments permitted by this Section through its own bond or investment department, unless otherwise directed in writing by the Authorized Borrower Representative.

Section 4.11 Money to be Held in Trust

The funds created under this Indenture shall be in the custody of the Trustee in its trust capacity hereunder; and the Issuer authorizes and directs the Trustee to withdraw moneys from said funds for the purposes specified herein, which authorization and direction the Trustee hereby accepts. All moneys required to be deposited with or paid to the Trustee under any provision of this Article IV shall be held by the Trustee in trust, and except for moneys held in the Rebate Fund or deposited with or paid to the Trustee for the redemption of Bonds, notice of redemption of which has been duly given, shall while held by the Trustee constitute part of the security for the Holders and be subject to the lien hereof.

Section 4.12 Valuation

For the purpose of determining the amount on deposit to the credit of any Special Fund, the value of obligations in which money in such Fund shall have been invested shall be computed (i) in the case of Government Obligations held in the Special Funds, at the maturity or redemption value (as applicable) as of the maturity or next redemption date and (ii) in the case of all other Eligible Investments, at the then market value thereof. The Trustee shall have no liability for the accuracy of any such valuation.

The Eligible Investments shall be valued by the Trustee as of the end of each calendar month.

Section 4.13 Nonpresentment of Bonds

In the event any Bond shall not be presented for payment when the principal thereof becomes due in whole or in part, whether at maturity, at the Redemption Date or otherwise, or a check for interest is uncashed, if funds sufficient to pay such Bonds shall have been made available to the Trustee for the benefit of the Holder or Holders thereof, all liabilities of the Issuer to the Holder thereof for the payment of such Bond, as the case may be, shall thereupon cease and be completely discharged, and it shall be the duty of the Trustee to hold such funds for a period of six years after maturity of all Bonds, without liability for interest thereon, in a separate account in the Bond Fund for the benefit of the Holder of such Bond, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Indenture or on, or with respect to, said Bond. After the expiration of such six-year period, the Trustee shall return said funds to the Issuer upon its written request and the Holder or Holders of any such unrepresented Bond shall be entitled to payment of said Bond only from said funds held by the Issuer. The obligation of the Trustee under this Section to pay any such funds to the Issuer shall be subject to any provisions of law applicable to the Trustee or to such funds providing other requirements for disposition of unclaimed property.

Section 4.14 Repayment to the Borrower from the Bond Fund

On any Mandatory Tender Date, any amounts in the Bond Fund in excess of the amount necessary to cover any negative arbitrage (assuming 0.00% interest earnings on all deposits) and after all of the Outstanding Bonds shall be deemed paid and discharged under the provisions of this Indenture shall, upon written instruction to the Trustee from the Borrower, be paid to or at the direction of the Borrower. Except as provided in Section 4.09 and Section 4.13 hereof, any amounts remaining in the Special Funds (a) after all of the Outstanding Bonds shall be deemed paid and discharged under the provisions of this Indenture, and (b) after payment of all fees, charges and expenses of the Trustee and the Issuer and of all other amounts required to be paid under this Indenture, the Loan Agreement, the Land Use Restriction Agreement and the Note, shall be paid to the Borrower to the extent that those amounts are in excess of those necessary to

effect the payment and discharge of the Outstanding Bonds. Provided however that if the Mortgage Loan is in default, such excess shall be paid to the Lender.

Section 4.15 Payment of Fees

In connection with the issuance of the Bonds and with the Project, the Borrower will pay the following fees in the following manner:

The Trustee will pay, from the Expense Fund, the following fees on behalf of the Borrower:

- (i) To the Issuer, an Issuer Fee in an amount equal to 1.5% of the par amount of the Bonds, payable on the Closing Date from Borrower equity;
- (ii) To the Issuer, a Bond Legal Reserve Fee in an amount equal to 0.10% of the par amount of the Bonds, payable on the Closing Date from Borrower equity; and
- (iii) To the Trustee, the Ordinary Trustee Fees and Expenses; and
- (iv) To the Issuer, a City Administrative Fee in an amount equal to 0.15% of the outstanding principal amount of the Bonds, accruing monthly and payable to the Issuer semi-annually.

ARTICLE 5 GENERAL COVENANTS AND REPRESENTATIONS

Section 5.01 Payment of Principal or Redemption Price of and Interest on Bonds. The Issuer shall promptly pay or cause to be paid the principal or redemption price of, and the interest on, every Bond issued hereunder according to the terms thereof, but shall be required to make such payment or cause such payment to be made only out of revenues available therefor under this Indenture. The Issuer hereby designates the principal corporate trust office of the Trustee as the place of payment for the Bonds.

Section 5.02 Instruments of Further Assurance. The Issuer and the Trustee shall do, execute, acknowledge and deliver, such indentures supplemental hereto, and such further acts, instruments and transfers as the Trustee may reasonably require for the better assuring, transferring, conveying, pledging, assigning and confirming unto the Trustee all its interest in the property herein described and the revenues, receipts and other amounts pledged hereby to the payment of the principal of, premium, if any, and interest on the Bonds paid solely from the Trust Estate. Any and all interest in property hereafter acquired which is of any kind or nature herein provided to be and become subject to the lien hereof shall and without any further conveyance, assignment or act on the part of the Issuer or the Trustee, become and be subject to the lien of this Indenture as fully and completely as though specifically described herein, but nothing contained in this sentence shall be deemed to modify or change the obligations of the Issuer under this Section.

Section 5.03 Recordation and Filing. Pursuant to the Loan Agreement, the Borrower shall cause financing statements with respect to the Trust Estate described in this Indenture to be at all times filed in such manner and in such places if required by law in order to fully preserve and protect the rights of the Issuer and the Trustee hereunder and to perfect the security interest created by this Indenture in the Trust Estate described herein. To the extent possible under applicable law, as in effect in the jurisdiction(s) in which the Trust Estate is located, the Borrower will maintain the priority of the security interest herein created in the Trust Estate as a first lien thereon, and warrant, protect, preserve and defend its interest in the Trust Estate and the security interest of the Trustee herein and all rights of the Trustee under this Indenture against all actions, proceedings, claims and demands of all Persons, all paid for by the Borrower.

Section 5.04 No Modification of Security. The Issuer shall not, without the written consent of the Trustee, alter, modify or cancel, or agree to consent to alter, modify or cancel any agreement which relates to or affects the security for the Bonds. The Trustee shall not consent to any change in the maturity of the GNMA Security or the Mortgage Note, except as provided in Article VIII hereof.

Section 5.05 Reports. The Trustee shall furnish annually, to the Borrower (which shall furnish copies thereof to HUD), the GNMA Issuer and any Bondholder who requests copies thereof and furnishes an address to which such reports and statements are to be sent copies of (a) any written reports furnished to the Trustee with regard to the Project and (b) annual statements of the Trustee with regard to fund balances. The Trustee shall be reimbursed by the Borrower for its reasonable costs and expenses in preparing any such statements.

Section 5.06 Tax Covenants

(a) The Issuer, to the extent that it has control over any of the following proceeds or payments, and the Trustee, to the extent that it has discretion with respect to investment of such proceeds, covenant and agree that they will not take any action or fail to take any action with respect to the investment of the proceeds of any Bonds issued under this Indenture or with respect to the payments derived from the security pledged hereunder or from the Loan Agreement which would result in constituting the Bonds "arbitrage bonds" within the meaning of such term as used in Section 148 of the Code. The Issuer further covenants and agrees that the Issuer will comply with and take all actions required by the Tax Certificate. The Trustee shall, at the cost and expense of the Borrower, cause to be prepared all rebate calculations required to be performed pursuant to the Tax Certificate.

(b) The Issuer covenants that it shall not use or cause the use of any proceeds of Bonds or any other funds of the Issuer, directly or indirectly, in any manner, and shall not take or cause to be taken any other action or actions, or fail to take any action or actions, which would result in interest on any of the Bonds becoming includable in gross income of any Holder thereof. The Issuer further covenants that it shall at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest paid by the Issuer on the Bonds shall be excluded from the gross income of the recipients thereof for federal income tax purposes.

ARTICLE 6

DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND HOLDERS

Section 6.01 Events of Default. Each of the following shall be an "Event of Default":

(a) default in the due and punctual payment of any interest on any Bond, subject to a five (5) day notice and cure period; or

(b) default in the due and punctual payment of the principal of or premium, if any, on any Bond whether at the stated maturity thereof, or on proceedings for redemption thereof, or on the maturity thereof by declaration, subject to a five (5) day notice and cure period; or

(c) failure by the Issuer to observe or perform any other covenant, agreement or obligation on its part to be observed or performed contained in this Indenture or in the Bonds, which failure shall have continued for a period of 30 days after written notice, by registered or certified mail, to the Issuer and the Borrower specifying the failure and requiring that it be remedied, which notice may be given by the Trustee in its discretion and shall be given by the Trustee at the written request of the Holders of a majority in aggregate principal amount of Bonds then Outstanding

(unless, notwithstanding any attempt to cure such failure, it cannot be cured within 30 days and, notwithstanding, is cured within 180 days); or

(d) the occurrence and continuation of an event of default under the Loan Agreement of which the Trustee has actual notice or of which the Trustee is deemed to have notice pursuant to Section 7.04(i) hereof.

The Trustee and the Issuer agree that notwithstanding the provisions hereof, no default under the terms of this Indenture shall be construed as resulting in a default under the Mortgage Loan Documents unless such event also constitutes a default thereunder.

Section 6.02 Acceleration. Upon the occurrence of an Event of Default described in Section 6.01(a) or (b) hereof, the Trustee may, and upon the written request of the Holders of not less than a majority in aggregate principal amount of Bonds then Outstanding shall, by written notice delivered to the Borrower and the Issuer, declare the principal of all Bonds then Outstanding (if not then due and payable), and the interest accrued thereon, to be due and payable immediately. If the Trustee is unable to determine that sufficient funds will be available to pay (not out of the Trustee's own funds) the full amount of the principal and accrued but unpaid interest to the Holders of the Bonds as of the date of acceleration, the Trustee shall declare the principal of the Bonds immediately due and payable, but only upon written direction of Controlling Holders of the Bonds then Outstanding. Upon the occurrence of any Event of Default other than those described in Sections 6.01(a) and 6.01(b) hereof, the Trustee may, and upon written consent of all Holders of Bonds then Outstanding shall, declare by a notice in writing delivered to the Borrower, the principal of all Bonds then Outstanding (if not then due and payable), and the interest thereon, to be due and payable immediately. Upon such declaration, that principal and interest shall become and be due and payable immediately. Interest on the Bonds shall accrue to the date determined by the Trustee for the tender of payment to the Holders pursuant to that declaration; provided, that interest on any unpaid principal of Bonds Outstanding shall continue to accrue from the date determined by the Trustee for the tender of payment to the Holders of those Bonds.

The provisions of the preceding paragraph are subject, however, to the condition that if, at any time after declaration of acceleration and prior to the entry of a judgment in a court for enforcement hereunder (after an opportunity for hearing by the Issuer and the Borrower),

(a) all sums payable hereunder (except the principal of and interest on Bonds which have not reached their stated maturity dates but which are due and payable solely by reason of that declaration of acceleration), plus interest to the extent permitted by law on any overdue installments of interest at the rate borne by the Bonds shall have been duly paid or provision shall have been duly made therefor by deposit with the Trustee, and

(b) all existing Events of Default shall have been cured,

then and in every case, the Trustee shall, upon being instructed in writing by the Investor Limited Partner, waive the Event of Default and its consequences and shall rescind and annul that declaration. No waiver or rescission and annulment shall extend to or affect any subsequent Event of Default or shall impair any rights consequent thereon.

The Investor Limited Partner shall be entitled (but not obligated) to cure any Event of Default hereunder within the time frame provided to the Borrower hereunder. The Issuer and the Trustee agree that cure of any default or Event of Default made or tendered by the Investor Limited Partner shall be deemed to be a cure by the Borrower and shall be accepted or rejected on the same basis as if made or tendered by the Borrower.

Section 6.03 Rights of Holders. If any Event of Default shall have occurred and be continuing, then the Trustee may and, if requested so to do by the Holders of not less than 25% in aggregate principal amount of Bonds affected by such default, and if indemnified as provided herein, the Trustee shall:

- (a) by mandamus or other suit, action or proceeding at law or in equity require the Issuer to perform its covenants and duties under this Indenture;
- (b) bring suit upon the Bonds;
- (c) by action or suit in equity require the Issuer to account for its actions as if it were the trustee of an express trust for the Holders of the Bonds;
- (d) by action or suit in equity enjoin any acts or things that may be unlawful or in violation of the rights of the Holders of the Bonds;
- (e) take any action to enforce its remedies under the Loan Agreement; or
- (f) take such other steps to protect and enforce its rights and the rights of the Holders of the Bonds, whether by action, suit or proceeding in aid of the execution of any power herein granted or for the enforcement of any other appropriate legal or equitable remedy.

Section 6.04 Rights of Holders to Direct Proceedings. Subject to the provisions of Section 6.08 hereof, the Holders of a majority in principal amount of the Bonds shall have the right at any time, by an instrument in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture for the benefit of the Bonds, or for the appointment of a receiver or any other proceedings hereunder for the benefit of the Bonds, in accordance with the provisions of law and of this Indenture.

Section 6.05 Waiver by Issuer. Upon the occurrence of an Event of Default, to the extent that such right may then lawfully be waived, neither the Issuer nor anyone claiming through or under it shall set up, claim or seek to take advantage of any appraisal, valuation, stay, extension or redemption laws now or hereinafter in force, in order to prevent or hinder the enforcement of this Indenture; and the Issuer, for itself and all who may claim through or under it, hereby waives, to the extent that it lawfully may do so, the benefit of all such laws and all right of appraisal and redemption to which it may be entitled under the laws of the State.

Section 6.06 Application of Moneys. If at any time after the occurrence of an Event of Default the money held by the Trustee under this Indenture (other than amounts in the Rebate Fund) shall not be sufficient to pay the principal of and interest on the Bonds as the same become due and payable, such money, together with any moneys then available or thereafter becoming available for such purpose, whether through the exercise of remedies in this Article or otherwise, shall, be applied by the Trustee as set forth in this Section 6.06.

After payment of any costs, expenses, liabilities and advances paid, incurred or made by the Trustee in the collection of money and to all fees of the Trustee for expenses pursuant to any right given or action taken under the provisions of this Article or the provisions of the Loan Agreement, the Land Use Restriction Agreement or the Note (including without limitation, reasonable attorneys' fees and expenses, except as limited by law or judicial order or decision entered in any action taken under this Article VI), all money received by the Trustee, shall be applied as follows, subject to Section 2.03 hereof and any provision made pursuant to Section 4.10 or Section 4.11 hereof:

(a) Unless the principal of all of the Bonds shall have become, or shall have been declared to be, due and payable, all of such money shall be deposited in the Bond Fund and shall be applied:

First: To the payment to the Holders entitled thereto of all installments of interest then due on the Bonds, in the order of the dates of maturity of the installments of that interest, beginning with the earliest date of maturity and, if the amount available is not sufficient to pay in full any particular installment, then to the payment thereof ratably, according to the amounts due on that installment, to the Holders entitled thereto, without any discrimination or privilege, except as to any difference in the respective rates of interest specified in the Bonds; and

Second: To the payment to the Holders entitled thereto of the unpaid principal of any of the Bonds which shall have become due, in the order of their due dates, beginning with the earliest due date, with interest on those Bonds from the respective dates upon which they became due at the rates specified in those Bonds, and if the amount available is not sufficient to pay in full all Bonds due on any particular date, together with that interest, then to the payment thereof ratably, according to the amounts of principal due on that date, to the Holders entitled thereto, without any discrimination or privilege, except as to any difference in the respective rates of interest specified in the Bonds.

(b) If the principal of all of the Bonds shall have become due or shall have been declared to be due and payable pursuant to this Article, all of such money shall be deposited into the Bond Fund and shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest, of interest over principal, of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the Holders entitled thereto, without any discrimination or privilege, except as to any difference in the respective rates of interest specified in the Bonds.

(c) If the principal of all of the Bonds shall have been declared to be due and payable pursuant to this Article, and if that declaration thereafter shall have been rescinded and annulled under the provisions of Section 6.02 or Section 6.10 hereof, subject to the provisions of paragraph (b) of this Section in the event that the principal of all of the Bonds shall become due and payable later, the money shall be deposited in the Bond Fund and shall be applied in accordance with the provisions of Article II.

(d) Whenever money is to be applied pursuant to the provisions of this Section, such money shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of money available for application and the likelihood of additional money becoming available for application in the future. Whenever the Trustee shall direct the application of such money, it shall fix the date upon which the application is to be made, and upon that date, interest shall cease to accrue on the amounts of principal, if any, to be paid on that date, provided the money is available therefor. The Trustee shall give notice of the deposit with it of any money and of the fixing of that date, all consistent with the requirements of Section 2.03 hereof for the establishment of, and for giving notice with respect to, a Special Record Date for the payment of overdue interest. The Trustee shall not be required to make payment of principal of a Bond to the Holder thereof, until the Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if it is paid fully.

Section 6.07 Remedies Vested in Trustee. All rights of action, including the right to file proof of claims, under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Holders of the Bonds, and any recovery of judgment shall be for the benefit as provided herein of Holders of the Outstanding Bonds.

Section 6.08 Remedies of Holders. No Holder of any Bonds shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of any provision of this Indenture or for the execution of any trust hereunder or for the appointment of a receiver or any other remedy hereunder, unless: (a) a default shall have occurred of which the Trustee shall have been notified as provided herein; (b) such default shall have become an Event of Default; (c) the Holders of at least 25% in aggregate principal amount of the Outstanding Bonds shall have made written request to the Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (d) such Holders shall have offered to the Trustee indemnity as provided herein; and (e) the Trustee shall within 60 days thereafter fail or refuse to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding, and such notification, request and offer of indemnity are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts under this Article VI, and to any action or cause of action for the enforcement of this Indenture, or for any other remedy hereunder; it being understood and intended that no one or more Holders of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Indenture or the rights of any other Holders of the Bonds or to obtain priority or preference over any other Holders (other than as provided herein) or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all Holders of Bonds. Nothing contained in this Indenture shall, however, affect or impair the right of any Holder to enforce the payment of the principal of, the premium, if any, and interest on any Bond at the maturity thereof or the obligation of the Issuer to pay the principal of, premium, if any, and interest on the Bonds issued hereunder to the respective Holders thereof, at the time, in the place, from the sources and in the manner expressed herein and in said Bonds.

Section 6.09 Termination of Proceedings. In case the Trustee shall have proceeded to enforce any right under this Indenture by the appointment of a receiver, by entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Issuer and the Trustee shall be restored to their former positions and rights hereunder with respect to the Trust Estate herein conveyed, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 6.10 Waivers of Events of Default. The Trustee shall waive any Event of Default hereunder and its consequences and rescind any declaration of maturity of principal of and interest on the Bonds upon the written request of the Holders of a majority of the Outstanding Bonds; provided, however, that there shall not be waived (a) any default in the payment of the principal of any Bonds at the date of maturity specified therein, or upon proceedings for mandatory redemption, or (b) any default in the payment when due of the interest or premium on any such Bonds, unless prior to such waiver or rescission all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds on overdue installments of interest or all arrears of payments of principal or premium, if any, when due (whether at the stated maturity thereof or upon proceedings for mandatory redemption) as the case may be, and all fees, costs, and expenses (including reasonable fees and expenses of counsel) of the Trustee, in connection with such default shall have been paid or provided for, and in case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely, then and in every such case the Issuer, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereto.

Section 6.11 Notice of Defaults; Opportunity to Cure Defaults. If an Event of Default shall occur, the Trustee shall give written notice of the Event of Default, by Electronic Means or by registered or certified mail, to the Issuer, the Borrower, the Investor Limited Partner and the Remarketing Agent, within five days after the Trustee has actual notice of the Event of Default pursuant to Section 7.04(i) hereof. If an Event of Default occurs of which the Trustee has actual notice pursuant to this Indenture, the Trustee

shall give written notice thereof, within 30 days after the Trustee's receipt of notice of its occurrence, to the Holders of all Bonds then Outstanding as shown by the Register at the close of business 15 days prior to the mailing of that notice; provided, that except in the case of a default in the payment of the principal of or interest on any Bond, the Trustee shall be protected in withholding such notice if the Trustee in good faith determines that the withholding of notice to the Holders is in the interests of the Holders.

ARTICLE 7

THE TRUSTEE AND REMARKETING AGENT

Section 7.01 Certain Duties and Responsibilities. Except during the continuance of an Event of Default:

(i) The Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether they conform to the requirements of this Indenture.

(b) In case an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(c) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that

(i) This subsection (c) shall not be construed to limit the effect of subsection (a) of this Section;

(ii) The Trustee shall not be liable for any error of judgment made in good faith by a responsible officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts; and

(iii) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with directions received pursuant to Section 6.04 or the direction of the Holders of a majority in principal amount of Outstanding Bonds relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture.

(d) No provisions of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers.

(e) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section.

Section 7.02 Notice of Default. Within 30 days after the occurrence of any default hereunder of which the Trustee is deemed to have notice hereunder, the Trustee shall transmit by first class mail, to the Holders of all Bonds then Outstanding notice of such default hereunder known to the Trustee, unless such default shall have been cured or waived prior thereto; provided, however, that, except in the case of a default in the payment of the principal of (or premium, if any) or interest on any Bond when due, the Trustee shall be protected in withholding such notice if and so long as the Trustee in good faith determines that the withholding of such notice is in the interests of the Holders of the Bonds. For the purpose of this Section the term "default" means any event which is, or after notice or lapse of time or both would become, an Event of Default.

Section 7.03 Reserved

Section 7.04 Certain Rights of Trustee. Except as otherwise provided in Section 7.01 hereof:

(a) the Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order or other paper or document conforming to the requirements, if any, of this Indenture, and believed by it to be genuine, and to have been signed or presented by the proper party or parties;

(b) any Request or Statement of the Issuer mentioned herein shall be sufficiently evidenced by an order or Request of the Issuer signed by an Authorized Issuer Representative and any resolution or ordinance of the governing body of the Issuer may be sufficiently evidenced by a Certificate of the Issuer;

(c) any notice, request, direction, election, order or demand of the Borrower mentioned herein shall be sufficiently evidenced by an instrument purporting to be signed in the name of the Borrower by an Authorized Borrower Representative (unless other evidence in respect thereof be herein specifically prescribed);

(d) whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon a Certificate of the Issuer;

(e) the Trustee may consult with counsel, architects and engineers and other experts, and the written advice of such counsel, architects or engineers and other experts shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon;

(f) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders of the Bonds pursuant to this Indenture, unless such Holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction;

(g) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request,

direction, consent, order or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such fact or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Issuer and the Borrower, including the Project, personally or by agent or attorney;

(h) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder whether directly or by or through agents or attorneys, but the Trustee shall be responsible for any misconduct or negligence on the part of any agent or attorney so appointed;

(i) the Trustee shall not be required to take notice or be deemed to have notice of any default hereunder (except for any default due to the Trustee's failure to make any of the payments required to be made by Article IV hereof) unless the Trustee shall be specifically notified in writing of such default by the Issuer or the Holders of at least 25% in principal amount of Bonds affected thereby;

(j) all notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the principal corporate trust office of the Trustee at the Notice Address referred to in Section 1.01 hereof;

(k) the rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder (including, without limitation, as Dissemination Agent); and

(l) the Trustee may request that the Issuer deliver a certificate setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant to this Indenture.

(m) Upon written request by the Rating Agency, the Trustee shall furnish to the Rating Agency the balance of funds on hand with the Trustee and other information as may be reasonably required to maintain the rating on the Bonds.

Section 7.05 Not Responsible for Recitals or Issuance of Bonds. The recitals contained herein and in the Bonds, except the certificates of authentication, shall be taken as the statements of the Issuer, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Bonds.

Section 7.06 Trustee May Hold Bonds. The Trustee in its individual or any other capacity may become the owner or pledgee of Bonds and may otherwise deal with the Issuer with the same rights it would have if it were not Trustee.

Section 7.07 Reserved

Section 7.08 Successor Trustee. Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party shall, *ipso facto*, be and become successor Trustee hereunder and vested with all title to the whole property or Trust Estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without

the execution or filing of any instruments or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 7.09 Resignation by the Trustee. The Trustee and any successor Trustee may at any time resign from the trusts hereby created by giving 60 days' written notice by registered or certified mail to the Issuer and to each Holder of the Bonds then Outstanding; provided that no such resignation shall take effect until a successor Trustee shall have been appointed and shall have accepted such appointment as provided in Section 7.11. If no successor Trustee shall have been appointed and have accepted appointment within 60 days following the giving of all required notices of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee. The cost of such petition shall be paid by the Borrower.

Section 7.10 Removal of the Trustee. The Trustee may be removed at any time by an instrument or document or concurrent instruments or documents in writing delivered to the Trustee, with copies thereof mailed to the Issuer, the Remarketing Agent and the Borrower and General Partner, and signed by or on behalf of the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding.

The Trustee also may be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Indenture with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the Issuer or the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding under this Indenture.

The removal of the Trustee under this Section 7.10 shall take effect upon the appointment of a successor Trustee as provided for in Section 7.11 of this Indenture.

Section 7.11 Appointment of Successor Trustee by the Holders; Temporary Trustee. If (a) the Trustee shall resign, shall be removed, shall be dissolved, or shall become otherwise incapable of acting hereunder, (b) the Trustee shall be taken under the control of any public officer or officers, or (c) a receiver shall be appointed for the Trustee by a court, then a successor Trustee shall be appointed by the Issuer, with the written consent of the Borrower and General Partner; provided, that if a successor Trustee is not so appointed within 10 days after (i) a notice of resignation or an instrument or document of removal is received by the Issuer, as provided in Sections 7.09 and 7.10 hereof, respectively, or (ii) the Trustee is dissolved, taken under control, becomes otherwise incapable of acting or a receiver is appointed, in each case, as provided above, then, so long as the Issuer shall not have appointed a successor Trustee, the Holders of a majority in aggregate principal amount of Bonds then Outstanding may designate a successor Trustee by an instrument or document or concurrent instruments or documents in writing signed by or on behalf of those Holders. If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section, the Holder of any Bond Outstanding hereunder or any retiring Trustee may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

Section 7.12 Concerning Any Successor Trustee. Every successor Trustee appointed pursuant to this Section (a) shall be a trust company or a bank having the powers of a trust company, (b) shall be in good standing within the State, (c) shall be duly authorized to exercise trust powers within the State, (d) shall have a reported capital, surplus and retained earnings of not less than \$50,000,000, and (e) shall be willing to accept the trusteeship under the terms and conditions of this Indenture.

Every successor Trustee appointed hereunder shall execute and acknowledge, and shall deliver to its predecessor, the Issuer and the Borrower and General Partner an instrument or document in writing

accepting the appointment. Thereupon, without any further act, the successor shall become vested with all of the trusts, properties, remedies, powers, rights, duties, obligations, discretions, privileges, claims, demands, causes of action, immunities, estates, titles, interests and liens of its predecessor. Upon the written request of its successor, the Issuer or the Borrower or General Partner, and payment of all fees and expenses owed to it, the predecessor Trustee (a) shall execute and deliver an instrument or document transferring to its successor all of the trusts, properties, remedies, powers, rights, duties, obligations, discretions, privileges, claims, demands, causes of action, immunities, estates, titles, interests and liens of the predecessor Trustee hereunder, and (b) shall take any other action necessary to duly assign, transfer and deliver to its successor all property (including without limitation, all securities and moneys) held by it as Trustee. Should any instrument or document in writing from the Issuer be requested by any successor Trustee for vesting and conveying more fully and certainly in and to that successor the trusts, properties, remedies, powers, rights, duties, obligations, discretions, privileges, claims, demands, causes of action, immunities, estates, titles, interests and liens vested or conveyed or intended to be vested or conveyed hereby in or to the predecessor Trustee, the Issuer shall execute, acknowledge and deliver that instrument or document.

Section 7.13 Trustee as Paying Agent and Bond Registrar; Additional Paying Agents. The Trustee is hereby designated and agrees to act as Paying Agent and Registrar for and in respect to the Bonds.

The Issuer from time to time may appoint one or more additional Paying Agents and, in the event of the resignation or removal of any Paying Agent, successor Paying Agents. Any such additional Paying Agent or successor Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Indenture by executing and delivering to the Issuer and the Trustee a written acceptance thereof.

Section 7.14 Successor Trustee as Trustee, Paying Agent and Bond Registrar. In the event of a change in the office of Trustee, the predecessor Trustee which shall have resigned or shall have been removed shall cease to be Trustee and Paying Agent on the Bonds and Bond Registrar, and the successor Trustee shall become such Trustee, Paying Agent and Bond Registrar.

Section 7.15 Representations by Trustee. The Trustee hereby represents and warrants that as of the date of execution of this Indenture:

(a) It is duly organized and validly existing in good standing under the laws of the jurisdiction of its organization and has the power and authority to enter into and perform its obligations under this Indenture;

(b) this Indenture has been duly authorized, executed and delivered by it; and

(c) to the best of the Trustee's knowledge, the execution of this Indenture by the Trustee does not violate laws, statutes, ordinances, regulations or agreements which are binding on the Trustee.

Section 7.16 Concerning the Remarketing Agent. The Remarketing Agent identified in Section 1.01 hereof shall serve as the Remarketing Agent for the Bonds. The Remarketing Agent shall designate to the Trustee its Designated Office and signify its acceptance of the duties and obligations imposed upon it hereunder by a written instrument of acceptance delivered to the Issuer, the Borrower, the General Partner and the Trustee. In addition, the Remarketing Agent will agree particularly to:

(a) Keep such records relating to its computations of interest rates for the Bonds as shall be consistent with prudent industry practice and to make such records available for inspection by the Issuer, the Trustee and the Borrower and the General Partner at all reasonable times; and

- (b) perform all of its functions and duties under this Indenture.

The Remarketing Agent shall be entitled to advice of legal counsel on any matter relating to the Remarketing Agent's obligations hereunder and shall be entitled to act upon the opinion of such counsel in the exercise of reasonable care in fulfilling such obligations.

The Remarketing Agent shall be entitled to appoint additional co-Remarketing Agents to assist in the performance of the Remarketing Agent's obligations under this Indenture, and any such appointment shall be effective without any action by the Issuer or the Borrower being necessary; provided that any such co-Remarketing Agent, shall have a capitalization of at least \$5,000,000, or shall have a line of credit with a commercial bank in the amount of at least \$5,000,000, shall be in conformity with all standards and requirements of the Municipal Securities Rulemaking Board and the Securities and Exchange Commission, and shall be authorized by law to perform all the duties imposed upon it by this Indenture. The Remarketing Agent shall take responsibility for any co-Remarketing Agent it appoints.

Section 7.17 Qualification of Remarketing Agent. The Remarketing Agent shall be a member in good standing of the Financial Industry Regulatory Authority having a capitalization of at least \$5,000,000, or shall have a line of credit with a commercial bank in the amount of at least \$5,000,000, and shall be authorized by law to perform all the duties imposed upon it by this Indenture. Subject to the terms of the Remarketing Agreement, the Remarketing Agent may at any time resign and be discharged of the duties and obligations created by this Indenture by giving at least 30 days' notice of such resignation to the Issuer, the Borrower and the Trustee. The Remarketing Agent may be removed, with prior notice to the Issuer, at any time by the Borrower, with at least 30 days' notice of such removal to the Remarketing Agent.

Upon any resignation or removal of the Remarketing Agent, the departing Remarketing Agent shall pay over, assign and deliver any money and Bonds held by it in such capacity to its successor.

The Trustee, within 30 days of the resignation or removal of the Remarketing Agent or the appointment of a successor Remarketing Agent, shall give notice thereof by registered or certified mail to the Rating Agency (if the Bonds are then rated) and to the Holders of the Bonds.

Section 7.18 Information for Rating Agency and Notice of Certain Events. The Trustee shall provide the Rating Agency upon its written request such information within the Trustee's possession as the Rating Agency shall reasonably require from time to time in order to maintain the rating on the Bonds;

The Trustee shall notify the Rating Agency and the Remarketing Notice Parties of (a) the occurrence of an Event of Default of which the Trustee has actual notice, (b) any change in the identity of the Trustee, (c) any amendments, modifications, supplements or changes to this Indenture, the Loan Agreement, the Note or the Bonds, including any extension of principal or modification of interest or redemption premium due on any of the Bonds, in each case only in the event the Trustee has actual notice, (d) any change or notification of proposed change of the Mandatory Tender Date or Remarketing Date pursuant to the remarketing of the Bonds, (e) any partial prepayment of the Loan or the giving of notice of the call for redemption of any Bonds in connection with the prepayment of the Loan, (f) any defeasance or acceleration of the Bonds hereunder, (g) any change in the Remarketing Agent or the Lender of which the Trustee has actual knowledge, (h) the occurrence of any monetary or other material default under the Loan of which the Trustee has actual notice, (i) any change or proposed change in the structure or identity of the Borrower of which the Trustee has actual knowledge, (j) any change in the investment of funds subject to the lien of this Indenture, (k) any sale of Eligible Investments below par, as shown in a Cash Flow Projection delivered to the Rating Agency prior to the sale date.

ARTICLE 8
SUPPLEMENTAL INDENTURE

Section 8.01 Supplemental Indentures Not Requiring Consent of Bondholders. The Issuer and the Trustee, without the consent of or notice to any of the Bondholders, may enter into a bond indenture or bond indentures supplemental to this Indenture as shall not be inconsistent with the terms and provisions hereof or materially adverse to the interest of the Holders of the Bonds for any one or more of the following reasons:

- (a) to cure any ambiguity or formal defect or omission in this Indenture;
- (b) to subject to the lien and pledge of this Indenture additional revenues, properties or collateral;
- (c) to grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Bondholders or the Trustee or any of them;
- (d) to modify, amend or supplement this Indenture or any bond indenture supplemental hereto in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect or under any state securities laws;
- (e) to permit the Trustee to comply with any obligations imposed upon it by law;
- (f) to achieve compliance of this Indenture with any applicable federal securities or tax laws or state securities laws;
- (g) to maintain the exclusion from gross income for federal income taxation of interest on the Bonds;
- (h) to obtain, improve or maintain the rating on the Bonds from any nationally recognized securities rating agency so long as such change does not affect the interest rates, maturities or redemption provisions of the Bonds and does not, in the opinion of Bond Counsel, adversely affect the exclusion from gross income for federal income taxation of interest on the Bonds; or
- (i) in connection with any other change in this Indenture which, in the judgment of the Trustee, is not to the prejudice of the Trustee or the Bondholders.

The Trustee may rely upon an opinion of counsel as conclusive evidence that execution and delivery of a supplemental bond indenture have been effected in compliance with the provisions of this Article.

Section 8.02 Supplemental Indentures Requiring Consent of Bondholders. Exclusive of Supplemental Indentures to which reference is made in Section 8.01 hereof and subject to the terms, provisions and limitations contained in this Section, and not otherwise, with the consent of the Holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding, evidenced as provided in this Indenture, and with the written consent of the Borrower if required by Section 8.05 hereof, the Issuer and the Trustee may execute and deliver Supplemental Indentures adding any provisions to, changing in any manner or eliminating any of the provisions of this Indenture or any Supplemental

Indenture or restricting in any manner the rights of the Holders. Nothing in this Section shall permit, however, or be construed as permitting:

- (a) without the consent of the Holder of each Bond so affected, (i) an extension of the maturity of the principal of or the interest on any Bond or (ii) a reduction in the principal amount of any Bond or the rate of interest thereon, or
- (b) without the consent of the Holders of all Bonds then Outstanding, (i) the creation of a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (ii) a reduction in the aggregate principal amount of the Bonds required for consent to a Supplemental Indenture.

If the Issuer shall request that the Trustee execute and deliver any Supplemental Indenture for any of the purposes of this Section, upon (i) being satisfactorily indemnified with respect to its expenses in connection therewith, and (ii) if required by Section 8.05 hereof, receipt of the Borrower's written consent to the proposed execution and delivery of the Supplemental Indenture, the Trustee shall, at the written direction of the Issuer, cause notice of the proposed execution and delivery of the Supplemental Indenture (which notice shall be prepared by the Borrower) to be mailed by first-class mail, postage prepaid, to all Holders of Bonds then Outstanding at their addresses as they appear on the Register at the close of business on the fifteenth day preceding that mailing.

The Trustee shall not be subject to any liability to any Holder by reason of the Trustee's failure to mail, or the failure of any Holder to receive, the notice required by this Section. Any failure of that nature shall not affect the validity of the Supplemental Indenture when there has been consent thereto as provided in this Section. The notice shall set forth briefly the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the Designated Office of the Trustee for inspection by all Holders.

If the Trustee shall receive, within a period prescribed by the Borrower, of not less than 60 days, but not exceeding one year, following the mailing of the notice, an instrument or document or instruments or documents, in form to which the Trustee does not reasonably object, purporting to be executed by the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding (which instrument or document or instruments or documents shall refer to the proposed Supplemental Indenture in the form described in the notice and specifically shall consent to the Supplemental Indenture in substantially that form), the Trustee shall, but shall not otherwise, execute and deliver the Supplemental Indenture in substantially the form to which reference is made in the notice as being on file with the Trustee, without liability or responsibility to any Holder, regardless of whether that Holder shall have consented thereto.

The Trustee may rely upon an opinion of counsel as conclusive evidence that the execution and delivery of any Supplemental Indenture have been effected in compliance with the provisions of this Article.

Any consent shall be binding upon the Holder of the Bond giving the consent and, anything herein to the contrary notwithstanding, upon any subsequent Holder of that Bond and of any Bond issued in exchange therefor (regardless of whether the subsequent Holder has notice of the consent to the Supplemental Indenture). A consent may be revoked in writing, however, by the Holder who gave the consent or by a subsequent Holder of the Bond by a revocation of such consent received by the Trustee prior to the execution and delivery by the Trustee of the Supplemental Indenture. At any time after the Holders of the required percentage of Bonds shall have filed their consents to the Supplemental Indenture, the Trustee shall make and file with the Issuer a written statement that the Holders of the required percentage of Bonds have filed those consents. That written statement shall be conclusive evidence that the consents have been so filed.

If the Holders of the required percentage in aggregate principal amount of Bonds Outstanding shall have consented to the Supplemental Indenture, as provided in this Section, no Holder shall have any right (a) to object to (i) the execution or delivery of the Supplemental Indenture, (ii) any of the terms and provisions contained therein, or (iii) the operation thereof, (b) to question the propriety of the execution and delivery thereof, or (c) to enjoin or restrain the Trustee or the Issuer from that execution or delivery or from taking any action pursuant to the provisions thereof.

Section 8.03 Amendments to Loan Agreement Not Requiring Consent of the Bondholders.

The Issuer and the Borrower, without the consent of the Bondholders, may enter into any amendment, change or modification to the Loan Agreement as shall not be inconsistent with the terms of the Loan Agreement or materially adverse to the interests of the Holder of the Bonds or the Trustee for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission in the Loan Agreement;
- (b) to grant to or confer upon the Issuer or the Trustee for the benefit of the Bondholders any additional rights, remedies, powers or authority that may be lawfully granted to or conferred upon the Issuer or the Trustee or either of them;
- (c) to maintain the exclusion from gross income for federal income taxation of interest of the Bonds;
- (d) to obtain, improve or maintain the rating on the Bonds so long as such change does not affect the interest rates, maturities or redemption provisions of the Bonds and does not, in the opinion of Bond Counsel, adversely affect the exclusion from gross income for federal income taxation of interest on the Bonds; or
- (e) in connection with any other change which, in the judgment of the Trustee, is not to the prejudice of the Trustee or the Bondholders.

The Trustee may rely upon an opinion of counsel as conclusive evidence that such amendment, change or modification has been effected in compliance with the provisions of this Article.

Section 8.04 Amendments to Loan Agreement Requiring Consent of Bondholders. With the consent of the Holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding, the Issuer, the Trustee and the Borrower may from time to time enter into amendments, changes and modifications to the Loan Agreement for the purpose of modifying, altering, amending, adding to or rescinding any of the terms or provisions contained therein; provided, however, that no such amendment, change or modification shall permit or be construed as permitting: (a) any adverse effect on the security for the Bonds, (b) a reduction in the amount of Bonds, the Holders of which are required to approve any such amendment, change or modification without the consent of Holders of all Bonds at the time Outstanding which would be affected by the action to be taken; or (c) any action which may result in the denial of the exclusion of the interest on the Bonds from gross income for federal income tax purposes.

If at any time, the Borrower or the Issuer shall request the consent of the Trustee to any such amendment, change or modification of the Loan Agreement, the Trustee shall, upon being satisfactorily indemnified by the Borrower with respect to expenses, cause notice of such proposed amendment, change or modification to be given in the same manner as provided above with respect to supplemental bond indentures. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the corporate trust office of the Trustee for inspection by all Bondholders. If, within 60 days following the giving of such

notice the Holders of not less than two-thirds in aggregate principal amount of Outstanding Bonds at the time of the execution of any such amendment, change or modification shall have consented to and approved the execution thereof as described above, no Holder of any Bond shall have any right to object to the terms and provisions contained therein, or to the operation thereof, or in any manner to question the propriety of the execution thereof or to enjoin or to restrain the Issuer or the Trustee from consenting to the execution thereof. The Trustee may rely upon an opinion of counsel as conclusive evidence that such amendment, change or modification has been effected in compliance with the provisions of this Article.

Section 8.05 Consent of Borrower and Investor Limited Partner. Anything contained herein to the contrary notwithstanding, any Supplemental Indenture executed and delivered in accordance with this Article VIII which affects in any material respect any rights or obligations of the Borrower shall not become effective unless and until the Borrower and Investor Limited Partner shall have consented in writing to the execution and delivery of that Supplemental Indenture.

Section 8.06 Responsibilities of Trustee. Notwithstanding anything else contained herein, the Trustee shall not be required to enter into any Supplemental Indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Section 8.07 Authorization to Trustee; Effect of Supplement

The Trustee is authorized to join with the Issuer in the execution and delivery of any Supplemental Indenture in accordance with this Article and to make the further agreements and stipulations which may be contained therein. Thereafter,

- (a) That Supplemental Indenture shall form a part of this Indenture;
- (b) All terms and conditions contained in that Supplemental Indenture as to any provision authorized to be contained therein shall be deemed to be a part of the terms and conditions of this Indenture for any and all purposes;
- (c) This Indenture shall be deemed to be modified and amended in accordance with the Supplemental Indenture; and
- (d) The respective rights, duties and obligations under this Indenture of the Issuer, the Borrower, the Trustee, the Remarketing Agent and all Holders of Bonds then Outstanding shall be determined, exercised and enforced hereunder in a manner which is subject in all respects to those modifications and amendments made by the Supplemental Indenture.

Express reference to any executed and delivered Supplemental Indenture may be made in the text of any Bonds issued thereafter, if that reference is deemed necessary or desirable by the Trustee or the Issuer. A copy of any Supplemental Indenture for which provision is made in this Article, except a Supplemental Indenture described in Section 8.01(g) hereof, shall be mailed to the Holders by the Trustee. The Trustee shall not be required to execute any supplemental indenture containing provisions adverse to the Trustee.

Section 8.08 Opinion of Counsel. The Trustee shall be entitled to receive, and shall be fully protected in relying upon, the opinion of any counsel approved by it as conclusive evidence that (a) any proposed Supplemental Indenture complies with the provisions of this Indenture, and (b) it is proper for the Trustee to join in the execution of that Supplemental Indenture under the provisions of this Article. That counsel may be counsel for the Issuer or the Borrower.

Before the Issuer and the Trustee shall enter into any Supplemental Indenture, there shall have been delivered to the Trustee an opinion of Bond Counsel to the effect that such Supplemental Indenture will not adversely affect the Federal Tax Status of the Bonds.

Section 8.09 Modification by Unanimous Consent. Notwithstanding anything contained elsewhere in this Indenture, the rights and obligations of the Issuer and of the Holders, and the terms and provisions of the Bonds and this Indenture or any Supplemental Indenture, may be modified or altered in any respect with the consent of (a) the Issuer, (b) the Holders of all of the Bonds then Outstanding, (c) the Borrower and the Investor Limited Partner and (d) if such modification or alteration contains provisions adverse to the Trustee, the Trustee.

ARTICLE 9

SATISFACTION AND DISCHARGE OF INDENTURE

Section 9.01 Discharge of Lien. If (a) the Issuer shall pay all of the Outstanding Bonds, or shall cause them to be paid and discharged, or if there otherwise shall be paid to the Holders of the Outstanding Bonds, all Bond Service Charges due or to become due thereon, and (b) provision also shall be made for the payment of all other sums payable hereunder or under the Loan Agreement, the Land Use Restriction Agreement and the Note, then this Indenture shall cease, terminate and become null and void (except for those provisions surviving by reason of Section 9.03 hereof in the event the Bonds are deemed paid and discharged pursuant to Section 9.02 hereof), and the covenants, agreements and obligations of the Issuer hereunder shall be released, discharged and satisfied.

Thereupon, and subject to the provisions of Section 9.03 hereof if applicable,

(a) the Trustee shall release this Indenture (except for those provisions surviving by reason of Section 9.03 hereof in the event the Bonds are deemed paid and discharged pursuant to Section 9.02 hereof), and shall execute and deliver to the Issuer any instruments or documents in writing, prepared by or on behalf of the Issuer, as shall be requisite to evidence that release and discharge or as reasonably may be requested by the Issuer;

(b) the Trustee shall release and satisfy the Note and deliver such release and satisfaction to the Borrower; and

(c) the Trustee shall assign and deliver to the Issuer any property subject at the time to the lien of this Indenture which then may be in its possession, except amounts in the Bond Fund required (i) to be paid to the Borrower under Section 4.14 hereof, or (ii) to be held by the Trustee under Section 4.13 hereof or otherwise for the payment of Bond Service Charges.

Section 9.02 Payment and Discharge of Bonds. All or any part of the Bonds shall be deemed to have been paid and discharged within the meaning of this Indenture, including without limitation, Section 9.01 hereof, if:

(a) the Trustee as paying agent shall have received, in trust for and irrevocably committed thereto, sufficient money, or

(b) the Trustee shall have received, in trust for and irrevocably committed thereto, noncallable Government Obligations which are certified by an Independent public accounting firm of national reputation to be of such maturities or redemption dates and interest payment dates, and to bear such interest, as will be sufficient together with any money to which reference is made in subparagraph (a) above, without further investment or reinvestment of either the principal amount

thereof or the interest earnings therefrom (which earnings are to be held likewise in trust and so committed, except as provided herein), for the payment of all Bond Service Charges on those Bonds at their maturity.

Any money held by the Trustee in accordance with the provisions of this Section may be invested by the Trustee only in noncallable Government Obligations having maturity dates, or having redemption dates which, at the option of the owner of those obligations, shall be not later than the date or dates at which money will be required for the purposes described above. To the extent that any income or interest earned by, or increment to, the investments held under this Section is determined from time to time by the Trustee to be in excess of the amount required to be held by the Trustee for the purposes of this Section, that income, interest or increment shall be transferred at the time of that determination in the manner provided in Section 4.14 hereof for transfers of amounts remaining in the Bond Fund.

If any Bonds shall be deemed paid and discharged pursuant to this Section 9.02, then within 15 days after such Bonds are so deemed paid and discharged the Trustee shall cause a written notice to be given to each Holder as shown on the Register on the date on which such Bonds are deemed paid and discharged. Such notice shall state the numbers of the Bonds deemed paid and discharged or state that all Bonds are deemed paid and discharged, and shall set forth a description of the obligations held pursuant to subparagraph (b) of the first paragraph of this Section 9.02.

Section 9.03 Survival of Certain Provisions. Notwithstanding the foregoing, any provisions of this Indenture which relate to the maturity of Bonds, interest payments and dates thereof, optional and mandatory redemption provisions, credit against mandatory sinking fund requirements, exchange, transfer and registration of Bonds, replacement of mutilated, destroyed, lost or stolen Bonds, the safekeeping and cancellation of Bonds, non-presentment of Bonds, the holding of moneys in trust, and repayments of moneys in funds held hereunder, and the duties of the Trustee and the Bond Registrar in connection with all of the foregoing, shall remain in effect and be binding upon the Trustee, the Bond Registrar, the Paying Agent and the Holders notwithstanding the release and discharge of this Indenture. The provisions of this Article shall survive the release, discharge and satisfaction of this Indenture.

ARTICLE 10 MISCELLANEOUS

Section 10.01 Consents and Other Instruments of Bondholders. Any consent, request, direction, approval, waiver, objection, appointment or other instrument required by this Indenture to be signed and executed by the Bondholders may be signed and executed in any number of concurrent writings of similar tenor and may be signed or executed by such Bondholders in person or by agent appointed in writing. Proof of the execution of any such instrument, if made in the following manner, shall be sufficient for any of the purposes of this Indenture and shall be conclusive in favor of the Trustee with regard to any action taken under such instrument, namely:

(a) The fact and date of the execution by any Person of any such instrument may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the Person signing such instrument acknowledged to him the execution thereof. Where such execution is by an officer of a corporation or association or a member of a limited liability company or a partner of a partnership on behalf of such corporation, association, limited liability company or partnership, such affidavit or certificate shall also constitute sufficient proof of his authority.

(b) The ownership of Bonds shall be proven by the Bond Register.

(c) Any request, consent or vote of the Holder of any Bond shall bind every future Holder of any Bond issued in exchange therefor or in lieu thereof, in respect of anything done or permitted to be done by the Trustee or the Issuer pursuant to such request, consent or vote.

(d) In determining whether the Holders of the requisite amount of the principal amount of the Bonds then Outstanding have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are owned by the Issuer or the Borrower or by any Person directly or indirectly controlling or controlled by, or under direct or indirect common control with the Issuer or the Borrower shall be disregarded and deemed not to be Outstanding for the purpose of determining whether the Trustee shall be protected in relying on any such demand, request, direction, consent or waiver. Only Bonds which the Trustee actually knows to be so owned shall be disregarded. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section if the pledgee shall establish to the satisfaction of Issuer and the Trustee the pledgee's right to vote such Bonds. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee.

Section 10.02 Limitation of Rights. With the exception of rights conferred expressly in this Indenture, nothing expressed or mentioned in or to be implied from this Indenture or the Bonds is intended or shall be construed to give to any Person other than the parties hereto, the Remarketing Agent, the Borrower, and the Holders of the Bonds any legal or equitable right, remedy, power or claim under or with respect to this Indenture or any covenants, agreements, conditions and provisions contained herein. This Indenture and all of those covenants, agreements, conditions and provisions are intended to be, and are, for the sole and exclusive benefit of the parties hereto, the Remarketing Agent, the Borrower and the Holders of the Bonds, as provided herein.

Section 10.03 Severability. If any provision of this Indenture shall be held or deemed to be or shall in fact be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution, statute, rule of law or public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstances, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever.

The invalidity of any one or more phrases, sentences, clauses or sections in this Indenture contained shall not affect the remaining portions of this Indenture or any part thereof

Section 10.04 Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given three days after deposit by first-class mail, except any notice specifically required to be given by certified or registered mail shall be deemed given three days after being mailed by certified or registered mail, postage prepaid, and any notice dispatched by messenger, facsimile or telegram, addressed to the Notice Address of the person to whom such notices, certificates or other communications are given shall be deemed given when delivered.

Section 10.05 Payments Due on Saturdays, Sundays and Holidays. In any case where the date of maturity of interest on or principal of the Bonds, or the date fixed for redemption of any Bonds, shall be a Saturday, Sunday, legal holiday or a day on which banking institutions are authorized by law to close, then payment of interest or principal need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

Section 10.06 Priority of this Indenture. This Indenture shall be superior to any liens which may be placed upon the Revenues or any other funds or accounts created pursuant to this Indenture.

Section 10.07 Counterparts. This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The exchange of copies of this Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Indenture as to the parties hereto and may be used in lieu of the original Indenture and signature pages for all purposes.

Section 10.08 Governing Law. The laws of the State shall govern the construction of this Indenture and of all Bonds issued hereunder, without reference to its conflict of laws principles.

Section 10.09 No Recourse. No recourse shall be had for the principal of, redemption premium, if any, and interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement contained in the Indenture or the Loan Agreement against any past, present or future official, officer or employee of the Issuer or the Trustee, as such, either directly or through the Issuer or the Trustee or any successor to either, under any rule of law, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability is hereby expressly waived and released as a condition of and consideration for the execution of the Indenture and the Loan Agreement and the issuance of the Bonds.

Section 10.10 Successors and Assigns. All the covenants and representations contained in this Indenture, by or on behalf of the Issuer and the Trustee, shall bind and inure to the benefit of their respective successors and assigns, whether expressed or not.

Section 10.11 Books, Records and Accounts. The Trustee agrees to keep proper books, records and accounts in which complete and correct entries shall be made of all transactions relating to the receipt, disbursements, investment, allocation and application of the proceeds received from the sale of the Bonds, the revenues received from the Funds created pursuant to this Indenture and all other money held by the Trustee hereunder. The Trustee shall make such books, records and accounts available for inspection by the Issuer or the Holder of any Bond during reasonable hours and under reasonable conditions.

Section 10.12 Mortgage Loan Documents and Regulations Control

(a) In the event of any conflict and to the extent that there is any inconsistency or ambiguity between the provisions of this Indenture and the provisions of the Controlling HUD and GNMA Requirements or the Mortgage Loan Documents, the Controlling HUD and GNMA Requirements and Mortgage Loan Documents will be deemed to be controlling, and any such ambiguity or inconsistency will be resolved in favor of, and pursuant to the terms of the Controlling HUD and GNMA Requirements and Mortgage Loan Documents, as applicable. Notwithstanding any provision of this Indenture to the contrary, the parties hereto acknowledge and agree that all of their respective rights and powers to any assets or properties of the Borrower are subordinate and subject to the liens created by the Mortgage, together with any and all amounts from time to time secured thereby, and interest thereon, and to all of the terms and provisions of the Mortgage, and any and all other documents executed by the Borrower as required by HUD or GNMA in connection therewith.

(b) Enforcement of the covenants in this Indenture will not result in, and neither the Issuer, the Trustee nor any parties indemnified by the Borrower pursuant to this Indenture has or shall be entitled to assert, any claim against the Project, the Mortgage Loan proceeds, any reserves or deposits required by HUD in connection with the Mortgage Loan transaction, or the rents or

deposits or other income of the Project other than available "Surplus Cash" as defined in the HUD Regulatory Agreement.

(c) Failure of the Issuer or the Borrower to comply with any of the covenants set forth in this Indenture will not serve as a basis for default on the Mortgage Loan, the underlying mortgage, or any of the other Mortgage Loan Documents.

(d) The Bonds are not a debt of the United States of America, HUD, FHA, GNMA or any other agency or instrumentality of the federal government, and are not guaranteed by the full faith and credit of the United States or any agency or instrumentality thereof.

(e) There is no pledge hereunder of the gross revenues or any of the assets of the Project.

(f) Nothing contained herein shall inhibit or impair the right of FHA to require or agree to any amendment, change or modification of any Mortgage Loan Documents.

(g) Proceeds from any condemnation award or from the payment of a claim under any hazard insurance policy relating to the Project will not be payable to the Trustee, but will be payable in accordance with the Mortgage Loan Documents.

(h) Notwithstanding anything to the contrary in the event of an assignment or conveyance of the Mortgage Loan to the Federal Housing Commissioner, subsequent to the issuance of the Bonds, all money remaining in all funds and accounts other than the Rebate Fund and any other funds remaining under the Indenture after payment or provision for payment of debt service on the Bonds and the fees and expenses of the Issuer, Trustee and other such parties unrelated to the Borrower (other than funds originally deposited by the Borrower or related parties on or before the date of issuance of the Bonds) shall be returned to the Lender.

(i) HUD shall not have any obligation under the Disbursement Agreement (or otherwise) to continue to provide Lender Funds if there is a Borrower default under and assignment of the Mortgage Loan to HUD.

Section 10.13 Force Majeure. In no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that the Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

Section 10.14 U.S.A. Patriot Act. The parties hereto acknowledge that in accordance with Section 326 of the U.S.A. Patriot Act, the Trustee, like all financial institutions and in order to help fight the funding of terrorism and money laundering, is required to obtain, verify, and record information that identifies each person or legal entity that establishes a relationship or opens an account with the Trustee. The parties to this Indenture agree that they will provide the Trustee with such information as it may reasonably request in order for the Trustee to satisfy the requirements of the U.S.A. Patriot Act.

Section 10.15 Waiver of Jury Trial. EACH OF THE ISSUER, THE HOLDERS AND THE TRUSTEE HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING

ARISING OUT OF OR RELATING TO THIS INDENTURE, THE BONDS OR THE TRANSACTION
CONTEMPLATED HEREBY.

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

CITY OF CHICAGO

By: _____

Name: Jill Jaworski

Title: Chief Financial Officer

(Seal)

Attest:

Name: Andrea M. Valencia

Title: City Clerk

**ZIONS BANCORPORATION, NATIONAL
ASSOCIATION, as Trustee**

By: _____

Name: _____

Title: _____

EXHIBIT A
FORM OF BOND

UNITED STATES OF AMERICA
STATE OF ILLINOIS
CITY OF CHICAGO

MULTIFAMILY HOUSING REVENUE BONDS
(208 S. LASALLE PROJECT), SERIES 2025

No. R-1

AGGREGATE PRINCIPAL AMOUNT:
\$ _____

<u>Maturity Date</u>	<u>Dated Date</u>	<u>Initial Interest Rate</u>	<u>CUSIP No.</u>
_____ 1, 20__	_____, 2025	%	167570

Registered Owner: CEDE & CO.

Aggregate Principal Amount: _____ DOLLARS AND 00/100

INITIAL MANDATORY TENDER DATE: _____ 1, 202__

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"), for value received, hereby promises to pay (but only from the revenues and other assets and in the manner hereinafter described) to the Registered Owner specified above or registered assigns, the Principal Amount specified above on the Maturity Date specified above (subject to the rights of redemption and tender set forth herein), and to pay from those sources interest on the unpaid principal balance of said Principal Amount calculated at the Interest Rate on (a) _____ 1 and _____ 1 of each year beginning _____ 1, 202__, (b) each Redemption Date, and (c) each Mandatory Tender Date (the "Interest Payment Dates") until the principal amount is paid or duly provided for. This Bond will bear interest from the most recent date to which interest has been paid or duly provided for or, if no interest has been paid or duly provided for, from its date, or, if no interest has been paid or provided for, from the date of initial delivery (the "Closing Date").

This Bond shall bear interest from the Dated Date to but not including the Initial Mandatory Tender Date at the Initial Interest Rate set forth above and thereafter this Bond shall bear interest at the Remarketing Rate (as defined in the Indenture) for each subsequent Remarketing Period (as defined in the Indenture). Interest on the Bonds shall be calculated on the basis of a 360-day year consisting of twelve 30-day months, for the actual number of days elapsed.

The principal of this Bond is payable at the designated corporate trust office of the trustee, presently Zions Bancorporation, National Association, a national banking association (the "Trustee"). Interest is

payable on each Interest Payment Date by check mailed to the person in whose name this Bond (or one or more predecessor bonds) is registered (the "Holder") at the close of business on the 15th day of the calendar month next preceding that Interest Payment Date (the "Regular Record Date") on the registration books for this issue maintained by the Trustee, as registrar, at the address appearing therein. Any interest which is not timely paid or duly provided for shall cease to be payable to the Holder hereof (or of one or more predecessor bonds) as of the Regular Record Date, and shall be payable to the Holder hereof (or of one or more predecessor bonds) at the close of business on a Special Record Date to be fixed by the Trustee for the payment of that overdue interest. Notice of the Special Record Date shall be mailed to Holders not less than 10 days prior thereto. The principal of and interest on this Bond are payable in lawful money of the United States of America, without deduction for the services of the paying agent. While the Bonds are held in a book-entry system and in certain other circumstances, all as provided in the Indenture, principal of and interest on this Bond is required to be paid by wire transfer or other arrangement, other than any payment of the entire unpaid principal amount hereof.

This Bond is one of a duly authorized series of bonds of the City designated as its Multifamily Housing Revenue Bonds (208 S. LaSalle Project), Series 2025 (the "Bonds"), in the aggregate principal amount of \$_____ (the "Bonds"), pursuant to Article VII, Section 6 of the 1970 Constitution of the State of Illinois, and pursuant to the Ordinance adopted by the Issuer on March __, 2025. The Bonds are issued under and are equally and ratably secured as to principal, premium, if any, and interest by an Indenture dated as of _____ 1, 2025, from the Issuer to the Trustee (the "Indenture"), to which Indenture and all indentures supplemental thereto (copies of which are on file at the office of the Trustee) reference is hereby made. By the acceptance of this Bond, the Holder hereof assents to all of the provisions of the Indenture.

The Bonds, together with premium, if any, and interest thereon, do not constitute an indebtedness, liability, general or moral obligation or a pledge of the full faith or loan of credit of the Issuer, the State of Illinois, or any political subdivision of the State of Illinois within the meaning of any constitutional or statutory provisions. None of the Issuer, the State of Illinois or any political subdivision thereof shall be obligated to pay the principal of, premium, if any, or interest on the Bonds or other costs incident thereto except from the revenues and assets pledged with respect thereto. Neither the full faith and credit nor the taxing power of the United States of America, the Issuer, the State of Illinois or any political subdivision thereof is pledged to the payment of the principal of, premium, if any, or interest on the Bonds or other costs incident thereto. The Bonds are not a debt of the United States of America or any agency thereof, and are not guaranteed by the United States of America or any agency thereof.

This Bond shall not be entitled to any benefit under the Indenture or become valid or obligatory for any purpose until the certificate of authentication shall have been signed by the Trustee.

The Bonds are being issued by the Issuer for the purpose of financing a loan (the "Loan") to be made to 208 LaSalle Affordable LP, an Illinois limited partnership (the "Borrower"). The Loan will be used by the Borrower to pay a portion of the costs of acquiring and constructing the Project, as defined in the Indenture and as further described in the Loan Agreement dated as of even date with the Indenture (the "Loan Agreement"), between the Issuer and the Borrower. The Bonds are special limited obligations of the Issuer, issued or to be issued under and are secured and entitled equally and ratably to the protection given by the Indenture, including payments under the Loan made to the Trustee by the Borrower.

The Bonds are subject to redemption and tender prior to their stated maturity as follows:

(a) Optional Redemption. The Bonds are subject to optional redemption in whole or in part by the Issuer at the written direction of the Borrower on any date on or after the later to occur of (a) the date that the Project is placed in service, as certified in writing by the Borrower to the Trustee, and (b) the

Optional Redemption Date (as defined in the Indenture) at a redemption price equal to 100% of the principal amount of the Bonds plus accrued interest to the Redemption Date.

(b) Reserved.

(c) Mandatory Redemption. The Bonds shall be redeemed in whole at a redemption price of 100% of the principal amount of such Bonds, plus accrued interest to the Redemption Date, on any Mandatory Tender Date upon the occurrence of any of the following events: (i) the Borrower has previously elected not to cause the remarketing of the Bonds, (ii) the conditions to remarketing set forth in the Indenture have not been met by the dates and times set forth therein, or (iii) the proceeds of a remarketing on deposit in the Remarketing Proceeds Account at 11:00 a.m. Local Time on the Mandatory Tender Date are insufficient to pay the purchase price of the Outstanding Bonds on such Mandatory Tender Date. Bonds subject to redemption in accordance with this paragraph shall be redeemed from (i) amounts on deposit in the Collateral Fund, (ii) amounts on deposit in the Negative Arbitrage Account of the Bond Fund, (iii) amounts on deposit in the Project Fund, and (iv) any other Eligible Funds available or made available for such purpose at the direction of the Borrower.

(d) Purchase in Lieu of Redemption. At the election of the Borrower upon a redemption in whole of the Bonds, by written notice to the Trustee and the Remarketing Agent given not less than five (5) Business Days in advance of such redemption date, the Bonds will be deemed tendered for purchase in lieu of the redemption on such date and the call for redemption shall be cancelled. The purchase price of Bonds so purchased in lieu of redemption shall be the principal amount thereof together with all accrued and unpaid interest to the date of redemption and any prepayment fee, if due, and shall be payable on the date of redemption thereof. Bonds so purchased in lieu of redemption shall remain Outstanding and shall be registered to or upon the direction of the Borrower.

(e) Mandatory Tender. The Bonds are subject to mandatory tender in whole on each Mandatory Tender Date. Holders will not have the right to elect to retain their Bonds. Upon presentation and surrender of the Bonds by the Holder on the date fixed for tender, the Holder shall be paid the principal amount of the Bonds to be tendered, plus accrued interest on such Bonds to the tender date.

Reference is made to the Indenture for a more complete description of the Project, the provisions, among others, with respect to the nature and extent of the security for the Bonds, the rights, duties and obligations of the Issuer, the Trustee and the Holders of the Bonds, and the terms and conditions upon which the Bonds are issued and secured. Each Holder assents, by its acceptance hereof, to all of the provisions of the Indenture.

The Borrower is required by the Loan Agreement to cause the Lender (as defined in the Indenture) to provide on its behalf the Lender's portion of the Eligible Funds (as defined in the Indenture) to the Trustee in the amounts and at the times necessary to pay the principal of and interest (the "Bond Service Charges") on the Bonds. In the Indenture, the Issuer has assigned to the Trustee, to provide for the payment of the Bond Service Charges on the Bonds, the Issuer's right, title and interest in and to the Loan Agreement, except for Reserved Rights as defined in the Indenture. To secure its compliance with certain covenants in the Loan Agreement, the Borrower has executed and delivered a Land Use Restriction Agreement, dated as of _____ 1, 2025 (the "Land Use Restriction Agreement") among the Issuer, the Borrower and the Trustee.

Copies of the Indenture, the Loan Agreement and the Land Use Restriction Agreement are on file in the designated corporate trust office of the Trustee.

The Bond Service Charges on the Bonds are payable solely from the Revenues, as defined and as provided in the Indenture (being, generally, the amounts payable under the Loan Agreement and any unexpended proceeds of the Bonds), and are an obligation of the Issuer only to the extent of the Revenues. The Bonds are not secured by an obligation or pledge of any money raised by taxation and do not represent or constitute a debt or pledge of the faith and credit of the Issuer.

The Bonds are issuable only as fully registered bonds and, except as hereinafter provided, in printed or typewritten form, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"), which shall be considered to be the Holder for all purposes of the Indenture, including, without limitation, payment by the Issuer of Bond Service Charges, and receipt of notices to, giving of consents by and exercise of rights of, Holders. There shall be a single Bond representing each maturity, and all Bonds shall be immobilized in the custody of DTC with the owners of beneficial interests in those Bonds (the "book-entry interests") having no right to receive from the Issuer Bonds in the form of physical securities or certificates. Ownership of book-entry interests in the Bonds shall be shown by book-entry on the system maintained and operated by DTC, its participants (the "Participants") and certain persons acting through the Participants, and transfers of ownership of book-entry interests shall be made only by that book-entry system, the Issuer and the Trustee having no responsibility therefor. DTC is to maintain records of the positions of Participants in the Bonds, and the Participants and persons acting through Participants are to maintain records of the purchasers and owners of book-entry interests in the Bonds. The Bonds as such shall not be transferable or exchangeable, except for transfer to another Securities Depository (as defined in the Indenture) or to another nominee of a Securities Depository, without further action by the Issuer and otherwise at the expense of the Borrower.

If any Securities Depository determines not to continue to act as a Securities Depository for the Bonds for use in a book-entry system, the Issuer may attempt to have established a securities depository/book-entry system relationship with another qualified Securities Depository under the Indenture. If the Issuer does not or is unable to do so, the Issuer and the Trustee, after the Trustee has made provision for notification of the owners of book-entry interests by the then Securities Depository, shall permit withdrawal of the Bonds from the Securities Depository, and authenticate and deliver Bond certificates in fully registered form (in denominations of \$5,000, or any integral multiple of \$1,000 in excess thereof) to the assignees of the Securities Depository or its nominee, all at the cost and expense (including costs of printing or otherwise preparing and delivering replacement Bond certificates) of those Persons requesting such authentication and delivery, if the event is not the result of Issuer action or inaction (including action at the request of the Borrower).

The Holder of this Bond shall have no right to enforce the provisions of the Indenture, or to institute action to enforce the covenants therein, or to take any action with respect to any default thereunder, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

Neither the Issuer nor the Borrower shall be liable for an acceleration of the Bonds or payment of additional interest thereon in the event that interest on the Bonds is declared or becomes includable in gross income for federal income tax purposes.

Modifications or alterations of the Indenture or of any indenture supplemental thereto may be made only to the extent and in the circumstances permitted by the Indenture.

This Bond is transferable by the Holder hereof in person or by his attorney duly authorized in writing at the principal corporate trust office of the Trustee, but only in the manner and subject to the limitations provided in the Indenture upon payment of any tax, fee or other governmental charge required to be paid with respect to such transfer, and upon surrender and cancellation of this Bond. Upon such

transfer a new registered Bond or bonds of the same maturity and interest rate and of authorized denomination or denominations for the same aggregate principal amount will be issued to the transferee in exchange therefor.

The Issuer and the Trustee may deem and treat the registered owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes and neither the Issuer nor the Trustee shall be affected by any notice to the contrary.

Subject to the limitations of the Indenture and upon payment of any tax, fee or other governmental charge required to be paid with respect to such exchange, Bonds may be exchanged for a like aggregate principal amount of Bonds of the same maturity and interest rate.

The principal hereof may be declared or may become due on the conditions and in the manner and at the time set forth in the Indenture upon the occurrence of an event of default as provided in the Indenture.

No recourse shall be had for the payment of the principal of, premium, if any, or interest on this Bond, or for any claim based hereon, or otherwise in respect hereof, or based on or in respect of the Indenture or any indenture supplemental thereto, against any trustee, officer or employee, as such, past, present or future, of the Issuer or any successor, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability being, by the acceptance hereof and as part of the consideration for the issue hereof, expressly waived and released. 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:

UNIF GIFT MIN ACT --

(Cust) Custodian (Minor)
Under Uniform Gift to Minors
Act _____
(State)

TEN COM -- as tenants in common

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.

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

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Issuer has caused this Bond to be executed in its name by the manual or facsimile signature of an authorized officer and its corporate seal to be hereunto impressed or imprinted hereon and attested to by the manual or facsimile signature of an authorized officer of the Issuer, all as of the Dated Date identified above.

CITY OF CHICAGO, ILLINOIS

By: _____
Name: Brandon Johnson
Title: Mayor

Attest:

By: _____
Name: Andrea M. Valencia
Title: City Clerk

FORM OF CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the Indenture referred to in this Bond.

**ZIONS BANCORPORATION, NATIONAL
ASSOCIATION, as Trustee**

By: _____
Authorized Signature

Date of Authentication: _____, 2025

Date from which interest is payable: Dated Date

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the issuer or its agent for registration or transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is required by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as if required by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto

(Please Print or Type Name and Address of Assignee)

Social Security or Taxpayer Identification Number: _____

The within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

Attorney to transfer the said Bond on the books of the within-named Issuer maintained by the Trustee for the registration thereof, with full power of substitution in the premises.

Notice: The signature to this assignment must correspond with the name as it appears on the face of the within note in every particular, without alteration or enlargement or any change whatever. The signature must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

Signature guaranteed by:

[Bank, Trust Company or Firm]

Authorized Signature

(Signature(s) must be guaranteed by a broker or other financial institution which is a participant in the Securities Transfer Agent's Medallion Program (STAMP, SEMP, MSP)).

EXHIBIT B

LEGAL DESCRIPTION OF PROJECT SITE

Legal Description:

PARCEL 1A:

THE WEST 10 FEET OF LOT 1 AND ALL OF LOTS 2 TO 8 IN SUBDIVISION OF BLOCK 97 IN SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, TAKEN AS A TRACT, LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF +27.48 FEET ABOVE CHICAGO CITY DATUM AND LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF +13.53 FEET ABOVE CHICAGO CITY DATUM AND LYING WITHIN ITS HORIZONTAL BOUNDARY PROJECTED VERTICALLY AND DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHEAST CORNER OF SAID TRACT; THENCE NORTH 00 DEGREES 04 MINUTES 44 SECONDS WEST, ALONG THE EAST LINE THEREOF, 103.35 FEET TO THE POINT OF BEGINNING; THENCE NORTH 89 DEGREES 47 MINUTES 01 SECONDS WEST, 16.40 FEET; THENCE NORTH 00 DEGREES 12 MINUTES 59 SECONDS EAST, 3.34 FEET; THENCE NORTH 89 DEGREES 47 MINUTES 01 SECONDS WEST, 15.94 FEET; THENCE NORTH 00 DEGREES 01 MINUTES 27 SECONDS EAST, 24.85 FEET; THENCE NORTH 89 DEGREES 47 MINUTES 01 SECONDS WEST, 10.11 FEET; THENCE NORTH 00 DEGREES 12 MINUTES 59 SECONDS EAST, 0.62 FEET; THENCE NORTH 89 DEGREES 47 MINUTES 01 SECONDS WEST, 6.97 FEET; THENCE SOUTH 00 DEGREES 14 MINUTES 16 SECONDS WEST, 42.26 FEET; THENCE SOUTH 89 DEGREES 45 MINUTES 44 SECONDS EAST, 49.58 FEET TO THE EAST LINE OF SAID TRACT; THENCE NORTH 00 DEGREES 04 MINUTES 44 SECONDS WEST, 13.47 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

CONTAINING 1,207 SQ. FT.

PARCEL 3:

THE WEST 10 FEET OF LOT 1 AND ALL OF LOTS 2 TO 8 IN SUBDIVISION OF BLOCK 97 IN SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, TAKEN AS A TRACT, LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF +176.68 FEET ABOVE CHICAGO CITY DATUM AND LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF +27.48 FEET ABOVE CHICAGO CITY DATUM AND LYING WITHIN ITS HORIZONTAL BOUNDARY PROJECTED VERTICALLY AND DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHEAST CORNER OF SAID TRACT; THENCE NORTH 00 DEGREES 04 MINUTES 44 SECONDS WEST, ALONG THE EAST LINE THEREOF, 165.84 FEET TO THE NORTHEAST CORNER OF SAID TRACT; THENCE NORTH 89 DEGREES 45 MINUTES 44 SECONDS WEST, ALONG THE NORTH LINE THEREOF, 32.08 FEET; THENCE SOUTH 00 DEGREES 14 MINUTES 16 SECONDS WEST, 34.32 FEET TO THE POINT OF BEGINNING; THENCE NORTH 89 DEGREES 47 MINUTES 01 SECONDS WEST, 10.11 FEET; THENCE SOUTH 00 DEGREES 01 MINUTES 27 SECONDS WEST, 22.52 FEET; THENCE SOUTH 89 DEGREES 47 MINUTES 01 SECONDS

EAST, 10.11 FEET; THENCE NORTH 00 DEGREES 01 MINUTES 27 SECONDS EAST, 22.52 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

CONTAINING 228 SQ. FT. PER FLOOR.

PARCEL 4A:

THE WEST 10 FEET OF LOT 1 AND ALL OF LOTS 2 TO 8 IN SUBDIVISION OF BLOCK 97 IN SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF +239.12 FEET ABOVE CHICAGO CITY DATUM AND LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF +176.68 FEET ABOVE CHICAGO CITY DATUM,

(EXCEPT THAT PART THEREOF DESCRIBED AS FOLLOWS:

NH PARCEL 2:

THE WEST 10 FEET OF LOT 1 AND ALL OF LOTS 2 TO 8 IN SUBDIVISION OF BLOCK 97 IN SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, TAKEN AS A TRACT, LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF +239.12 FEET ABOVE CHICAGO CITY DATUM AND LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF +27.48 FEET ABOVE CHICAGO CITY DATUM AND LYING WITHIN ITS HORIZONTAL BOUNDARY PROJECTED VERTICALLY AND DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHEAST CORNER OF SAID TRACT; THENCE NORTH 00 DEGREES 04 MINUTES 44 SECONDS WEST, ALONG THE EAST LINE THEREOF, 165.84 FEET TO THE NORTHEAST CORNER OF SAID TRACT; THENCE NORTH 89 DEGREES 45 MINUTES 44 SECONDS WEST, ALONG THE NORTH LINE THEREOF, 56.20 FEET; THENCE SOUTH 00 DEGREES 14 MINUTES 16 SECONDS WEST, 34.37 FEET TO THE POINT OF BEGINNING; THENCE NORTH 89 DEGREES 47 MINUTES 01 SECONDS WEST, 8.82 FEET; THENCE SOUTH 00 DEGREES 12 MINUTES 59 SECONDS WEST, 22.52 FEET; THENCE SOUTH 89 DEGREES 47 MINUTES 01 SECONDS EAST, 8.82 FEET; THENCE NORTH 00 DEGREES 12 MINUTES 59 SECONDS EAST, 22.52 FEET TO THE POINT OF BEGINNING),

IN COOK COUNTY, ILLINOIS.

CONTAINING 53,501 SQ. FT. PER FLOOR.

Ordinance Exhibit C
Form of Loan Agreement

[See Attached]

LOAN AGREEMENT

By and Among

CITY OF CHICAGO
as Issuer

and

208 LASALLE AFFORDABLE LP,
as Borrower

And

ZIONS BANCORPORATION, NATIONAL ASSOCIATION,
as Trustee

Dated as of _____ 1, 2025

Relating to:

\$ _____
Multifamily Housing Revenue Bonds
(208 S. LaSalle Project), Series 2025

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LOAN AGREEMENT

THIS LOAN AGREEMENT (the “**Agreement**”) dated as of _____ 1, 2025, by and among 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**”), 208 LASALLE AFFORDABLE LP, an Illinois limited partnership (the “**Borrower**”) and ZIONS BANCORPORATION, NATIONAL ASSOCIATION, as trustee (the “**Trustee**” or “**Trustee**”) under that certain Indenture dated as of _____ 1, 2025, from the Issuer to the Trustee securing the Bonds described below (the “**Indenture**”).

WITNESSETH:

WHEREAS, as a home rule unit of local government and pursuant to the Constitution of the State of Illinois, the Issuer is authorized to issue its revenue Bonds and bonds in order to aid in providing an adequate supply of residential housing for low- and moderate-income persons or families within the City of Chicago, which constitutes a valid public purpose for the issuance of revenue Bonds and bonds by the Issuer; and

WHEREAS, the Issuer has determined to issue, sell and deliver its \$_____ Multifamily Housing Revenue Bonds (208 S. LaSalle Project), Series 2025 (the “**Bonds**”) pursuant to the Indenture, from the Issuer to the Trustee, and to lend the proceeds thereof to the Borrower for the purpose of financing the (i) acquisition and adaptive reuse of a subdivided portion of a 21-story building located on a portion of the ground floor and portions of floors thirteen through sixteen thereof, [including an allocable portion of the real estate acquisition costs thereof] located at 208 S. LaSalle Street, Chicago, Illinois (the “**Project Site**”) and the (ii) rehabilitation on the Project Site of a residential rental project consisting of 51 housing units (consisting of a mix of 21 studio units, 21 one-bedroom units and 9 two-bedroom units (the “**Units**”), of which 100% will be affordable for households earning no more than 80 percent of the area median income, and at least 40% of which units are expected to be leased to individuals or families whose annual income does not exceed 60% of area median income, as well as an allocable portion of residential amenities for the tenants thereof (the “**Facility**” and collectively with the acquisition of the Project Site, the “**Project**”) to be known as 208 S. LaSalle Apartments; and

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

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

WHEREAS, the Issuer will pledge and assign the Promissory Note and this Loan Agreement to the Trustee for the benefit of the Holders under the Assignment (contained in the Indenture);

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

ARTICLE I DEFINITIONS

Section 1.01 Definitions. Terms used in this Loan Agreement and defined in the Indenture shall have the meanings given to such terms in the Indenture.

Section 1.02 Interpretation. 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. References to Articles, Sections and other subdivisions of this Loan Agreement are to the Articles, Sections and other subdivisions of this Loan Agreement as originally executed. The headings of this Loan Agreement are for convenience and shall not define or limit the provisions hereof.

ARTICLE II REPRESENTATIONS AND WARRANTIES

Section 2.01 Representations and Warranties of Issuer. The Issuer represents and warrants that:

(a) The Issuer is a municipal corporation and home rule unit of local government duly organized and validly existing under the Constitution and laws of the State of Illinois. Under the Constitution and laws of the State of Illinois, the Issuer has the power to enter into the transaction contemplated by this Loan Agreement, the Indenture, the Bonds, the Land Use Restriction Agreement and the Tax Certificate (collectively, the “**Issuer Documents**”), and to carry out its obligations hereunder and thereunder, including the full right, power and authority to pledge and assign this Loan Agreement and the Promissory Note to the Trustee as provided herein. By proper action of the City Council of the Issuer, the Issuer has been duly authorized to execute and deliver the Issuer Documents.

(b) The Issuer is issuing the Bonds for the purpose of financing a portion of the Project Costs.

(c) The Bonds are to be issued under home rule powers of the Issuer under the Constitution of the State of Illinois and secured by the Indenture, pursuant to which the right, title and interest of the Issuer in, to and with respect to this Loan Agreement, the Promissory Note and all documents to be executed by the Borrower in connection with the Bonds (other than with respect to the Issuer Reserved Rights) will be assigned and pledged to the Trustee as security for payment of the principal of and interest on the Bonds as provided in the Indenture.

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

(e) To the knowledge of the undersigned representatives of the Issuer, neither the execution and delivery of the Bonds, this Loan Agreement, the Land Use Restriction Agreement, the Tax Certificate or the Indenture, the consummation of the transactions contemplated hereby and thereby, nor the fulfillment of or compliance with the terms, conditions or provisions of the Bonds, this Loan Agreement, the Land Use Restriction Agreement or the Indenture conflict with or result in a material breach of any of the terms, conditions or provisions of any agreement, instrument, judgment, order, or decree to which the Issuer is now a party or by which it is bound, or constitute a material default under any of the foregoing.

(f) The Project is located entirely within the corporate boundaries of the City of Chicago, Illinois.

(g) To the knowledge of the undersigned representatives of the Issuer, there is no action, suit, proceeding or investigation pending or threatened against the Issuer which seeks to restrain or enjoin the issuance or delivery of the Bonds, or the execution and delivery of this Loan Agreement or any other Issuer Documents, or which in any way contests or affects any authority for the issuance or delivery of the Bonds, or the execution and delivery of this Loan Agreement or any other Issuer Documents, or the validity of the Bonds, this Loan Agreement, or in any way contests the corporate existence or powers of the Issuer, or in any way affects the exclusion from gross income for federal income tax purposes of interest on the Bonds.

THE ISSUER MAKES NO REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE CREDITWORTHINESS OR THE ABILITY OF THE BORROWER TO MAKE THE PAYMENTS DUE UNDER THIS LOAN AGREEMENT OR THE PROMISSORY NOTE AND DOES NOT REPRESENT OR WARRANT AS TO ANY OF THE STATEMENTS, MATERIALS (FINANCIAL OR OTHERWISE), REPRESENTATIONS OR CERTIFICATIONS FURNISHED OR TO BE MADE AND FURNISHED BY THE BORROWER IN CONNECTION WITH THE ISSUANCE, SALE, EXECUTION AND DELIVERY OF THE BONDS, OR AS TO THE CORRECTNESS, COMPLETENESS OR ACCURACY OF SUCH STATEMENTS.

Section 2.02 Representations and Warranties of Borrower. The Borrower represents and warrants that:

(a) The Borrower is a limited partnership, duly organized, validly existing and in good standing under the laws of the State of Illinois. 208 LaSalle AH GP, LLC, an Illinois limited liability company is the general partner of the Borrower (the "**General Partner**"). The sole member and Manager of the General Partner is 208 LaSalle, LLC (the "**Manager**"), is a limited liability company duly organized and validly existing and in good standing under the laws of the State of Illinois.

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

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

(d) The Borrower will use and operate the Project in a manner consistent with the Act and in accordance with the Land Use Restriction Agreement for as long as required by the Act and the Code and knows of no reason why the Project will not be so operated. If, in the future, there is a cessation of that operation, it will use its best efforts to resume that operation or accomplish an alternate use by the Borrower or others approved by the Issuer which will be consistent with the Act, the Code and the Land Use Restriction Agreement.

(e) The Project will be completed in accordance with the Plans and Specifications and the portion of the Project funded with the proceeds of the Bonds will constitute a qualified residential rental project within the meaning of Section 142(d) of the Code and will be operated and maintained in such manner as to conform in all material respects with all applicable zoning, planning, building, environmental and other applicable Governmental regulations and as to be consistent with the Act.

(f) The Project will be located entirely within the jurisdiction of the Issuer.

(g) The Borrower has obtained or will obtain all consents, approvals, permits, authorizations and orders of any governmental or regulatory agency that are required to be obtained by the Borrower as a condition precedent to the issuance of the Bonds, the execution and delivery of the Borrower Documents or the performance by the Borrower of its obligations thereunder, or that were or are required for the acquisition, rehabilitation, equipping and/or operation of the Project.

(h) No litigation at law or in equity or proceeding before any governmental agency involving the Borrower is pending or, to the best of its knowledge, threatened in which any liability of the Borrower is not adequately covered by insurance or in which any judgment or order would have a material adverse effect upon the business or assets of the Borrower or that would affect its existence or authority to do business, the acquisition, rehabilitation, equipping or operation of the Project, the validity of any Borrower Documents or the performance of its obligations thereunder.

(i) The Borrower is not in default in the payment of the principal of or interest on any of its indebtedness for borrowed money and is not in material default under any instrument under and subject to which any indebtedness has been incurred, and no event has occurred and is continuing that, under the provisions of any such agreement, with the lapse of time or the giving of notice, or both, would constitute an event of default by the Borrower thereunder.

(j) The Borrower is not in default under or in violation of, and the execution, delivery and compliance by the Borrower with the terms and conditions of the Borrower Documents do not and will not conflict with or constitute or result in a default by the Borrower in any material respect under or violate, (i) the Borrower's Organizational Documents, (ii) any agreement or other instrument to which the Borrower is a party or by which it or its assets are bound, or (iii) to the best of its knowledge, any constitutional or statutory provision or order, rule, regulation, decree or ordinance of any court, government or governmental authority having jurisdiction over the Borrower or its property, and to the best of the Borrower's knowledge, no event has occurred and is continuing which, with the lapse of time or the giving of notice, or both, would constitute or result in such a default or violation.

(k) The Borrower has received and reviewed a copy of the Indenture and approves the terms and conditions thereof and agrees to the terms thereof.

(l) The Borrower has filed or caused to be filed all of its federal, state and local tax returns that are required to be filed or has obtained appropriate extensions therefor, 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.

(m) Neither the Borrower nor any related Person thereto shall acquire any Bonds in any amount.

(n) The Borrower acknowledges, represents and warrants that it understands the nature and structure of the transactions relating to the financing of the Project; that it is familiar with the provisions of all of the documents and instruments relating to such financing to which it or the Issuer is a party or of

which it is a beneficiary; that it understands the risks inherent in such transactions, including, without limitation, the risk of loss of the Project; and that it has not relied on the Issuer or its counsel for any guidance or expertise in analyzing the financial or other consequences of the transactions contemplated by this Loan Agreement and the Indenture or otherwise relied on the Issuer or its counsel in any manner.

(o) The Project is, as of the Closing Date, in compliance with all applicable requirements of the Land Use Restriction Agreement and the Tax Certificate, including all applicable requirements of the Code. The Borrower intends to cause the residential units in the Project to be rented or available for rental on a basis which satisfies the requirements of the Land Use Restriction Agreement and the Tax Certificate, including all applicable requirements of the Code. All future leases will comply with all applicable laws, the Land Use Restriction Agreement and the Tax Certificate. The Project currently meets the requirements of this Loan Agreement, the Land Use Restriction Agreement, the Tax Certificate, and the Code with respect to multifamily rental housing.

(p) The proceeds of the Bonds shall be used or deemed used exclusively to pay costs that (i) are (A) capital expenditures (as defined in Section 1.150-1(a) of the Code's regulations) and (B) not made for the acquisition of existing property, to the extent prohibited in Section 147(d) of the Code; (ii) are made exclusively with respect to a "qualified residential rental project" within the meaning of Section 142(d) of the Code and that for the greatest number of buildings the proceeds of the Bonds shall be deemed allocated on a pro rata basis to each building in the Project and the land on which it is located so that each building and the land on which it is located will have been financed fifty percent (50%) or more by the proceeds of the Bonds for the purpose of complying with Section 42(h)(4)(B) of the Code, and the Borrower further covenants that it will not exercise any option to redeem the Bonds under the Indenture except upon the express written consent of the investor limited partner of the Borrower; provided, however, the foregoing representation, covenant and warranty is made for the benefit of the Borrower and its partners and neither the Trustee nor the Issuer shall have any obligation to enforce this covenant nor shall they incur any liability to any Person, including without limitation, the Borrower, the partners of the Borrower, any other affiliate of the Borrower or the holders of the Bonds for any failure to meet the intent expressed in the foregoing representation, covenant and warranty; and provided further, failure to comply with this representation, covenant and warranty shall not constitute a default or "Event of Default" under this Loan Agreement or the Indenture; and (iii) are costs related to the issuance of the Bonds.

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

The Borrower acknowledges that the representations and covenants herein made by the Borrower have been expressly and specifically relied upon by the Issuer in determining to make the Loan to the Borrower and the Loan would not have been made but for such representations and covenants. All material information provided by the Borrower to the Issuer concerning the Project and the Borrower was and is on the date of execution of this Loan Agreement true and correct

Section 2.03 Borrower's Representations Regarding Bonds and Project. With respect to the use of proceeds of the Bonds and the operation of the Project, the Borrower represents as follows and the Issuer relies upon such representations in executing this Loan Agreement:

(a) The estimated cost of acquiring and constructing the Project, inclusive of financing costs, is in excess of \$ _____ .00.

(b) At least 95% of the net proceeds of the Bonds will be used to finance Qualified Project Costs which constitute a "qualified residential rental project" within the meaning of Section 142(d) of the Code and such costs will have been paid with respect to work performed or materials purchased.

(c) The average maturity of the Bonds does not exceed 120% of the average reasonably expected economic life of the Project determined in accordance with Section 147(b) of the Code.

(d) Neither the Borrower nor any "related person" (within the meaning of the Code) will acquire, pursuant to any arrangement, formal or informal, any of the Bonds in an amount related to the principal amount of the Bonds.

(e) Less than 25% of the net proceeds of the Bonds will be used for the acquisition of the land on which the Project is located.

(f) None of the proceeds of the Bonds will be used to provide any airplane, skybox or other private luxury box, health club facility, any facility primarily used for gambling, or any store the principal business of which is the sale of alcoholic beverages for consumption off premises, and none of the proceeds of the Bonds will be used for the acquisition of land to be used for farming or industrial park purposes.

(g) Until payment in full of all of the Bonds, unless the Investor Limited Partner and the Trustee shall otherwise consent in writing, it will not incur, create, assume or suffer to exist any mortgage, pledge, security interest, lien, charge or other encumbrance of any nature on the Project or the Trust Estate (as defined in the Indenture) other than (i) any liens, taxes or other governmental charges which are not yet due and payable, (ii) any pledge relating to syndication of ownership interests in the Project, (iii) any lien, including, but without limiting the generality of the foregoing, mechanics' liens, or other liens resulting from a good-faith dispute on the part of the Borrower, which dispute the Borrower agrees to resolve diligently, (iv) the Borrower Documents, (v) other liens or encumbrances contemplated by the approving ordinance adopted by the Issuer in connection with the issuance of the Bonds, and (vi) such other pledges as may be approved in writing by the Investor Limited Partner and the Trustee.

(h) The Indenture has been submitted to the Borrower for its examination, and the Borrower acknowledges, by execution of this Loan Agreement, that it has reviewed and approved the Indenture.

(i) Borrower has not taken, or permitted to be taken on its behalf, and agrees that it will not take, or permit to be taken on its behalf, any action which would adversely affect the exclusion from gross income for federal income tax purposes of the interest paid on the Bonds, and that it will make and take, or require to be made and taken, such acts and filings as may from time to time, be required under the Code to maintain the exclusion from gross income for federal income tax purposes of the interest on the Bonds, including maintaining continuous compliance with the requirements of Section 142 of the Code.

(j) If the Borrower becomes aware of any situation, event or condition which would result in the interest of the Bonds becoming includable in gross income for federal income tax purposes, the Borrower shall promptly give written notice thereof to the Issuer, the Investor Limited Partner and the Trustee.

ARTICLE III PLAN OF FINANCING

Section 3.01 Issuance of Bonds; Application of Proceeds

To provide funds to finance the Loan for purposes of assisting the Borrower in paying Project Costs, the Issuer shall simultaneously with the execution and delivery hereof proceed with the issuance and delivery of the Bonds upon receipt by the Trustee of the items listed in Section 2.13 of the Indenture. The Issuer agrees to deposit the proceeds of sale of the Bonds in accordance with the Indenture.

The Bonds will be issued pursuant to the Indenture in the aggregate principal amount, will bear interest, will mature and will be subject to redemption, mandatory tender and remarketing as set forth therein. The Borrower hereby approves the terms and conditions of the Indenture and the Bonds, and the terms and conditions under which the Bonds will be issued, sold and delivered and will comply with those provisions of the Indenture that contemplate action by the Borrower, all as if the Borrower were a party to the Indenture.

Pending disbursement pursuant to Section 3.06 hereof, the proceeds of the Bonds deposited in the Project Fund, together with any investment earnings thereon, shall constitute a part of the Revenues assigned by the Issuer to the Trustee as security for the payment of Bond Service Charges as provided in the Indenture.

Section 3.02 The Loan. The Issuer agrees, upon the terms and conditions herein, to make the Loan to the Borrower with the proceeds received by the Issuer from the sale of the Bonds by causing such proceeds to be deposited with the Trustee for disposition as provided in the Indenture. The obligation of the Issuer to finance the Loan shall be deemed fully discharged upon the deposit of the proceeds of the Bonds with the Trustee. The Loan shall be evidenced by the Note payable to the Trustee.

Section 3.03 Mortgage Loan to Borrower; GNMA Certificates

To provide and secure funds for the repayment of the Loan, and to provide for the delivery of the Eligible Funds, the Borrower shall simultaneously with the execution and delivery hereof, proceed with obtaining the Mortgage Loan from the Lender and entering into the Disbursement Agreement. In particular, the Borrower will promptly take all necessary actions on its part to close the Mortgage Loan and satisfy all other terms and conditions of the FHA Commitment and the requirements of the Lender.

The Borrower represents that the Mortgage Loan is to be insured by FHA pursuant to and in accordance with the provisions of Section [221(d)(4)] of the National Housing Act and applicable regulations thereunder, and that the Mortgage Loan will be in the maximum original principal amount of \$_____.00. The Mortgage Loan will be secured on a non-recourse basis pursuant to the Mortgage Loan Documents.

In connection with the Mortgage Loan, the Borrower shall execute and deliver such documents as may be customarily utilized for insured mortgage loans under the provisions of Section [221(d)(4)] of the National Housing Act and applicable regulations thereunder, with such omissions, insertions and variations as may be permitted by such regulations and as may be consistent with the terms and provisions of this Loan Agreement.

Section 3.04 Acquisition and Construction

The Borrower (a) shall acquire and construct the Project with all reasonable dispatch and in accordance with the Plans and Specifications, (b) shall pay when due all fees, costs and expenses incurred in connection with that acquisition and construction from funds made available therefor in accordance with this Loan Agreement or otherwise, except to the extent being contested in good faith, and (c) shall ask for, demand, sue for, levy, recover and receive all those sums of money, debts and other demands whatsoever which may be due, owing and payable under the terms of any contract, order, receipt, writing and instruction in connection with the acquisition and construction of the Project, and shall enforce the provisions of any contract, agreement, obligation, bond or other performance security with respect thereto. It is understood that the Project is that of the Borrower and any contracts made by the Borrower with respect thereto, whether acquisition contracts, construction contracts or otherwise, or any work to be done by the Borrower on the Project are made or done by the Borrower in its own behalf and not as agent or contractor for the Issuer. The Borrower agrees that it will compensate all workers employed in the acquisition and construction of the Project as required by law.

Section 3.05 Plans and Specifications

The written Plans and Specifications will be delivered to the Trustee upon request; provided that the Trustee shall have no duty to review such Plans and Specifications. The Borrower may revise the Plans and Specifications from time to time, provided that no revision shall be made which would change the purpose of the Project to other than purposes permitted by the Act and the Land Use Restriction Agreement.

Section 3.06 Disbursements from the Project Fund

Subject to the provisions below and so long as no Event of Default hereunder has occurred and is continuing for which the principal amount of the Bonds has been declared to be immediately due and payable pursuant to Section 8.02 hereof and Section 6.03 of the Indenture, and no Determination of Taxability has occurred, disbursements from the Project Fund shall be made only to pay Costs of the Project.

Any disbursements from the Project Fund for the payment of Costs of the Project shall be made by the Trustee only upon the receipt by the Trustee of: (a) a requisition in the form attached hereto as **Exhibit B**, signed by an Authorized Borrower Representative; and (b) Eligible Funds in an amount at least equal to the amount of any such requisition for deposit in the Collateral Fund as provided in Section 4.02 hereof and in accordance with Section 4.06 of the Indenture. The Borrower hereby acknowledges and agrees that it shall submit requisitions to the Trustee no more frequently than once each calendar month. Each such requisition shall be consecutively numbered and, if such requisition requests amounts corresponding to an advance of Lender Funds, accompanied by a copy of the approval of FHA or the Lender for FHA Insurance of the payments or reimbursements requested, for the portion of such requisition requiring such approval. The Trustee shall not be responsible for verifying such approval has been obtained.

Any money in the Project Fund remaining after the Completion Date and payment, or provision for payment, in full of the Costs of the Project, at the written direction of the Authorized Borrower Representative, promptly shall be paid into the Bond Fund for payment of Bond Service Charges or released to the Borrower (or, if the Mortgage Loan shall have been assigned to FHA in connection with a mortgage insurance claim, released to the Lender), provided the Borrower obtains an opinion of Bond Counsel addressed to the Trustee that such deposit or release will not adversely affect the Federal Tax Status of the Bonds.

Notwithstanding any provision of this Loan Agreement or any provision of the Indenture to the contrary, the Trustee shall not disburse funds from the Project Fund unless and until the Trustee confirms

that Eligible Funds in the Collateral Fund plus Eligible Funds in the Project Fund, less the amount of the requested disbursement from the Project Fund, is at least equal to the then-outstanding principal amount of the Bonds.

Section 3.07 Duties and Obligations of the Borrower

Borrower accepts the duties and obligations under the Indenture.

Section 3.08 Borrower Required to Pay Costs in Event Project Fund Insufficient

If money in the Project Fund is not sufficient to pay all Costs of the Project, the Borrower, nonetheless, will complete the Project in accordance with the Plans and Specifications and shall pay all such additional Costs of the Project from its own funds and other available funds. The Borrower shall pay all Costs of Issuance of the Bonds in excess of the amounts deposited in the Costs of Issuance Fund. The Borrower shall not be entitled to any reimbursement for any such additional Costs of the Project or payment of Costs of Issuance from the Issuer, the Trustee or any Holder; nor shall it be entitled to any abatement, diminution or postponement of any Loan Payments or other amounts to be paid under this Loan Agreement.

Section 3.09 Completion Date

The Borrower shall notify the Issuer and the Trustee of the Completion Date by the delivery of a Completion Certificate signed by the Authorized Borrower Representative substantially in the form of **Exhibit C** attached hereto. The Completion Certificate shall be delivered as promptly as practicable after the occurrence of the events and conditions referred to in paragraphs (a) and (b) of the Completion Certificate.

Section 3.10 Remarketing of Bonds

The Borrower is hereby granted the right to (a) give written notice of a remarketing of the Bonds in the manner and to the extent set forth in Section 3.07 of the Indenture and (ii) designate, in writing, the length of the Remarketing Period and the related Mandatory Tender Date in the manner and to the extent set forth in Sections 3.05 and 3.07 of the Indenture.

Section 3.11 Investment of Fund Money

At the written request of the Authorized Borrower Representative, any money held as part of the Special Funds and the Rebate Fund shall be invested or reinvested by the Trustee in Eligible Investments as provided in the Indenture. The Issuer (to the extent within its control) and the Borrower each hereby covenants that it will restrict that investment and reinvestment and the use of the proceeds of the Bonds, and moneys on deposit in or credited to the Collateral Fund and the Negative Arbitrage Account of the Bond Fund, in such manner and to such extent, if any, as may be necessary, after taking into account reasonable expectations at the time of delivery of and payment for the Bonds or subsequent intentional acts, so that the Bonds will not constitute arbitrage bonds under Section 148 of the Code. No provision of this Loan Agreement shall be construed to impose upon the Trustee any obligation or responsibility for compliance with arbitrage regulations.

The Borrower shall provide the Issuer with, and the Issuer may base its certifications as authorized by the Tax Certificate on, a certificate of an Authorized Borrower Representative for inclusion in the transcript of proceedings for the Bonds, setting forth the reasonable expectations of the Borrower on the date of delivery of and payment for the Bonds regarding the amount and use of the proceeds of the Bonds and the facts, estimates and circumstances on which those expectations are based.

Section 3.12 Rebate Calculations and Payments

The Borrower shall appoint a Rebate Analyst, the expense of which shall be borne by the Borrower.

The Issuer has covenanted in the Indenture to take any and all actions necessary to assure compliance with Section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Bonds. In furtherance of this covenant, the Borrower, on behalf of the Issuer, hereby covenants (i) within sixty (60) days of the payment in full of the Bonds, to calculate, or cause to be calculated, and provide to the Trustee and the Issuer such calculations in writing, with such written directions as are necessary to fully comply with the arbitrage and rebate requirements set forth in the Indenture and comply fully with Section 148 of the Code, including the timely payment of any Rebatable Arbitrage owed; and (ii) to deposit into the Rebate Fund to pay to the federal government any "Rebatable Arbitrage," to the extent required by Section 148(f) of the Code. The Borrower further agrees to comply with the provisions and requirements of Section 4.09 of the Indenture relating to the obligation to pay to the Trustee, for deposit into the Rebate Fund established under the Indenture, the "Rebatable Arbitrage" as required thereunder and under Section 148 of the Code.

If the amount then on deposit in the Rebate Fund created under the Indenture is less than the Rebatable Arbitrage (taking into account the amount or amounts, if any, previously paid to the United States), the Borrower shall, within 30 days after the date of the aforesaid calculation, deposit or cause to be deposited to the credit of the Rebate Fund an amount sufficient to cause the Rebate Fund to contain an amount equal to the Rebatable Arbitrage. The obligation of the Borrower to make or cause to be made such payments shall remain in effect and be binding upon the Borrower, notwithstanding the release and discharge of the Indenture or the termination of this Loan Agreement, for so long as may be required to maintain the Federal Tax Status of the Bonds in accordance with applicable law. The Borrower shall obtain such records of the computations made pursuant to this Section as are required under Section 148(f) of the Code and shall retain such records for at least six (6) years after the maturity or retirement of the Bonds.

The Borrower further covenants that, during the term of the Bonds, in the event the Borrower sells or otherwise disposes of the Project, it will require that the transferee execute a covenant similar to that in this Section in the sale or other documents concerning the disposition and will require such transferee to include such a covenant in future transfer documents. The special covenants of the Borrower in this Section shall survive the defeasance or payment in full of the Bonds and the termination of this Loan Agreement and the Indenture, notwithstanding any other provision of this Loan Agreement, until the requirement for payment of any Rebatable Arbitrage has been fully satisfied.

The obligations of the Borrower under this Section shall survive the termination of this Loan Agreement and the Indenture and the payment and performance of all of the other obligations of the Borrower hereunder and under the other Borrower Documents for so long as may be required to maintain the Federal Tax Status of the Bonds in accordance with applicable law, or until the Borrower has transferred the Project to an unrelated entity with the prior written consent of the Issuer, which transferee assumes the obligations of the Borrower pursuant to this Section.

ARTICLE IV

LOAN PAYMENTS; ELIGIBLE FUNDS AND ADDITIONAL PAYMENTS

Section 4.01 Loan Repayment; Delivery of Note. In consideration of and in repayment of the Loan, the Borrower shall deliver or cause to be delivered to the Trustee on or before each Bond Payment Date, a Loan Payment in an amount equal to the amount necessary to pay Bond Service Charges due on such Bond Payment Date. All such Loan Payments shall be paid to the Trustee in accordance with the

terms of the Note for the account of the Issuer and shall be held and disbursed in accordance with the provisions of the Indenture and this Loan Agreement.

The Borrower shall be entitled to a credit against the Loan Payments required to be made with respect to the Bonds on any date equal to the available money in the Bond Fund or money transferred thereto from the Collateral Fund or the Project Fund for the payment of Bond Service Charges on that date.

To secure the Borrower's performance of its obligations under this Loan Agreement, the Borrower shall execute and deliver, concurrently with the issuance and delivery of the Bonds, the Note and the Land Use Restriction Agreement.

The Note shall secure equally and ratably all Outstanding Bonds, except that, so long as no Event of Default has occurred and is continuing hereunder, payments by the Borrower on the Note shall be used by the Trustee to make a like payment of Bond Service Charges and shall constitute Loan Payments.

Upon payment in full, in accordance with the Indenture, of the Bond Service Charges on any or all Bonds, whether at maturity or otherwise, or upon provision for the payment thereof having been made in accordance with the provisions of the Indenture, (a) the Note shall be deemed fully paid, the obligations of the Borrower thereunder shall be terminated, and the Note shall be surrendered by the Trustee to the Borrower, and shall be canceled by the Borrower, or (b) an appropriate notation shall be endorsed thereon evidencing the date and amount of the principal payment (or prepayment) equal to the Bonds so paid, or with respect to which provision for payment has been made, and that Note shall be surrendered by the Trustee to the Borrower for cancellation if all Bonds shall have been paid (or provision made therefor) and canceled as aforesaid. Unless the Borrower is entitled to a credit under express terms of this Loan Agreement or the Note, all payments on the Note shall be in the full amount required thereunder.

Section 4.02 Eligible Funds

In consideration of and as a condition to the disbursement of Bond proceeds in the Project Fund to pay Project Costs, and to secure the Borrower's obligation to make Loan Payments, the Borrower shall provide written direction to the Lender to deliver or cause to be delivered to the Trustee the Lender Funds portion of the Eligible Funds, or shall otherwise cause to be delivered to the Trustee, Eligible Funds from any other source, equal to the amount of the proposed disbursement. The Trustee shall not deposit such funds into the Collateral Fund unless it is prepared to disburse, on the same business day if such Eligible Funds are received prior to 10 AM, and otherwise within one Business Day, an equal amount of funds from the Project Fund. All such Eligible Funds shall be paid to the Trustee for the account of the Issuer and shall be held in the Collateral Fund and disbursed in accordance with the provisions of the Indenture. Upon deposit of such Eligible Funds into the Collateral Fund, the Trustee shall be unconditionally and irrevocably obligated to disburse an equal amount from the Project Fund to the party depositing the related Eligible Funds. As provided in the Indenture, these amounts will be advanced by such party to the Borrower for the purpose of financing either Costs of the Project or Bond Service Charges.

The Borrower hereby covenants and agrees to repay the Loan on or before any date that any payment of interest or principal is required to be made in respect of the Bonds pursuant to the Indenture, until the principal of and interest on the Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with the Indenture, in cash or cash equivalents, a sum which, together with any other moneys available for such payment in any account of the Bond Payment Fund, will enable the Trustee to pay the amount payable on such date as principal of (whether at maturity or acceleration or otherwise) and interest on the Bonds as provided in the Indenture. Payments by the Trustee of principal and interest on the Bonds from amounts in the Bond Payment Fund and funds deposited in the Collateral Fund under the Indenture shall be credited against the Borrower's obligation to pay principal and

interest on the Loan. The Borrower also covenants and agrees to pay any additional interest, taxes or penalties that may be due as a result of a Determination of Taxability.

The Borrower shall make or cause to be made all Loan Payments directly to the Trustee at its Designated Office. The Borrower shall direct the Lender to deposit Eligible Funds directly to the Trustee at its Designated Office. Additional Payments shall be made by the Borrower directly to the person or entity to whom or to which they are due.

It is understood and agreed that all payments of principal and interest payable by the Borrower under this Section 4.02 are assigned by the Issuer to the Trustee for the benefit of the Holders of the Bonds (excluding amounts on deposit in the Rebate Fund). The Borrower consents to such assignment.

In the event the Borrower should fail to make any of the payments required in this Section 4.02, the item or installment so in default shall continue as an obligation of the Borrower until the amount in default shall have been fully paid, and the Borrower agrees to pay the same with interest thereon, to the extent permitted by law, from the date when such payment was due, at the rate of interest borne by the Bonds.

Section 4.03 Special Funds

The Borrower and the Issuer each acknowledge that neither the Borrower nor the Issuer has any interest in the Bond Fund or the Collateral Fund and any money deposited therein shall be in the custody of and held by the Trustee in trust for the benefit of the Holders.

Section 4.04 Additional Payments

The Borrower shall pay as Additional Payments hereunder the following:

(a) Whether out of the proceeds of the Mortgage Loan or other funds, all Costs of Issuance of the Bonds, the costs of obtaining the FHA Insurance and all expenses incurred in closing the Mortgage Loan.

(b) All Extension Payments and other sums required under Section 3.07 of the Indenture in order to revise or extend the Mandatory Tender Date or remarket the Bonds, and the Borrower further agrees to execute any and all certificates required by the Issuer, the Trustee or the Remarketing Agent in order to effectuate such revision, extension or remarketing.

(c) To the Trustee, (i) the Ordinary Trustee Fees and Expenses to the extent that the funds available in the Expense Fund under the Indenture for the payment thereof are not sufficient and available therefor and (ii) the extraordinary Trustee fees and expenses.

(d) To the Issuer (i) the Ordinary Issuer Fees to the extent that the funds available under the Indenture for the payment thereof are not sufficient and available therefor and (ii) the Extraordinary Issuer's Fees and Expenses.

(e) All costs of printing any replacement Bonds required to be issued under the Indenture to the extent such costs are not paid by the Holders.

(f) To the extent not paid by the Trustee from the Expense Fund, all of the fees and expenses of the Rebate Analyst (including, but not limited to, the Rebate Analyst Fee) and any other necessary consultant employed by the Borrower, the Trustee or the Issuer in connection with any of the

requirements imposed by Section 4.09 of the Indenture and the Tax Certificate to the extent funds available under the Indenture are not sufficient and applied therefor. The Borrower shall provide or cause to be provided all information and money (including money necessary to make deposits to the Rebate Fund required by the Indenture and the Tax Certificate and the fees and expenses of the Rebate Analyst to the extent available money in the Bond Fund under the Indenture are inadequate to pay such amounts) to the Trustee and the Rebate Analyst to enable the Trustee and the Rebate Analyst to comply with the Indenture and the Tax Certificate.

(g) To the Dissemination Agent, the Dissemination Agent Fee, to the extent funds available in the Expense Fund under the Indenture are not sufficient and applied therefor, as well as any other costs and expenses in order to provide for compliance with the terms of the Continuing Disclosure Agreement.

(h) To the Remarketing Agent, the Remarketing Agent Fee and any Remarketing Expenses.

In the event the Borrower is in default under any provision of any of the Borrower Documents and such default is not cured after expiration of all applicable notice and cure provisions, the Borrower shall be liable to, and upon demand shall pay to, the Issuer, the Trustee and the Lender all reasonable fees and disbursements of such persons and their agents (including reasonable attorneys' fees and expenses) which are reasonably connected therewith or incidental thereto except to the extent such fees and disbursements are paid from money available therefor under the Indenture.

To provide for certain of the anticipated Additional Payments, the Borrower agrees to cause to be deposited a portion of the Initial Borrower Deposit into the Expense Fund and the Costs of Issuance Fund as required under the Indenture, and authorizes the Trustee to pay, from money on deposit in the Costs of Issuance Fund and the Expense Fund, the amounts provided to be paid from the Costs of Issuance Fund or the Expense Fund in accordance with Sections 4.05 and 4.08, respectively, of the Indenture. All such amounts shall be paid directly to the parties entitled thereto for their own account as and when such amounts become due and payable.

Upon the payment, prepayment, or incurrence of any such cost, expense, or liability described in this Section by any such party, the Additional Payments in respect thereof shall be payable upon written demand to the Borrower, which demand shall be accompanied by invoices or other appropriate documentation concerning the nature, amount and incurrence of such cost, expense or liability. If the Additional Payments payable under this Section are not paid upon such demand, such Additional Payments shall bear interest from the date of such payment or the incurrence thereof at the Interest Rate for Advances until the amount due shall have been fully paid.

Except as otherwise provided herein, the obligations of the Borrower under this Section shall survive the termination of this Loan Agreement and the Indenture and the payment and performance of all of the other obligations of the Borrower hereunder and under the other Borrower Documents, unless and until the Borrower has transferred the Project to an unaffiliated entity with the prior written consent of the Issuer, which transferee assumes the obligations of the Borrower pursuant to this Section.

Section 4.05 Obligations of the Borrower Unconditional. The obligations of the Borrower to make the payments required under this Loan Agreement, and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional, irrespective of any defense or any right of notice, setoff, recoupment or counterclaim it might otherwise have against the Issuer, the Trustee or any other person. Subject to termination as provided herein, the Borrower (a) will not suspend or discontinue, or permit the suspension or discontinuance of, any payments provided for under this Loan Agreement, (b)

will perform and observe all of its other agreements contained in this Loan Agreement and (c) will not terminate this Loan Agreement for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Project, commercial frustration of purpose, or change in the tax or other laws or administrative rulings of or administrative actions by the United States of America or the State or any political subdivision of either, any failure of the Issuer to perform and observe any agreement, whether express or implied, or any duty, liability, or obligation arising out of or connected with this Loan Agreement, whether express or implied, or any failure of the Trustee to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with the Indenture, whether express or implied.

Section 4.06 Limited Obligation of Issuer. The obligations of the Issuer under this Loan Agreement are special, limited obligations of the Issuer, payable solely out of the Revenues. The obligations of the Issuer hereunder shall not be deemed to constitute an indebtedness or an obligation of the Issuer, the State of Illinois or any political subdivision thereof within the meaning of any constitutional limitation or statutory provision, or a charge against the credit or general taxing powers, if any, of any of them.

Section 4.07 Assignment of Issuer's Rights. As security for the payment of the Bonds, the Issuer will, pursuant to the Indenture and the Assignment, assign and pledge to the Trustee all of the Issuer's right, title and interest in and to this Loan Agreement and the Promissory Note, except that it will retain the Issuer Reserved Rights, but such retention by the Issuer will not limit in any way the exercise by the Trustee of its rights hereunder, under the Assignment or under the Indenture, the Promissory Note and the Bonds. Notwithstanding anything herein to the contrary, the Issuer hereby directs the Borrower to make all payments under this Loan Agreement (except with respect to the Issuer Reserved Rights) and the Promissory Note directly to the Trustee. The Borrower hereby acknowledges and consents to such pledge and assignment, and agrees to make payments directly to the Trustee (except with respect to the Issuer Reserved Rights), without defense or set-off, recoupment or counterclaim by reason of any dispute between the Borrower on the one hand, and the Trustee or the Issuer on the other hand, or otherwise. After any such assignment and pledge referenced in this Loan Agreement, the Indenture, the Bonds or the Promissory Note, all rights, interest and benefits accruing to the Issuer under this Loan Agreement or the Promissory Note, except for the Issuer Reserved Rights, shall be assigned to and become the rights and benefits of the Trustee. Any obligations of the Issuer as provided in the Indenture, this Loan Agreement, the Bonds or the Promissory Note shall remain the obligations of the Issuer to the extent provided herein and therein after such assignment. The Issuer agrees that the Trustee, in its name or in the name of the Issuer, may enforce all rights of the Issuer (other than the Issuer Reserved Rights) and all obligations of the Borrower under and pursuant to the assigned documents as aforesaid, and the Issuer will not enforce such rights and obligations itself except at the written direction of the Trustee, in each case whether or not the Issuer is in Default hereunder.

The Trustee will have all rights and remedies herein accorded to the Issuer (except for Issuer Reserved Rights).

ARTICLE V SPECIAL COVENANTS

Section 5.01 Access to the Project. The Borrower agrees that the Issuer, the Trustee and their duly authorized agents, attorneys, experts, engineers, accountants and representatives shall have the right to inspect the Project and the acquisition, rehabilitation and equipping thereof at all reasonable times. The Borrower acknowledges that the Issuer shall monitor the acquisition, rehabilitation and equipping of the Project. The Issuer, the Trustee and their duly authorized agents shall also be permitted, at all reasonable

times, to examine the books, accounts, contracts, documents, and other papers of the Borrower with respect to the Project which shall all be maintained by the Borrower in reasonable condition and for audit.

Section 5.02 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 for carrying out the expressed intention of this Loan Agreement.

Section 5.03 Issuer and Borrower Representatives. Whenever under the provisions of this Loan Agreement the approval of the Issuer or the Borrower is required or the Issuer or the Borrower is required to take some action at the request of the other, such approval or such request shall be given in writing both for the Issuer by an Authorized Issuer Representative and for the Borrower by an Authorized Borrower Representative. The Trustee shall be authorized to act on any such approval or request pursuant to the Indenture.

Section 5.04 Financing Statements. The Borrower shall, or shall cause to be executed and filed any and all financing statements, or any amendments thereof or continuation statements thereto, to perfect the security interests granted in the Indenture, in the manner prescribed in the Indenture. The Borrower shall pay all costs of filing such instruments and any fees and expenses (including reasonable attorney's fees) associated therewith.

Section 5.05 Insurance. The Borrower shall obtain and keep in force such insurance coverage as may be required by the Issuer in its reasonable discretion from time to time. All insurance policies and renewals thereof relating to the Project shall be in a form acceptable to the Issuer in its reasonable discretion and shall designate the Issuer and the Trustee as additional insured for liability insurance on the Project. The Issuer shall be furnished with full copies of all policies within fifteen (15) calendar days of receipt thereof and shall have the right to receive duplicate copies of policies and renewals, and the Borrower shall promptly furnish the Issuer with copies of all renewal notices and all receipts for paid premiums within fifteen (15) calendar days of receipt thereof. The Borrower shall notify the Issuer at least 30 calendar days in advance of an endorsement or of any change in the terms of coverage adverse to the Issuer. In the event of loss, the Borrower shall give prompt notice to the insurance carrier and the Issuer.

With respect to any casualty insurance, it shall (a) be in an amount equal to the greater of the actual cash value or the replacement cost of the insurable then existing improvements and equipment in the Project and (b) be provided by an insurance company with a claims paying ability rating of not less than "B+V" by A.M. Best.

Section 5.06 Restriction on Plans and Specifications. The Borrower will not cause, permit or suffer to exist, any material deviations from the Plans and Specifications and will not approve or consent to any construction change directive which results in a material deviation from the Plans and Specifications without the prior approval of the Issuer, which approval shall not be unreasonably withheld, conditioned or delayed.

Section 5.07 Requisitions

(a) At such time as the Borrower shall desire to obtain an advance from the Project Fund, the Borrower shall complete, execute and deliver to the Trustee a Requisition. Each Requisition shall be signed on behalf of the Borrower, shall be in the form set forth on Exhibit B to this Loan Agreement, and shall state with respect to each disbursement to be made: (i) the number of the Requisition, (ii) the amount to be disbursed and the sources of such disbursement, (iii) that each obligation described therein is a Project Cost, has been properly incurred and has not been the basis for any previous disbursement and

(iv) that the expenditure of such disbursement when added to all previous disbursements will result in not less than 95% of all disbursements from proceeds of the Bonds having been used to pay or reimburse the Borrower for Qualified Project Costs. The Borrower shall submit the Requisition to the Trustee for payment. Approved Requisitions may be submitted to the Trustee by Electronic Means and shall not include accompanying supporting materials. In making such payment, the Trustee may rely upon such requisitions and shall not be required to make any investigation in connection therewith.

(b) The amounts deposited into the Project Fund may be disbursed by the Trustee only in accordance with Section 4.04 of the Indenture, including delivery of a written Requisition of the Borrower satisfying the requirements of this Section 5.07 and Section 5.02 of the Indenture.

Section 5.08 Borrower Receipt of Insurance or Condemnation Proceeds. In the event the Borrower receives any proceeds of insurance or any condemnation awards with respect to the Project from a party other than the Trustee, the Borrower shall promptly upon receipt remit all such insurance proceeds or condemnation awards to the Lender to be used in accordance with the Mortgage Loan Documents.

Section 5.09 Financial Information. The Borrower agrees that it will have the books and records of the Borrower audited annually by an independent certified public accountant as soon as practicable after the close of each fiscal year of the Borrower, and will furnish within 120 days after the end of each fiscal year to the Issuer and the Trustee a copy of the audit report certified by such certified public accountant and prepared in accordance with generally accepted accounting principles, which report shall include calculations of the availability of funds for distributions and disclose the amount of member distributions for the preceding year. The Borrower and the Issuer acknowledge that the Trustee shall have no obligations under this Section 5.09 other than to receive such statements and, if requested, to furnish such statements to Holders. The Trustee shall not have any obligation to review such statement provided to it, nor shall the Trustee be deemed to have notice of any item contained therein or Event of Default or Default which may be disclosed therein in any manner. The Trustee shall have no duty to request copies of any such statements which are required to be furnished to it hereunder.

Section 5.10 Environmental Requirements; Indemnity

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

(b) For purposes of this Section 5.10, the term "Hazardous Substance" means and includes any substance, material or waste, including asbestos, petroleum and petroleum products (including crude oil), that is or becomes designated, classified or regulated as "toxic," "hazardous" or a "pollutant," or that is or becomes similarly designated, classified or regulated, under any applicable federal, state or local law, regulation or ordinance, but does not include any such substance that is a customary and ordinary household, cleaning or office product used on the Premises (as defined below) by Borrower or any tenant or agent of Borrower, or customary construction materials used during the course of rehabilitation of the Project by the Borrower and its general contractor, provided such use is in accordance with applicable hazardous materials laws.

(c) Before signing this Loan Agreement, the Borrower researched and inquired into the previous uses and owners of the premises on which the Project is located (the "**Premises**") and obtained a Phase I environmental site assessment a Phase II site assessment and other reports with respect to the environmental conditions of the Premises, copies of which have been delivered to the Issuer. Based on that due diligence, the Borrower represents and warrants to the Issuer that, except as the Borrower has disclosed to the Issuer in writing and as described in the Phase I environmental site assessment and Phase II site assessment, to the best of the Borrower's knowledge, (i) no Hazardous Substance has been disposed of, or released to or from, or otherwise now exists in, on, under or around, the Premises, and (ii) no aboveground or underground storage tanks are now or have ever been located on or under the Premises.

(d) The Borrower has complied, and will comply and cause all tenants and any other persons who may come upon the Premises to comply in all material respects with all federal, state and local laws, regulations and ordinances governing or applicable to Hazardous Substances, including those requiring disclosures to prospective and actual buyers or tenants of all or any portion of the Premises. The Borrower will not install or allow to be installed any aboveground or underground storage tanks on the Premises. The Borrower must comply with the recommendations of any qualified environmental engineer or other expert engaged by the Borrower with respect to the Premises. The Borrower must promptly notify the Issuer in writing (1) if it knows, suspects or believes there may be any Hazardous Substance in or around any part of the Premises, any improvements constructed on the Premises, or the soil, groundwater or soil vapor on or under the Premises, or that the Borrower or the Premises may be subject to any threatened or pending investigation by any governmental agency under any law, regulation or ordinance pertaining to any Hazardous Substance, and (ii) of any claim made or threatened by any person, other than a governmental agency, against the Borrower arising out of or resulting from any Hazardous Substance being present or released in, on or around any part of the Premises, any Improvements constructed on the Premises or the soil, groundwater or soil vapor on or under the Premises (any of the matters described in clauses (i) and (ii) above a "Hazardous Substances Claim").

(e) The Issuer, the Trustee and their respective officers, employees, directors, agents, assignees, and any purchasers of the Premises at any foreclosure sale (each individually, an "Indemnified Party," and all collectively, the "Indemnified Parties"), have the right at any reasonable time and upon notice to the Borrower to enter and visit the Premises for the purposes of observing the Premises, taking and removing soil or groundwater samples and conducting tests on any part of the Premises. The Indemnified Parties have no duty, however, to visit or observe the Premises or to conduct tests, and no site visit, observation or testing by any Indemnified Party imposes any liability on any Indemnified Party. In no event will any site visit, observation or testing by any Indemnified Party be a representation that Hazardous Substances are or are not present in, on or under the Premises, or that there has been or will be compliance with any law, regulation or ordinance pertaining to Hazardous Substances or any other applicable governmental law. Neither the Borrower nor any other party is entitled to rely on any site visit, observation or testing by any Indemnified Party. The Borrower waives to the fullest extent permitted by law any such duty of care on the part of the Indemnified Parties or any other party to protect the Borrower or inform the Borrower or any other party of any Hazardous Substances or any other adverse condition affecting the Premises. Any Indemnified Party will give the Borrower reasonable notice before entering the Premises. The Indemnified Party will make reasonable efforts to avoid interfering with the Borrower's and its tenants' use of the Premises in exercising any rights provided in this Section. The Borrower must pay all costs and expenses incurred by an Indemnified Party in connection with any inspection or testing conducted in accordance with this subsection. The results of all investigations conducted and/or reports prepared by or for any Indemnified Party must at all times remain the property of the Indemnified Party, and under no circumstances will any Indemnified Party have any obligation whatsoever to disclose or otherwise make available to the Borrower or any other party the results or any other information obtained by any of them in connection with the investigations and reports. Notwithstanding the foregoing, the Indemnified Parties hereby reserve the right, and the Borrower hereby expressly authorizes any Indemnified

Party, to make available to any party (including any governmental agency or authority and any prospective bidder at any foreclosure sale of the Premises) any and all reports, whether prepared by any Indemnified Party or prepared by the Borrower and provided to any Indemnified Party (collectively, "Environmental Reports") that any Indemnified Party may have with respect to the Premises. The Borrower consents to the Indemnified Parties' notifying any party (either as part of a notice of sale or otherwise) of the availability of any or all of the Environmental Reports and the information contained therein. The Borrower acknowledges that the Indemnified Parties cannot control or otherwise assure the truthfulness or accuracy of the Environmental Reports and that the release of the Environmental Reports, or any information contained therein, to prospective bidders at any foreclosure sale of the Premises may have a material and adverse effect upon the amount that a party may bid at such sale. The Borrower agrees that the Indemnified Parties have no liability whatsoever as a result of delivering any or all of the Environmental Reports or any information contained therein to any third party, and the Borrower hereby releases and forever discharges the Indemnified Parties from any and all claims, damages, or causes of action, arising out of, connected with or incidental to the Environmental Reports or the delivery thereof, unless resulting from the gross negligence or willful misconduct of the Indemnified Parties

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

(g) The obligations and rights of the parties under this Section 5.10 continue in full force and effect until the first to occur of full, final and indefeasible repayment of the Liabilities or the transfer of title to all or any part of the Premises at a foreclosure sale or by deed in lieu of such foreclosure (any such foregoing transfer being referred to as a "Foreclosure Transfer"). The parties' obligations and rights under this Section 5.10 continue in full force and effect after the full and final payment of the Liabilities or a Foreclosure Transfer, as the case may be, but (i) in the case of a full and final payment of the Liabilities, the Borrower's obligations under this Section 5.10 are thereafter limited to the indemnification obligations of subsections (i) and (j) below as to Indemnified Costs (as defined below) arising out of or as a result of events prior to the full and final payment of the Liabilities, and (ii) in the case of a Foreclosure Transfer, the obligations do not include the obligation to reimburse any Indemnified Party for diminution in value of the Premises resulting from the presence of Hazardous Substances on the Premises before the date of the Foreclosure Transfer if, and to the extent that, the Indemnified Party recovers on a deficiency judgment including compensation for such diminution in value; provided, however, that nothing in this sentence impairs or limits an Indemnified Party's right to obtain a judgment in accordance with applicable law for any deficiency in recovery of all obligations, subject to the provisions of Section 9.03 hereof. As used in this Section 5.10, the term "Indemnified Costs" means all actual or threatened liabilities, claims, actions, causes of action, judgments, orders, damages (including foreseeable and unforeseeable consequential damages), costs, expenses, fines, penalties and losses incurred in connection with Hazardous Substances on the Property (including sums paid in settlement of claims and all consultant, expert and reasonable legal fees and expenses of the Issuer's counsel), including those incurred in

connection with any investigation of site conditions or any clean-up, remedial, removal or restoration work (whether of the Premises or any other property), or any resulting damages, harm or injuries to the person or property of any third parties or to any natural resources.

(h) Except for those arising from the gross negligence or willful misconduct of the Indemnified Parties, the Borrower shall indemnify, defend and hold the Indemnified Parties harmless for, from and against any and all Indemnified Costs directly or indirectly arising out of or resulting from any Hazardous Substance being present or released in, on or around any part of the Premises, or in the soil, groundwater or soil vapor on or under the Premises, including: (i) any claim for such Indemnified Costs asserted against any Indemnified Party by any federal, state or local governmental agency, including the United States Environmental Protection Agency and the Illinois Environmental Protection Agency, and including any claim that any Indemnified Party is liable for any such Indemnified Costs as an "owner" or "operator" of the Premises under any law relating to Hazardous Substances; (ii) any claim for such Indemnified Costs asserted against any Indemnified Party by any person other than a governmental agency, including (1) any person who may purchase or lease all or any portion of the Premises from the Borrower, from any Indemnified Party or from any other purchaser or lessee, (2) any person who may at any time have any interest in all or any portion of the Premises, (3) any person who may at any time be responsible for any clean-up costs or other Indemnified Costs relating to the Premises, and (4) any person claiming to have been injured in any way as a result of exposure to any Hazardous Substance; (iii) any Indemnified Costs incurred by any Indemnified Party in the exercise by the Indemnified Party of its rights and remedies under this Section 5.10; and (iv) any Indemnified Costs incurred by any Indemnified Party as a result of currently existing conditions in, on or around the Premises, whether known or unknown by the Borrower or the Indemnified Parties at the time this Loan Agreement is executed, or attributable to the acts or omissions of the Borrower, any of the Borrower's tenants, or any other person in, on or around the Premises with the consent or under the direction of the Borrower.

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

(j) In addition to any other rights or remedies the Issuer may have under this Loan Agreement, at law or in equity, upon the occurrence of an Event of Default under this Loan Agreement not cured within the applicable cure period, the Issuer may do or cause to be done whatever is necessary to cause the Premises to comply with any and all laws, regulations and ordinances governing or applicable to Hazardous Substances, and any other applicable law, rule, regulation, order or agreement, and the cost thereof will become immediately due and payable upon demand by the Issuer, and if not paid when due will accrue interest at the default rate set forth in the Bonds, until paid. The Borrower hereby acknowledges and agrees that any amounts realized by the Issuer by reason of the following may be applied to pay the Liabilities prior to being applied to pay the Borrower's obligations to reimburse the Issuer for costs and expenses, including those incurred by the Issuer in enforcing its rights and remedies under the provisions of this Section 5.10: (i) any payments made pursuant to the Bonds or any of the Borrower Documents (other than payments made to the Issuer for reimbursement of costs and expenses or for enforcement of its rights and remedies, under the provisions of this Section 5.10); (ii) any foreclosure of documents evidencing or securing the Liabilities (including any amounts realized by reason of any credit bid in connection with any such foreclosure); (iii) any conveyance in lieu of foreclosure; (iv) any other realization upon any security for the Liabilities; (v) any recoveries against the Borrower personally (except for recoveries against the Borrower for reimbursement of costs and expenses or enforcement of the Issuer's rights and remedies under this Section 5.10); and (vi) any recoveries against any person or entity other than the Borrower (including any guarantor) to the maximum extent permitted by applicable law.

ARTICLE VI RESTRICTION ON TRANSFER

Section 6.01 Borrower to Maintain its Existence; Sale of Project.

(a) The Borrower shall maintain its existence, not dissolve or sell, transfer or otherwise dispose of all or substantially all of its assets and not consolidate with or merge into another entity or permit one or more other entities to consolidate with or merge into it; provided, that it may do so if the surviving, resulting or transferee entity assumes in writing all of the obligations of the Borrower under the Borrower Documents. The Borrower shall not permit one or more other entities to consolidate with or merge into it, or take any action or allow any action to be taken to terminate the existence of the Borrower except as provided herein.

(b) No sale, assignment or transfer of the Project, except as may be otherwise required by FHA or the Lender, shall be made unless (a) FHA, and if necessary, the Lender, and the Issuer consent to such assignment or transfer, (b) the transferee or assignee, as the case may be, assumes all the duties of the Borrower under the Borrower Documents, provided that such assumption may contain an exculpation of the assignee from personal liability with respect to any obligation hereunder arising prior to such sale, assignment or transfer, and (c) no Event of Default as certified in writing to the Trustee by the Borrower shall have occurred and be continuing under the Indenture or this Loan Agreement. The Trustee shall consent to any such assignment or transfer if (i) the Borrower provides a written certification to the Trustee that the aforesaid conditions have been satisfied, (ii) the Trustee receives an Opinion of Bond Counsel addressed to the Trustee to the effect that such transfer or assignment would not adversely affect the Federal Tax Status of the Bonds, and (iii) the Trustee receives written confirmation from the Rating Agency that such transfer or assignment will not result in a withdrawal or reduction in any rating on the Outstanding Bonds by the Rating Agency (if the Bonds are then rated by the Rating Agency). Upon the assumption of the duties of the Borrower by a purchaser, assignee or transferee as provided herein, the outgoing Borrower shall be released from all executory obligations so assumed; provided, however, the Borrower shall not be released from its obligation (x) to pay or reimburse the fees and expenses of the Issuer and the Trustee incurred prior to such sale, assignment or transfer and (y) to indemnify the Trustee and the Issuer with respect to any obligation, event or action incurred or arising prior to such sale, assignment or transfer. Nothing contained in this Section shall be construed to supersede any provisions regarding assignment and transfer of the Project contained in the Mortgage Loan Documents.

(c) Notwithstanding anything to the contrary contained herein or in any other Borrower Document, and subject to the consent of FHA and the Lender as required by the Controlling HUD and GNMA Requirements or the Mortgage Loan Documents, the following shall be permitted and shall not require the prior written approval of the Issuer, the Lender or the Trustee: (a) the transfer by the Investor Limited Partner of its respective interests in the Borrower in accordance with the terms of the Borrower's Organizational Documents, (b) the removal of the General Partner of the Borrower in accordance with the Organizational Documents and the replacement thereof with the Investor Limited Partner or any of its respective affiliates, (c) the transfer of ownership interests in the Investor Limited Partner, (d) upon the expiration of the tax credit compliance period, the transfer of the interests of the Investor Limited Partner in the Borrower to the Borrower's General Partner or any of its respective affiliates, and (e) any amendment to the Organizational Documents to memorialize the transfers or removal described above. The parties agree that this section shall control to the extent of any conflict in any Borrower Documents. In the event the Borrower intends to sell, lease (except to the tenants who will occupy units in the Project), sublease or otherwise materially encumber the whole of or any part of the Project or sell, assign or otherwise, except as otherwise provided herein, transfer any interest in the Borrower (a "transfer"), it shall (i) apply to the Issuer for consent to transfer, and (ii) comply with the provisions of the Land Use Restriction Agreement restricting any such transfer.

ARTICLE VII INDEMNIFICATION

Section 7.01 Indemnification of Issuer and Trustee

(a) Except as otherwise provided below and subject to Sections 8.07 and 9.04 hereof, the Issuer and the Trustee, and each of their officers, agents, independent contractors, employees, successors and assigns, and, in the case of the Issuer, its elected and appointed officials, past, present or future (hereinafter the “**Indemnified Persons**”), shall not be liable to the Borrower for any reason. The Borrower shall defend, indemnify and hold the Indemnified Persons harmless from any loss, claim, damage, tax, fine, penalty or expense (including, but not limited to, reasonable counsel fees, costs, expenses and disbursements), or liability (other than with respect to payment of the principal of or interest on the Promissory Note) of any nature due to any and all suits, actions, legal or administrative proceedings, expenses or claims arising or resulting from, or in any way connected with: (i) the financing, installation, operation, use or maintenance of the Project; (ii) any act, failure to act, or misrepresentation by the Borrower or any member of the Borrower, or any Person acting on behalf of, or at the direction of, the Borrower or any member of the Borrower, in connection with the issuance, sale or delivery of the Bonds; (iii) any false or misleading representation made by the Borrower in the Borrower Documents; (iv) the breach by the Borrower of any covenant contained in the Borrower Documents, or the failure of the Borrower to fulfill any such covenant which are not cured within all applicable notice and cure periods; (v) enforcing any obligation or liability of the Borrower under this Loan Agreement, the Promissory Note, or the other Borrower Documents, or any related agreement; (vi) taking any action requested by the Borrower; (vii) taking any action reasonably required by the Borrower Documents; or (viii) taking any action considered necessary by the Issuer or the Trustee, and which is authorized by the Borrower Documents. If any suit, action or proceeding is brought against any Indemnified Person, the interests of the Indemnified Person in that suit, action or proceeding shall be defended by counsel to the Indemnified Person or the Borrower, as the Indemnified Person shall determine. If such defense is by counsel to the Indemnified Person, the Borrower shall indemnify and hold harmless the Indemnified Person for the cost of that defense, including reasonable counsel fees, disbursements, costs and expenses. If the Indemnified Persons affected by such suit determine that the Borrower shall defend the Indemnified Persons, the Borrower shall immediately assume the defense at its own cost. Neither the Indemnified Persons nor the Borrower shall be liable for any settlement of any proceeding made without each of their consent. In no event shall the Borrower be liable to an Indemnified Person for the Indemnified Person’s own willful misconduct or gross negligence.

(b) Any provision of this Loan Agreement or any other instrument or document executed and delivered in connection therewith to the contrary notwithstanding, the Issuer retains the right to enforce: (i) any applicable federal or state law or regulation or resolution of the Issuer related to the Project, and (ii) any rights accorded the Issuer by federal or state law or regulation or resolution of the Issuer, and nothing in this Loan Agreement shall be construed as an express or implied waiver thereof.

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

(d) The obligations of the Borrower under this Section 7.01 shall survive any assignment or termination of this Loan Agreement and, as to the Trustee, any resignation or removal of the Trustee.

(e) Indemnification of the Issuer by the Borrower with respect to environmental matters shall be governed exclusively by the terms and provisions of any environmental indemnification agreement.

ARTICLE VIII DEFAULTS AND REMEDIES

Section 8.01 Defaults Defined. The following shall be "Defaults" under this Loan Agreement and the term "Default" shall mean, whenever it is used in this Loan Agreement, any one or more of the following events:

(a) The Borrower shall fail to pay any Loan Payment on or prior to the date on which that Loan Payment is due and payable to the extent amounts on deposit in the Bond Fund, including amounts transferred from the Collateral Fund and the Project Fund are insufficient to pay the Bond Service Charges due on the next Bond Payment Date;

(b) The Borrower shall fail to observe and perform any other agreement, term or condition contained in this Agreement and the continuation of such failure for a period of 30 days after written notice thereof shall have been given to the Borrower and Investor Limited Partner by the Issuer or the Trustee, or for such longer period as the Issuer and the Trustee may agree to in writing; provided, that if the failure is other than the payment of money and is of such nature that it can be corrected but not within the applicable period, that failure shall not constitute an Event of Default so long as the Borrower institutes curative action within the applicable period and diligently pursues that action to completion, which must be resolved within 180 days after the aforementioned notice;

(c) The Borrower shall: (i) admit in writing its inability to pay its debts generally as they become due; (ii) have an order for relief entered in any case commenced by or against it under the federal bankruptcy laws, as now or hereafter in effect, which is not dismissed within 90 days; (iii) commence a proceeding under any other federal or state bankruptcy, insolvency, reorganization or similar law, or have such a proceeding commenced against it and either have an order of insolvency or reorganization entered against it or have the proceeding remain undismissed and unstayed for ninety days; (iv) make an assignment for the benefit of creditors; or (v) have a receiver or trustee appointed for it or for the whole or any substantial part of its property which appointment is not vacated within a period of 90 days;

(d) Any representation or warranty made by the Borrower herein or any statement in any report, certificate, financial statement or other instrument furnished in connection with this Loan Agreement or with the purchase of the Bonds shall at any time prove to have been false or misleading in any adverse material respect when made or given;

(e) There shall occur an "Event of Default" as defined in the Indenture; and

(f) There shall occur an "Event of Default" as defined in the Land Use Restriction Agreement by the Borrower under the Land Use Restriction Agreement that is continuing after any applicable notice and cure period.

Notwithstanding the foregoing, if, by reason of Force Majeure, the Borrower is unable to perform or observe any agreement, term or condition hereof which would give rise to an Event of Default under subsection (b) hereof, the Borrower shall not be deemed in default during the continuance of such inability. However, the Borrower shall promptly give written notice to the Trustee and the Issuer of the existence of an event of Force Majeure and shall use commercially reasonable efforts to remove the effects thereof; provided that the settlement of strikes or other industrial disturbances shall be entirely within its discretion.

Any term of this Loan Agreement, the Indenture or of any related document to the contrary notwithstanding, and notwithstanding an agreement of indemnity, the Trustee shall have no responsibility, obligation or duty to enter upon, or otherwise take possession or control of, the Project or the Premises, or take any other action which could constitute taking possession or control of the Project or the Premises (i) if it will require the approval of a governmental regulator that cannot be obtained, (ii) until the Trustee shall be indemnified to its sole satisfaction and (iii) until the Trustee shall be satisfied, in its sole discretion and determination, that neither it nor the trusts created under the Indenture shall incur, by reason of such action, any personal liability under any federal or State law for hazardous wastes, hazardous materials or other environmental liabilities or any other liability.

The term "**Force Majeure**" shall mean, without limitation, the following:

(i) acts of God; strikes, lockouts or other industrial disturbances; acts of terrorism or of public enemies; orders or restraints of any kind of the government of the United States of America or of the State or any of their departments, agencies, or officials, or any civil or military authority; insurrections; civil disturbances; riots; landslides; earthquakes; fires; hurricanes; tornados; storms; droughts; floods; arrests; restraint of government and people; explosions; breakage, malfunction or accident to facilities, machinery, transmission pipes or canals; partial or entire failure of utilities; shortages of labor, materials, supplies or transportation; or

(ii) any cause, circumstance or event not reasonably within the control of the Borrower. The Borrower agrees, however, to use its best efforts to remedy with all reasonable dispatch the cause or causes preventing the Borrower from carrying out its agreement.

The declaration of an Event of Default under subsection (c) above, and the exercise of remedies upon any such declaration, shall be subject to any applicable limitations of federal bankruptcy law affecting or precluding that declaration or exercise during the pendency of or immediately following any bankruptcy, liquidation or reorganization proceedings.

Section 8.02 Remedies on Default. Whenever any Default referred to in Section 8.01 hereof shall have happened and be continuing beyond the expiration of any applicable cure period, the Trustee, or the Issuer (in the event the Trustee does not act), may take one or any combination of the following remedial steps:

(a) If the Trustee has declared the Bonds immediately due and payable pursuant to Section 9.01 of the Indenture, by written notice to the Borrower, declare an amount equal to all amounts then due and payable on the Bonds, whether by acceleration of maturity (as provided in the Indenture) or otherwise, to be immediately due and payable, whereupon the same shall become immediately due and payable; and

(b) Take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due, or to enforce performance and observance of

any obligation, agreement or covenant of the Borrower under this Loan Agreement, the Promissory Note, the Land Use Restriction Agreement or any other Borrower Document in the event of default thereunder.

Notwithstanding the foregoing, neither the Issuer nor the Trustee shall be obligated to take any step which in its opinion will or might cause it to expend time or money or otherwise incur liability unless and until indemnity satisfactory to it has been furnished to the Issuer or the Trustee, as applicable, at no cost or expense to the Issuer or the Trustee. Any amounts collected as Loan Payments or applicable to Loan Payments and any other amounts which would be applicable to payment of Bond Service Charges collected pursuant to action taken under this Section shall be paid into the Bond Fund and applied in accordance with the provisions of the Indenture or, if the Outstanding Bonds have been paid and discharged in accordance with the provisions of the Indenture, shall be paid as provided in Section 4.14 of the Indenture for transfers of remaining amounts in the Bond Fund.

The provisions of this Section are subject to the further limitation that the rescission by the Trustee of its declaration that all of the Bonds are immediately due and payable also shall constitute an annulment of any corresponding declaration made pursuant to paragraph (a) of this Section and a waiver and rescission of the consequences of that declaration and of the Event of Default with respect to which that declaration has been made, provided that no such waiver or rescission shall extend to or affect any subsequent or other default or impair any right consequent thereon.

Section 8.03 No Remedy Exclusive. Subject to Section 9.01 of the Indenture, no remedy herein conferred upon 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 this Loan Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any Default shall impair any such right or power nor shall it be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer or the Trustee to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be required in this Article. Such rights and remedies as are given the Issuer hereunder shall also extend to the Trustee, and the Trustee and the Holders, subject to the provisions of the Indenture, including, but not limited to the Reserved Rights of the Issuer, shall be entitled to the benefit of all covenants and agreements herein contained.

Section 8.04 Agreement to Pay Attorneys' Fees and Expenses. In the event the Borrower should Default under any of the provisions of this Loan Agreement or under the Promissory Note and the Issuer and/or Trustee should employ attorneys or incur other expenses for the collection of payments required hereunder or under the Promissory Note, or the enforcement of performance or observance of any obligation or agreement on the part of the Borrower contained herein or in the Promissory Note, the Borrower agrees that it will on demand therefor pay to the Issuer and the Trustee, as the case may be, the reasonable fees and expenses of such attorneys (including, without limitation, those incurred to enforce this provision) and such other expenses so incurred by the Issuer and/or the Trustee. This Section 8.04 will continue in full force and effect notwithstanding the full payment of the obligations under the Loan Agreement or the termination of this Loan Agreement for any reason.

Section 8.05 No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Loan Agreement should be breached by either party and thereafter waived by the 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 8.06 Right to Cure. Notwithstanding anything to the contrary herein or Otherwise in the Borrower Documents, if the Borrower shall, for whatever reason, at any time fail to pay any amount or

perform any act which it is obligated to pay or perform under any of the Borrower Documents and, as a result, a default or event of default occurs or may occur thereunder, the Investor Limited Partner shall have the right to perform such act or pay such amount on behalf of the Borrower and thereby cure or prevent such default or event of default, provided such default or event of default is cured within any applicable cure period or grace period provided to the Borrower herein or otherwise in the Borrower Documents.

Section 8.07 Default by Issuer; Limited Liability. Notwithstanding any provision or obligation to the contrary herein set forth, no provision of this Loan Agreement shall be construed so as to give rise to a pecuniary liability of the Issuer or a charge upon the general credit of the Issuer. The liability of the Issuer hereunder shall be limited to its interest in this Loan Agreement, the Promissory Note, and any other Borrower Documents, and the lien of any judgment shall be restricted thereto. In the performance of the agreements of the Issuer herein contained, any obligation it may incur for the payment of money shall not be a debt of the Issuer, and the Issuer shall not be liable on any obligation so incurred. The Issuer does not assume general liability for the repayment of the Bonds or for the costs, fees, penalties, taxes, interest, commissions, charges, insurance or any other payments recited herein, and the Issuer shall be obligated to pay the same only out of Revenues. The Issuer shall not be required to do any act whatsoever, or exercise any diligence whatsoever, to mitigate the damages to the Owner if an Event of Default shall occur hereunder.

ARTICLE IX MISCELLANEOUS

Section 9.01 Term of Agreement. This Loan Agreement shall remain in full force and effect from the date hereof until such time as all of the Bonds and all amounts payable hereunder and under the Indenture shall have been fully paid or provision made for such payments, whichever is later, provided, that the provisions of Sections 5.10, 7.01 and Article VIII hereof shall survive termination of this Loan Agreement.

Section 9.02 Notices; Publication of Notice

(a) All notices, advice, certifications or other communications hereunder between the Issuer and the Borrower shall be sufficiently given and shall be deemed given when delivered by hand or overnight courier, or mailed by certified or registered mail, postage prepaid, return receipt requested, or transmitted by electronic means (including, without limitation, facsimile transmission) addressed to the appropriate Notice Address. The Issuer or the Borrower may, by notice given hereunder, designate any further or different addresses to which subsequent notices, advice, certifications or other communications shall be sent. Notices to persons other than the Issuer or the Borrower (such as, for example, notices to owners of Bonds) shall be governed by the other applicable provisions of the Indenture.

(b) Whenever the Issuer or the Borrower is required or permitted to give or publish notice of any event or occurrence under this Loan Agreement, such notice shall be given or published in such manner and by such means as the Issuer or the Borrower, as the case may be, shall determine to be appropriate. Such publication may be by (but is not limited to) any of the following means: (i) publication in one or more newspapers or trade journals selected by the Issuer or the Borrower, as the case may be; (ii) publication by or through one or more financial information reporting services; (iii) delivery to one or more "nationally recognized municipal securities information repositories" (as such terms is defined in Securities and Exchange Commission Rule 15c2-12) or any successor repository or entity fulfilling a substantially similar or like role; or (iv) by mailing a copy of such notice by first class mail, postage prepaid, to the person entitled to receive the notice at such person's address as shown on the records of the Issuer or the Borrower.

Section 9.03 Nonrecourse Liability of Borrower. Except as provided herein, the monetary obligations of the Borrower contained in this Loan Agreement (except for fees, payments and indemnification under Sections 3.12, 4.04, 7.01 and 8.04 hereof) shall be limited obligations payable solely from the income and assets of the Project and neither the Borrower nor any partner, manager, member, director, official or officer of the Borrower shall have any personal liability for the satisfaction of any obligation of the Borrower or claim against the Borrower, arising out of this Loan Agreement. Notwithstanding anything contained in this Loan Agreement to the contrary, neither the Issuer nor the Trustee may assert any claim arising hereunder against the Borrower's interest in the Project, any reserve or deposit made with the Lender or with any other entity that is required by HUD in connection with the Mortgage Loan, or in the rents or other income of the Project for the payment of any charge or obligation due hereunder except to the extent available from then currently available "Surplus Cash" as that term is defined in the HUD Regulatory Agreement approved for distribution by HUD.

The limit on the Borrower's liability set forth in this Section shall not, however, be construed, and is not intended to in any way, to constitute a release, in whole or in part, of the indebtedness evidenced by this Loan Agreement or a release, in whole or in part, or an impairment of the security interest, or in case of any default or enforcing any other right of the Issuer under this Loan Agreement or to alter, limit or affect the liability of any person or party who may now or hereafter or prior hereto guarantee, or pledge, grant or assign its assets or collateral as security for, the obligations of the Borrower under this Loan Agreement.

The provisions of this Section shall survive the termination of this Loan Agreement

Section 9.04 No Pecuniary Liability of Issuer. No agreements or provisions contained in this Loan Agreement or any agreement, covenant or undertaking by the Issuer contained in any document executed by the Issuer in connection with the Project or any property of the Borrower financed, directly or indirectly, out of proceeds of the Bonds or the issuance, sale and delivery of the Bonds will give rise to any pecuniary liability of the Issuer (including tax and rebate liability) or its past, present or future officers, directors, employees, commissioners, agents or members of its governing body and their successors and assigns or constitute a charge against the Issuer's general credit, or obligate the Issuer financially in any way, except with respect to the Trust Estate. No failure of the Issuer to comply with any terms, covenants or agreements in this Loan Agreement or in any document executed by the Issuer in connection with the Bonds will subject the Issuer or its past, present or future officers, directors, employees, commissioners, agents and members of its governing body and their successors and assigns to any pecuniary charge or liability except to the extent that the same can be paid or recovered from the Trust Estate. Without limiting the requirement to perform its duties or exercise its rights and powers under this Loan Agreement upon receipt of appropriate indemnity or payment, none of the provisions of this Loan Agreement or the Indenture will require the Issuer to expend or risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers under this Loan Agreement. Nothing in this Loan Agreement will preclude a proper party in interest from seeking and obtaining, to the extent permitted by law, specific performance against the Issuer for any failure to comply with any term, condition, covenant or agreement in this Loan Agreement or in the Indenture; provided that no costs, expenses or other monetary relief will be recoverable from the Issuer except as may be payable from the funds available under this Loan Agreement or made available under the Indenture by the Borrower and pledged to the payment of the Bonds.

No covenant, agreement or obligation contained herein or in any other financing instrument executed in connection with the Project or the making of the Loan shall be deemed to be a covenant, agreement or obligation of any past, present or future director, officer, employee, commissioner, or agent of the Issuer in his or her individual capacity so long as he or she does not act in bad faith, and no such director, officer, employee, commissioner or agent of the Issuer in his or her individual capacity shall be

subject to any liability under any agreement to which the Issuer is a party or with respect to any other action taken by him or her so long as he or she does not act in bad faith.

Section 9.05 Binding Effect. This Loan Agreement shall inure to the benefit of and shall be binding upon the Issuer, the Borrower, the Trustee, the Holders and their respective successors and assigns.

Section 9.06 Severability. In the event any provision of this 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 hereof.

Section 9.07 Amounts Remaining in Funds. Subject to the provisions of Section 4.07 of the Indenture, any amounts in the Bond Fund remaining unclaimed by the Holders of Bonds for two years after the due date thereof (whether at stated maturity or otherwise), shall be deemed to belong to and shall be paid, at the written request of the Borrower, to the Borrower by the Trustee as overpayment of Loan Payments. With respect to that principal of and interest on the Bonds to be paid from money paid to the Borrower pursuant to the preceding sentence, the Holders of the Bonds entitled to such money shall look solely to the Borrower for the payment of such money. Further, any amounts remaining in the Special Funds after all of the Outstanding Bonds shall be deemed to have been paid and discharged under the provisions of the Indenture and all other amounts required to be paid under this Loan Agreement, the Note and the Indenture have been paid, shall, subject to Section 4.14 of the Indenture and at the written request of the Borrower, be paid to the Borrower to the extent that such money are in excess of the amounts necessary to effect the payment and discharge of the Outstanding Bonds. Provided, however, that in the event of a default under the Mortgage Loan, and assignment of the Mortgage Loan to Lender, of which the Trustee has received prior written notification, such excess funds shall be paid to the Lender.

Section 9.08 Amendments, Changes and Modifications. Subsequent to the issuance of the Bonds and prior to their payment in full (or provision for the payment thereof having been made in accordance with the provisions of the Indenture), and except as otherwise herein expressly provided, this Loan Agreement may not be effectively amended, changed, modified, altered or terminated without the written consent of the Trustee, in accordance with the provisions of the Indenture.

Section 9.09 Execution in Counterparts. This Loan Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 9.10 Applicable Law; Jury Trial. This Loan Agreement and the Promissory Note, and the rights and obligations of the parties hereunder and thereunder, shall be construed in accordance with, and shall be governed by, the laws of the State of Illinois, without regard to its conflict of laws principles.

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

THE BORROWER IRREVOCABLY AGREES THAT, SUBJECT TO THE ISSUER'S SOLE AND ABSOLUTE ELECTION, ANY ACTION OR PROCEEDING IN ANY WAY, MANNER OR RESPECT ARISING OUT OF THIS LOAN AGREEMENT, THE PROMISSORY NOTE AND THE OTHER BORROWER DOCUMENTS, OR ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HERewith OR THEREWITH, OR ARISING FROM ANY DISPUTE OR CONTROVERSY ARISING IN CONNECTION WITH OR RELATED TO THIS LOAN AGREEMENT, THE PROMISSORY NOTE AND THE OTHER BORROWER DOCUMENTS, OR ANY SUCH AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT, SHALL BE LITIGATED ONLY IN THE COURTS HAVING SITUS WITHIN THE CITY OF CHICAGO, STATE OF ILLINOIS, AND THE BORROWER HEREBY CONSENTS AND SUBMITS TO THE JURISDICTION OF ANY LOCAL, STATE OR FEDERAL COURT LOCATED WITHIN SUCH CITY AND STATE. THE BORROWER HEREBY WAIVES ANY RIGHT IT MAY HAVE TO TRANSFER OR CHANGE THE VENUE OF ANY LITIGATION BROUGHT AGAINST IT IN ACCORDANCE WITH THIS SECTION.

Section 9.11 Captions. The captions and headings in this Loan Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this Loan Agreement.

Section 9.12 Mortgage Loan Documents and Regulations Control

(a) In the event of any conflict and to the extent that there is any inconsistency or ambiguity between the provisions of this Loan Agreement and the provisions of the Controlling HUD and GNMA Requirements or the Mortgage Loan Documents, the Controlling HUD and GNMA Requirements and Mortgage Loan Documents will be deemed to be controlling, and any such ambiguity or inconsistency will be resolved in favor of, and pursuant to the terms of the Controlling HUD and GNMA Requirements and Mortgage Loan Documents, as applicable. Notwithstanding any provision of this Loan Agreement to the contrary, the parties hereto acknowledge and agree that all of their respective rights and powers to any assets or properties of the Borrower are subordinate and subject to the liens created by the Mortgage, together with any and all amounts from time to time secured thereby, and interest thereon, and to all of the terms and provisions of the Mortgage, and any and all other documents executed by the Borrower as required by HUD or GNMA in connection therewith.

(b) Enforcement of the covenants in this Loan Agreement will not result in, and neither the Issuer, the Trustee nor the Indemnified Persons has or shall be entitled to assert, any claim against the Project, the Mortgage Loan proceeds (other than the amounts deposited with the Trustee as provided in the Indenture), any reserves or deposits required by HUD in connection with the Mortgage Loan transaction, or the rents or deposits or other income of the Project other than available "Surplus Cash" as defined in the HUD Regulatory Agreement.

(c) Failure of the Issuer or the Borrower to comply with any of the covenants set forth in this Loan Agreement will not serve as a basis for default on the Mortgage Loan, the underlying mortgage, or any of the other Mortgage Loan Documents.

(d) The Bonds are not a debt of the United States of America, HUD, FHA, GNMA or any other agency or instrumentality of the federal government, and are not guaranteed by the full faith and credit of the United States or any agency or instrumentality thereof.

(e) There is no pledge hereunder of the gross revenues or any of the assets of the Project.

(f) Nothing contained herein shall inhibit or impair the right of FHA to require or agree to any amendment, change or modification of any Mortgage Loan Documents.

(g) Proceeds from any condemnation award or from the payment of a claim under any hazard insurance policy relating to the Project will not be payable to the Trustee, but will be payable in accordance with the Mortgage Loan Documents.

(h) Notwithstanding anything to the contrary in the event of an assignment or conveyance of the Mortgage Loan to the Federal Housing Commissioner, subsequent to the issuance of the Bonds, all money remaining in all funds and accounts other than the Rebate Fund and any other funds remaining under the Indenture after payment or provision for payment of debt service on the Bonds and the fees and expenses of the Issuer, Trustee and other such parties unrelated to the Borrower (other than funds originally deposited by the Borrower or related parties on or before the date of issuance of the Bonds) shall be returned to the Lender.

(i) Lender shall not have any obligation under the Disbursement Agreement (or otherwise) to continue to provide Lender Funds if there is a Borrower default under and assignment of the Mortgage Loan to HUD.

[Balance of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Issuer and the Borrower have caused this Loan Agreement to be executed in their respective official names and their respective official seals to be hereunto affixed and attested by their duly authorized officers, all as of the date first above written.

CITY OF CHICAGO, as Issuer

By: _____

Name: Jill Jaworski

Title: Chief Financial Officer

Seal

ATTEST:

By: _____

Name: Andrea M. Valencia

Title: City Clerk

[SIGNATURE PAGE TO LOAN AGREEMENT – SIGNATURES
CONTINUED ON NEXT PAGE]

208 LASALLE AFFORDABLE LP, an Illinois limited partnership

By: 208LaSalle AH GP, LLC,
an Illinois limited liability company
its general partner

By: 208 LaSalle Owner, LLC,
an Illinois limited liability company
its sole member and manager

By: _____
Name: Michael W. Reschke
Its: Manager

[SIGNATURE PAGE TO LOAN AGREEMENT CONTINUED]

**ZIONS BANCORPORATION, NATIONAL
ASSOCIATION, as Trustee**

By: _____
Name: _____
Title: _____

[SIGNATURE PAGE TO LOAN AGREEMENT CONTINUED]

Exhibit A

FORM OF NOTE

This Note has not been registered under the Securities Act of 1933. Its transferability is restricted by the Bond Indenture and the Loan Agreement referred to herein.

\$ _____, 2025

208 LASALLE AFFORDABLE LP, an Illinois limited partnership (the "**Borrower**"), for value received, promises to pay in installments to 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**"), the principal amount of

_____ AND 00/100 DOLLARS

and to pay interest on the unpaid balance of such principal sum from and after the date hereof at the rate of _____% per annum through and including _____ 1, 202_, and thereafter at the applicable Remarketing Rate (as defined in the Indenture described below), until the payment of such principal sum has been made or provided for. The principal amount stated above shall be paid on or before _____ 1, 202_ (the "Final Mandatory Tender Date"). Interest shall be calculated on the basis of a 360-day year of 12 equal months. Interest on this Note shall be paid at least one Business Day prior to (a) each _____ 1 and _____ 1, commencing _____ 1, 202_, (b) each Redemption Date, (c) each Mandatory Tender Date, (d) the Maturity Date and (e) the date of acceleration of the Bonds (the "**Interest Payment Dates**"). Terms used but not defined herein shall have the meanings ascribed to such terms in the Indenture, as defined below.

This Note has been executed and delivered by the Borrower to the Issuer pursuant to a certain Loan Agreement dated as of _____ 1, 2025 (the "**Loan Agreement**"), among the Issuer, Zions Bancorporation, National Association, as trustee (the "**Trustee**") under the Indenture hereinafter referred to and the Borrower.

Under the Loan Agreement, the Issuer has loaned the Borrower the principal proceeds received from the sale of its \$ _____ Multifamily Housing Revenue Bonds (208 S. LaSalle Project), Series 2025 (the "**Bonds**"), to assist in the financing of the Project, and the Borrower has agreed to repay such loan by making payments ("**Loan Payments**") at the times and in the amounts set forth in this Note for application to the payment of principal of and interest on the Bonds as and when due. The Bonds have been issued, concurrently with the execution and delivery of this Note, pursuant to, and are secured by, the Indenture dated as of _____ 1, 2025 (the "**Indenture**"), between the Issuer and the Trustee.

To provide funds to pay the principal of and interest on the Bonds as and when due as specified herein, the Borrower hereby agrees to and shall make Loan Payments in Federal Reserve funds on each Interest Payment Date in an amount equal to the Bond Service Charges on the Bonds payable on such Interest Payment Date. In addition, to provide funds to pay the Bond Service Charges on the Bonds as and when due at any other time, the Borrower hereby agrees to and shall make Loan Payments at least one Business Day prior to the date on which any Bond Service Charges on the Bonds shall be due and payable, whether at maturity, upon acceleration or otherwise, in an amount equal to those Bond Service Charges.

If payment or provision for payment in accordance with the Indenture is made in respect of the Bond Service Charges on the Bonds from money other than Loan Payments, this Note shall be deemed paid to the extent such payments or provision for payment of Bonds has been made. Consistent with the

provisions of the immediately preceding sentence, the Borrower shall have credited against its obligation to make Loan Payments any amounts transferred from the Project Fund or the Collateral Fund to the Bond Fund. Subject to the foregoing, all Loan Payments shall be in the full amount required hereunder.

All Loan Payments shall be made to the Trustee at its Designated Office for the account of the Issuer and deposited in the Bond Fund created by the Indenture. Except as otherwise provided in the Indenture, the Loan Payments shall be used by the Trustee to pay the Bond Service Charges on the Bonds as and when due.

The obligation of the Borrower to make the payments required hereunder shall be absolute and unconditional and the Borrower shall make such payments without abatement, diminution or deduction regardless of any cause or circumstances whatsoever including, without limitation, any defense, set-off, recoupment or counterclaim which the Borrower may have or assert against the Issuer, the Trustee or any other Person.

This Note is subject to prepayment, in whole or in part, upon the terms and conditions set forth in Article 3 of the Indenture. Any prepayment is subject to satisfaction of any applicable notice, deposit or other requirements set forth in the Agreement or the Indenture.

Whenever an event of default under Section 6.01 of the Indenture shall have occurred and, as a result thereof, the principal of and any premium on all Bonds then Outstanding, and interest accrued thereon, shall have been declared to be immediately due and payable pursuant to Section 6.02 of the Indenture, the unpaid principal amount of and any premium and accrued interest on this Note shall also be due and payable in Federal Reserve funds on the date on which the principal of and premium and interest on the Bonds shall have been declared due and payable; provided that the annulment of a declaration of acceleration with respect to the Bonds shall also constitute an annulment of any corresponding declaration with respect to this Note.

The payment obligations of this Note are non-recourse to the Borrower to the extent set forth in Section 9.03 of the Loan Agreement.

In the event of any conflict and to the extent that there is any inconsistency or ambiguity between the provisions of this Note and the provisions of the Controlling HUD and GNMA Requirements or the Mortgage Loan Documents, the Controlling HUD and GNMA Requirements and Mortgage Loan Documents will be deemed to be controlling, and any such ambiguity or inconsistency will be resolved in favor of, and pursuant to the terms of the Controlling HUD and GNMA Requirements and Mortgage Loan Documents, as applicable.

Enforcement of the covenants in this Note will not result in, and neither the Issuer nor the Trustee has or shall be entitled to assert, any claim against the Project, the Mortgage Loan proceeds, any reserves or deposits required by HUD in connection with the Mortgage Loan transaction, or the rents or deposits or other income of the Project other than available "Surplus Cash" as defined in the HUD Regulatory Agreement.

Failure of the Issuer or the Borrower to comply with any of the covenants set forth in this Note will not serve as a basis for default on the Mortgage Loan, the underlying mortgage, or any of the other Mortgage Loan Documents.

IN WITNESS WHEREOF, the Borrower has caused this Note to be executed in its name as of the date first above written.

208 LASALLE AFFORDABLE LP, an Illinois limited partnership

By: 208LaSalle AH GP, LLC,
an Illinois limited liability company
its general partner

By: 208 LaSalle Owner, LLC,
an Illinois limited liability company
its sole member and manager

By: _____
Name: Michael W. Reschke
Its: Manager

ENDORSEMENT

Pay to the order of Zions Bancorporation, National Association, without recourse, as Trustee under the Indenture referred to in the within mentioned Note, as security for the Bonds issued under the Indenture. This endorsement is given without any warranty as to the authority or genuineness of the signature of the maker of the Note.

This ____ day of _____, 2025.

CITY OF CHICAGO, as Issuer

By: _____
Name: Jill Jaworski
Title: Chief Financial Officer

EXHIBIT B
FORM OF REQUISITION
(Project Fund)

Zions Bancorporation, National Association
Chicago, Illinois

\$ _____ **Multifamily Housing Revenue Bonds**
(208 S. LaSalle Project)
Series 2025

Ladies and Gentlemen:

Pursuant to Section 3.06 of the Loan Agreement dated as of _____ 1, 2025 (the "**Loan Agreement**") among the **CITY OF CHICAGO** (the "**Issuer**"), **208 LASALLE AFFORDABLE LP**, an Illinois limited partnership (the "**Borrower**"), and Zions Bancorporation, National Association, as Trustee (the "**Trustee**"), the undersigned Authorized Borrower Representative hereby requests and authorizes the Trustee, as depositary of the Project Fund created by the Indenture dated as of _____ 1, 2025 (the "**Indenture**"), between the Issuer and the Trustee, to pay to the Borrower, to _____, as Lender, or to the person(s) listed on the Schedule I hereto out of the money deposited in the Project Fund to pay the costs of the items listed in Schedule I.

1. REQUISITION NO.: _____
2. PAYMENT DUE TO: [SEE ATTACHED SCHEDULE I]
3. AMOUNT TO BE DISBURSED AND CORRESPONDING TO AN ADVANCE OF LENDER FUNDS: \$ _____ [SEE ATTACHED SCHEDULE I]
4. The amount requested to be disbursed pursuant to this Requisition will be used to pay Costs of the Project (as such term is defined in the Indenture) detailed in Schedule I attached to this Requisition.
5. With respect to a disbursement from the Project Fund, the undersigned certifies that:
 - (a) the amounts included in 3 above were made or incurred or financed and were necessary for the Project and were made or incurred in accordance with the construction contracts, plans and specifications heretofore in effect;
 - (b) the amount paid or to be paid, as set forth in this Requisition, represents a part of the funds due and payable for Costs of the Project, such funds were not paid in advance of the time, if any, fixed for payment and such funds are due in accordance with the terms of any contracts applicable to the Project and in accordance with usual and customary practice under existing conditions;
 - (c) the expenditures for which amounts are requisitioned represent proper charges against the Project Fund, have not been included in any previous requisition, have been properly recorded on the Borrower's books and are set forth in Schedule I, with paid invoices attached for any sums for which reimbursement is requested;

(d) the moneys requisitioned are not greater than those necessary to meet obligations due and payable or to reimburse the Borrower for its funds actually advanced for Costs of the Project and do not represent a reimbursement to the Borrower for working capital;

(e) the amount remaining in the Project Fund, together with expected investment income on the Project Fund will, after payment of the amount requested by this Requisition, be sufficient to pay the Costs of completing the Project substantially in accordance with the construction contracts, plans and specifications and building permits therefor, if any, currently in effect;

(f) all of the funds being requisitioned are being used in compliance with all tax covenants set forth in the Indenture, the Loan Agreement and the Land Use Restriction Agreement;

(g) the full amount of each disbursement will be applied to pay or to reimburse the Borrower for the payment of Costs and that, after taking into account the proposed disbursement,

(A) at least 95% of the proceeds of the Bonds pursuant to all written requisitions will be used for Qualified Project Costs to provide a qualified residential rental project (as defined in Section 142(d) of the Code); and

(B) less than 25% of the Net Proceeds of the Bonds will be disbursed to pay or to reimburse the Borrower for the cost of acquiring land;

(h) the Borrower is not in default under the Loan Agreement or the Land Use Restriction Agreement and nothing has occurred to the knowledge of the Borrower that would prevent the performance of its obligations under the Loan Agreement or the Land Use Restriction Agreement; and

(i) **[no amounts being requisitioned by this Requisition will be used to pay, or reimburse, any Costs of Issuance incurred in connection with the issuance of the Bonds.]**

6. The Borrower has on file, copies of invoices or bills of sale covering all items for which payment is being requested.

Requisition submitted this _____ day of _____, 202__.

208 LASALLE AFFORDABLE LP, an Illinois limited partnership

By: 208LaSalle AH GP, LLC,
an Illinois limited liability company
its general partner

By: 208 LaSalle Owner, LLC,
an Illinois limited liability company
its sole member and manager

By: _____
Name: Michael W. Reschke
Its: Manager

SCHEDULE I
to Project Fund Requisition

EXHIBIT C

\$ _____ Multifamily Housing Revenue Bonds
(208 S. LaSalle Project)
Series 2025

COMPLETION CERTIFICATE

Pursuant to Section 3.09 of the Loan Agreement dated as of _____ 1, 2025 (the "**Loan Agreement**") among the **CITY OF CHICAGO** (the "**Issuer**"), **208 LaSalle AFFORDABLE LP**, an Illinois limited partnership (the "**Borrower**"), and Zions Bancorporation, National Association, as Trustee (the "**Trustee**") and relating to the above-captioned Bonds, the undersigned Authorized Borrower Representative hereby certifies that (with capitalized words and terms used and not defined in this Certificate having the meanings assigned or referenced in the Loan Agreement):

(a) The Project was substantially completed and available and suitable for use as multifamily housing on _____.

(b) The acquisition, construction, equipping and improvement of the Project and those other facilities have been accomplished in such a manner as to conform in all material respects with all applicable zoning, planning, building, environmental and other similar governmental regulations.

(c) The costs of the Project financed with the Loan were \$ _____.

(d) Except [as provided in subsection (e) of this Certificate][for amounts retained by the Lender in the _____ for the payment of costs of the Project not yet due or for liabilities which the Borrower is contesting or which otherwise should be retained], all costs of that acquisition and installation due on or after the date of this Certificate and now payable have been paid.

[(e) The Trustee shall retain \$ _____ in the Project Fund for the payment of costs of the Project not yet due or for liabilities which the Borrower is contesting or which otherwise should be retained, for the following reasons:]

(e) At least 95% of the proceeds of the Bonds were expended for Qualified Project Costs as defined in the Indenture.

(f) This Certificate is given without prejudice to any rights against third parties that now exist or subsequently may come into being.

(g) Final endorsement of the Mortgage Loan by FHA occurred on _____, 202__ [is expected to occur on or about _____, 202__].

IN WITNESS WHEREOF, the Authorized Borrower Representative has set his or her hand as of
the ____ day of _____, 202__.

208 LASALLE AFFORDABLE LP, an Illinois limited
partnership

By: 208LaSalle AH GP, LLC,
an Illinois limited liability company
its general partner

By: 208 LaSalle Owner, LLC,
an Illinois limited liability company
its sole member and manager

By: _____
Name: Michael W. Reschke
Its: Manager

43316408.4/152996.00019

Ordinance Exhibit D

Form of Land Use Restriction Agreement

[See Attached]

This Instrument was Prepared by and When Recorded Send to:
Glenn Weinstein
Miller, Canfield, Paddock and Stone, P.L.C.
227 West Monroe Street, Suite 3600
Chicago, Illinois 60606

LAND USE RESTRICTION AGREEMENT

between

CITY OF CHICAGO

And

208 LASALLE AFFORDABLE LP

an Illinois limited partnership

Dated as of _____ 1, 2025

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LAND USE RESTRICTION AGREEMENT

THIS LAND USE RESTRICTION AGREEMENT (this “**Agreement**”), entered into as of _____ 1, 2025, between the **CITY OF CHICAGO**, a municipal corporation and home rule unit of local government duly organized and validly existing under the Constitution and laws of the State of Illinois (the “**Issuer**”), and **208 LASALLE AFFORDABLE LP**, an Illinois limited partnership (the “**Owner**”).

WITNESSETH:

WHEREAS, the Issuer has issued, sold and delivered its Multifamily Housing Revenue Bonds (208 S. LaSalle Project), Series 2025, in the aggregate principal amount of \$_____ (the “**Bonds**”); and

WHEREAS, the Bonds are issued pursuant to the Indenture of even date herewith (the “**Indenture**”), between the Issuer and Zions Bancorporation, National Association, a national banking association having a corporate trust office in Chicago, Illinois, as trustee (the “**Trustee**”); and

WHEREAS, the proceeds derived from the issuance and sale of the Bonds are being lent by the Issuer to the Owner pursuant to the Loan Agreement of even date herewith (the “**Loan Agreement**”), among the Issuer, the Trustee and the Owner for the purpose of financing a portion of the costs of the acquisition of an allocable portion of land legally described in **Exhibit A** hereto and a portion of the ground floor and portions of floors thirteen through sixteen of an 21-story building located at 208 S. LaSalle Street, Chicago, Illinois (the “**Site**”) and the rehabilitation of a qualified residential rental facility with a total of 51 housing units (the “**Units**” or “**Unit**”) and to be known as the 208 S. LaSalle Apartments (collectively, the Site and the Units are referred to herein as the “**Project**”); and

WHEREAS, in order to assure the Issuer and the Holders that interest on the Bonds will be excludable from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the “**Code**”), and to further the public purposes of the Issuer, certain restrictions on the use and occupancy of the Project under the Code must be established;

NOW, THEREFORE, in consideration of the mutual promises and covenants hereinafter set forth, and of other good and valuable consideration, the receipt, sufficiency and adequacy of which are hereby acknowledged, the Owner and the Issuer agree as follows:

Section 1. Term of Restrictions

(a) **Occupancy Restrictions.** The term of the Occupancy Restrictions set forth in Section 3 hereof shall commence on the first day on which at least 10% of the Units are first occupied following completion of the construction of such Units and shall end on the latest of (i) the date which is 15 years after the date on which at least 50% of the Units in the Project are first occupied; (ii) the first date on which no tax-exempt note or bond (including any refunding note or bond) issued with respect to the Project is outstanding; or (iii) the date on which any housing assistance provided with respect to the Project under Section 8 of the United States

Housing Act of 1937, as amended, terminates (which period is hereinafter referred with respect to the Project as the “**Qualified Project Period**”).

(b) **Rental Restrictions.** The Rental Restrictions with respect to the Project set forth in Section 4 hereof shall remain in effect during the Qualified Project Period.

(c) **Involuntary Loss or Substantial Destruction.** The Occupancy Restrictions set forth in Section 3 hereof, and the Rental Restrictions set forth in Section 4 hereof, shall cease to apply to the Project in the event of involuntary noncompliance caused by fire, seizure, requisition, foreclosure, transfer of title by deed in lieu of foreclosure, change in federal law or an action of a federal agency (with respect to the Project) after the date of delivery of the Bonds, which prevents the Issuer from enforcing the Occupancy Restrictions and the Rental Restrictions (with respect to the Project), or condemnation or similar event (with respect to the Project), but only if, within a reasonable time, (i) all of the Bonds are promptly retired, or amounts received as a consequence of such event are used to provide a new project which meets all of the requirements of this Agreement, which new project is subject to new restrictions substantially equivalent to those contained in this Agreement, and which is substituted in place of the Project by amendment of this Agreement; and (ii) an opinion from nationally recognized bond counsel (selected by the Issuer) is received to the effect that noncompliance with the Occupancy Restrictions and the Rental Restrictions applicable to the Project as a result of such involuntary loss or substantial destruction resulting from an unforeseen event with respect to the Project will not adversely affect the exclusion of the interest on the Bonds from the gross income of the owner thereof for purposes of federal income taxation; provided, however, that the preceding provisions of this paragraph shall cease to apply in the case of such involuntary noncompliance caused by foreclosure, transfer of title by deed in lieu of foreclosure or similar event if at any time during the Qualified Project Period with respect to the Project subsequent to such event the Owner or any Affiliated Party (as hereinafter defined) obtains an ownership interest in the Project for federal income tax purposes. “**Affiliated Party**” means a person whose relationship to another person is such that (i) the relationship between such persons would result in a disallowance of losses under Section 267 or 707(b) of the Code; or (ii) such persons are members of the same controlled group of corporations (as defined in Section 1563(a) of the Code, except that “more than 50%” shall be substituted for “at least 80%” each place it appears therein).

(d) **Termination.** This Agreement shall terminate with respect to the Project upon the earliest of (i) termination of the Occupancy Restrictions and the Rental Restrictions with respect to the Project, as provided in paragraphs (a) and (b) of this Section 1; or (ii) delivery to the Issuer and the Owner of an opinion of nationally recognized bond counsel (selected by the Issuer) to the effect that continued compliance of the Project with the Rental Restrictions and the Occupancy Restrictions applicable to the Project is not required in order for interest on the Bonds to remain excludable from gross income for federal income tax purposes.

(e) **Certification.** Upon termination of this Agreement, the Owner and the Issuer shall execute and cause to be recorded (at the Owner’s expense), in all offices in which this Agreement was recorded, a certificate of termination, specifying which of the restrictions contained herein has terminated.

(f) **[Reserved]**.

Section 2. Project Restrictions. The Owner represents, warrants and covenants that:

(a) The Owner has reviewed the provisions of the Code and the Treasury Regulations thereunder (the “**Regulations**”) applicable to this Agreement (including, without limitation, Section 142(d) of the Code and Section 1.103-8(b) of the Regulations) with its counsel and understands said provisions.

(b) The Project is being acquired, constructed and equipped for the purpose of providing a “qualified residential rental project” (as such phrase is used in Section 142(d) of the Code) and will, during the term of the Rental Restrictions and Occupancy Restrictions hereunder applicable to the Project, continue to constitute a “qualified residential rental project” under Section 142(d) of the Code and any Regulations heretofore or hereafter promulgated thereunder and applicable thereto.

(c) Substantially all (not less than 95%) of the Project will consist of a “building or structure” (as defined in Section 1.103-8(b)(8)(iv) of the Regulations), or a segregated portion of a building or structure, containing one or more similarly constructed residential units (as defined in Section 1.103-8(b)(8)(i) of the Regulations) located on a single tract of land or contiguous tracts of land (as defined in Section 1.103-8(b)(4)(ii)-(B) of the Regulations), which will be owned, for federal tax purposes, at all times by the same person, and financed pursuant to a common plan (within the meaning of Section 1.103-8(b)(4)(ii) of the Regulations), together with functionally related and subordinate facilities (within the meaning of Section 1.103-8(b)(4)(iii) of the Regulations). If any such building or structure contains fewer than five (5) units, no unit in such building or structure shall be Owner-occupied.

(d) None of the Units in the Project will at any time be used on a transient basis, nor will the Project itself be used as a hotel, motel, dormitory, fraternity or sorority house, rooming house, hospital, nursing home, sanitarium, rest home or trailer park or court for use on a transient basis; nor shall any portion of the Project be operated as an assisted living facility which provides continual or frequent nursing, medical or psychiatric services; *provided, however* that nothing herein shall be understood to prohibit single-room-occupancy units occupied under month-to-month leases.

(e) All of the Units in the Project will be leased or rented, or available for lease or rental, on a continuous basis to members of the general public (other than (i) Units for resident managers or maintenance personnel, (ii) Units for Qualifying Tenants as provided for in Section 3 hereof, and (iii) Units which may be rented under the Section 8 assistance program, which Units (subject to the Section 8 assistance program) shall be leased to eligible tenants in accordance with Section requirements), subject, however, to the requirements of Section 3(a) hereof. Each Qualifying Tenant (as hereinafter defined) occupying a Unit in the Project shall be required to execute a written lease with a stated term of not less than 30 days nor more than one year.

(f) Any functionally related and subordinate facilities (e.g., parking areas, swimming pools, tennis courts, etc.) which are included as part of the Project will be of a character and size

commensurate with the character and size of the Project, and will be made available to all tenants in the Project on an equal basis; fees will only be charged with respect to the use thereof if the charging of fees is customary for the use of such facilities at similar residential rental properties in the surrounding area (*i.e.*, within a one-mile radius), or, if none, then within comparable urban settings in the City of Chicago, and then only in amounts commensurate with the fees being charged at similar residential rental properties within such area. In any event, any fees charged will not be discriminatory or exclusionary as to the Qualifying Tenants (as defined in Section 3 hereof). No functionally related and subordinate facilities will be made available to persons other than tenants or their guests.

(g) Each residential Unit in the Project will contain separate and complete facilities for living, sleeping, eating, cooking and sanitation for a single person or family.

(h) No portion of the Project will be used to provide any health club facility (except as provided in (f) above), any facility primarily used for gambling, or any store, the principal business of which is the sale of alcoholic beverages for consumption off premises, in violation of Section 14-71 of the Code.

Section 3. Occupancy Restrictions. The Owner represents, warrants and covenants with respect to the Project that:

(a) Pursuant to the election of the Issuer in accordance with the provisions of Section 142(d)(1)(A) of the Code, at all times during the Qualified Project Period with respect to the Project at least 40% of the completed Units in the Project shall be continuously occupied (or treated as occupied as provided herein) or held available for occupancy by Qualifying Tenants as herein defined. For purposes of this Agreement, "**Qualifying Tenants**" means individuals or families whose aggregate adjusted incomes do not exceed 60% of the applicable median gross income (adjusted for family size) for the area in which the Project is located, as such income and area median gross income are determined by the Secretary of the United States Treasury in a manner consistent with determinations of income and area median gross income under Section 8 of the United States Housing Act of 1937, as amended (or, if such program is terminated, under such program as in effect immediately before such determination).

(b) Prior to the commencement of occupancy of any Unit to be occupied by a Qualifying Tenant, the prospective tenant's eligibility shall be established by execution and delivery by such prospective tenant of an Income Computation and Certification in the form attached hereto as **Exhibit B** (the "**Income Certification**") evidencing that the aggregate adjusted income of such prospective tenant does not exceed the applicable income limit. In addition, such prospective tenant shall be required to provide whatever other information, documents or certifications are reasonably deemed necessary by the Owner or the Issuer to substantiate the Income Certification.

(c) Not less frequently than annually, the Owner shall determine whether the current aggregate adjusted income of each tenant occupying any Unit being treated by the Owner as occupied by a Qualifying Tenant exceeds the applicable income limit. For such purpose the Owner shall require each such tenant to execute and deliver the Income Certification; *provided, however,*

that for any calendar year during which no Unit in the Project is occupied by a new resident who is not a Qualifying Tenant, no Income Computation and Certification for existing tenants shall be required.

(d) Any Unit vacated by a Qualifying Tenant shall be treated as continuing to be occupied by such tenant until reoccupied, other than for a temporary period not to exceed 31 days, at which time the character of such Unit as a Unit occupied by a Qualifying Tenant shall be redetermined.

(e) If an individual's or family's income exceeds the applicable income limit as of any date of determination, the income of such individual or family shall be treated as continuing not to exceed the applicable limit, provided that the income of an individual or family did not exceed the applicable income limit upon commencement of such tenant's occupancy or as of any prior income determination, and provided, further, that if any individual's or family's income as of the most recent income determination exceeds 140% of the applicable income limit, such individual or family shall cease to qualify as a Qualifying Tenant if, prior to the next income determination of such individual or family, any Unit in the Project of comparable or smaller size to such individual's or family's Unit is occupied by any tenant other than a Qualifying Tenant.

(f) The lease to be utilized by the Owner in renting any Unit in the Project to a prospective Qualifying Tenant shall provide for termination of the lease and consent by such person to eviction following 30 days' written notice, subject to applicable provisions of Illinois law (including for such purpose all applicable home rule ordinances), for any material misrepresentation made by such person with respect to the Income Certification with the effect that such tenant is not a Qualified Tenant.

(g) All Income Certifications will be maintained on file at the Project as long as the Bonds are outstanding and for five years thereafter with respect to each Qualifying Tenant who occupied a Unit in the Project during the period the restrictions hereunder are applicable, and the Owner will, promptly upon receipt, file a copy thereof with the Issuer.

(h) On the first day of the Qualified Project Period with respect to the Project, on the fifteenth days of January, April, July and October of each year during the Qualified Project Period with respect to the Project, and within 30 days after the final day of each month in which there occurs any change in the occupancy of a Unit in the Project, the Owner will submit to the Issuer a "Certificate of Continuing Program Compliance," in the form attached hereto as **Exhibit C** executed by the Owner with respect to the Project.

(i) The Owner shall submit to the Secretary of the United States Treasury (at such time and in such manner as the Secretary shall prescribe) with respect to the Project an annual certification on Form 8703 as to whether the Project continues to meet the requirements of Section 142(d) of the Code. Failure to comply with such requirement may subject the Owner to the penalty provided in Section 6652(j) of the Code.

Section 4. Rental Restrictions. The Owner represents, warrants and covenants with respect to the Project that once available for occupancy, each Unit in the Project will be rented or

available for rental on a continuous basis to members of the general public (other than (a) Units for resident managers or maintenance personnel, (b) Units for Qualifying Tenants as provided for in Section 3 hereof, and (c) Units which may be rented under the Section 8 assistance program, which Units (subject to the Section 8 assistance program) shall be leased to eligible tenants in accordance with Section 8 requirements). If a Housing Assistance Payments Contract is subsequently entered into with respect to the Project under the Section 8 assistance program, in administering the restrictions hereunder with respect to the Project the Owner will comply with all Section 8 requirements.

Section 5. Transfer Restrictions. The Owner covenants and agrees that no conveyance, transfer, assignment or any other disposition of title to any portion of the Project (a “**Transfer**”) shall be made prior to the termination of the Rental Restrictions and Occupancy Restrictions hereunder with respect to the Project, unless the transferee pursuant to the Transfer assumes in writing (the “**Assumption Agreement**”), in a form reasonably acceptable to the Issuer, all of the executory duties and obligations hereunder of the Owner with respect to such portion of the Project, including those contained in this Section 5, and agrees to cause any subsequent transferee to assume such duties and obligations in the event of a subsequent Transfer by the transferee prior to the termination of the Rental Restrictions and Occupancy Restrictions hereunder with respect to the Project. The Owner shall deliver the Assumption Agreement to the Issuer at least 30 days prior to a proposed Transfer. This Section 5 shall not apply to any involuntary transfer pursuant to Section 11 hereof. This Section shall not be deemed to restrict the transfer of any membership interest in the Owner or a transfer by foreclosure or deed in lieu of foreclosure.

Section 6. Enforcement

(a) Upon reasonable notice and during the regular business hours, the Owner shall permit all duly authorized representatives of the Issuer to inspect any books and records of the Owner regarding the Project and the incomes of Qualifying Tenants which pertain to compliance with the provisions of this Agreement and Section 142(d) of the Code and the regulations heretofore or hereafter promulgated thereunder.

(b) In addition to the information provided for in Section 3(i) hereof, the Owner shall submit any other information, documents or certifications reasonably requested by the Issuer, which the Issuer deems reasonably necessary to substantiate continuing compliance with the provisions of this Agreement and Section 142(d) of the Code and the regulations heretofore or hereafter promulgated thereunder.

(c) The Issuer and the Owner each covenant that it will not take or permit to be taken any action within its control that it knows would adversely affect the exclusion of interest on the Bonds from the gross income of the owners thereof for purposes of federal income taxation pursuant to Section 103 of the Code. Moreover, each of the Issuer and the Owner covenants to take any lawful action within its control (including amendment of this Agreement as may be necessary in the opinion of nationally recognized bond counsel selected by the Issuer) to comply fully with all applicable rules, rulings, policies, procedures, regulations or other official statements promulgated or proposed by the Department of the Treasury or the Internal Revenue Service from

time to time pertaining to obligations issued under Section 142(d) of the Code and affecting the Project.

(d) The Owner covenants and agrees to inform the Issuer by written notice of any violation of its obligations hereunder within five days of first discovering any such violation. The Issuer shall declare a default under this Agreement effective on the date of such declaration of default, and the Issuer shall apply, without further notice, to any court, state or federal, for specific performance of this Agreement or an injunction against any violation of this Agreement, or any other remedies at law or in equity or any such other actions as shall be necessary or desirable so as to correct noncompliance with this Agreement, if any such violation of the Owner's obligations hereunder is not corrected to the satisfaction of the Issuer within the period of time specified by the Issuer, which shall be (i) the lesser of (A) 60 days after the effective date of any notice to or from the Owner, or (B) 75 days from the date such violation would have been discovered by the Owner by the exercise of reasonable diligence, or (ii) such longer period as may be necessary to cure such violation, provided bond counsel (selected by the Issuer) of nationally recognized standing in matters pertaining to the exclusion of interest on municipal bonds from gross income for purposes of federal income taxation issues an opinion that such extension will not result in the loss of such exclusion of interest on the Bonds.

(e) The Owner and the Issuer each acknowledges that the primary purposes for requiring compliance with the restrictions provided in this Agreement are to preserve the exclusion of interest on the Bonds from gross income for purposes of federal income taxation, and that the Issuer, on behalf of the owners of the Bonds, who are declared to be third-party beneficiaries of this Agreement, shall be entitled for any breach of the provisions hereof, to all remedies both at law and in equity in the event of any default hereunder.

(f) In the enforcement of this Agreement, the Issuer may rely on any certificate delivered by or on behalf of the Owner or any tenant with respect to the Project.

(g) Nothing in this Section shall preclude the Issuer from exercising any remedies it might otherwise have, by contract, statute or otherwise, upon the occurrence of any violation hereunder.

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

Section 7. Covenants to Run with the Land. The Owner hereby subjects the Project, the Site and the Units to the covenants, reservations and restrictions set forth in this Agreement. The Issuer and the Owner hereby declare their express intent that the covenants, reservations and restrictions set forth herein shall be deemed covenants, reservations and restrictions running with the land to the extent permitted by law, and shall pass to and be binding upon the Owner's successors in title to the Project, the Units, and the Site, throughout the term of this Agreement. Each and every contract, deed, mortgage, lease or other instrument hereafter executed covering or conveying the Project, the Units or the Site, or any portion thereof or interest therein (excluding

any transferee of a membership interest in the Owner), shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed, mortgage, lease or other instrument.

Section 8. Recording. The Owner shall cause this Agreement and all amendments and supplements hereto to be recorded in the conveyance and real property records of Cook County, Illinois, and in such other places as the Issuer may reasonably request. The Owner shall pay all fees and charges incurred in connection with any such recording.

Section 9. Agents of the Issuer. The Issuer shall have the right to appoint agents to carry out any of its duties and obligations hereunder, and shall, upon written request, certify in writing to the other party hereto any such agency appointment.

Section 10. No Conflict with Other Documents. The Owner warrants and covenants that it has not and will not execute any other agreement with provisions inconsistent or in conflict with the provisions hereof (except documents that are subordinate to the provisions hereof), and the Owner agrees that the requirements of this Agreement are paramount and controlling as to the rights and obligations herein set forth, which supersede any other requirements in conflict herewith.

Section 11. Interpretation. Any capitalized terms not defined in this Agreement shall have the same meaning as terms defined in the Indenture and the Loan Agreement or Section 142(d) of the Code and the regulations heretofore or hereafter promulgated thereunder.

Section 12. Amendment. Subject to any restrictions set forth in the Indenture, this Agreement may be amended by the parties hereto to reflect changes in Section 142(d) of the Code, the regulations hereafter promulgated thereunder and revenue rulings promulgated thereunder, or in the interpretation thereof.

Section 13. Severability. The invalidity of any clause, part or provision of this Agreement shall not affect the validity of the remaining portions thereof.

Section 14. Notices. Any notice, demand or other communication required or permitted hereunder 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, postage prepaid. Any such notice, demand or other communication shall be given as provided for in the applicable sections of the Indenture.

Section 15. Governing Law. The laws of the State of Illinois shall govern the construction of this Agreement, without reference to its conflicts of laws principles.

Section 16. Limited Liability of Owner. Notwithstanding any other provision or obligation stated in or implied by this Agreement to the contrary, any and all undertakings and agreements of the Owner contained herein shall not (other than as expressly provided hereinafter in this paragraph) be deemed, interpreted or construed as the personal undertaking or agreement of, or as creating any personal liability upon, any past, present or future member of the Owner, and no recourse (other than as expressly provided hereinafter in this paragraph) shall be had against the property of the Owner or any past, present or future member of the Owner, personally or individually for the performance of any undertaking, agreement or obligation, or the payment of any money, under this Agreement or any document executed or delivered by or on behalf of the Owner pursuant hereto or in connection herewith, or for any claim based thereon. It is expressly understood and agreed that the Issuer and the registered owner(s) of the Bonds, and their respective successors and assigns, shall have the right to sue for specific performance of this Agreement and to otherwise seek equitable relief for the enforcement of the obligations and undertakings of the Owner hereunder, including, without limitation, obtaining an injunction against any violation of this Agreement or the appointment of a receiver to take over and operate all or any portion of the Project in accordance with the terms of this Agreement. This Section shall survive termination of this Agreement.

Section 17. HUD Requirements. [TO COME].

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed and sealed by their respective, duly authorized representatives, as of the day and year first above written.

CITY OF CHICAGO

By: _____
Jill Jaworski, Chief Financial Officer

(SEAL)

ATTEST:

Andrea M. Valencia, City Clerk

Acknowledged and agreed to:

208 LASALLE AFFORDABLE LP, an
Illinois limited partnership

By: 208 LaSalle AH GP, LLC,
an Illinois limited liability company
its general partner

By: 208 LaSalle Owner, LLC,
an Illinois limited liability company
its sole member and manager

By: _____

Name: Michael W. Reschke

Its: Manager

STATE OF ILLINOIS)
) ss:
COUNTY OF COOK)

BEFORE ME, the undersigned authority, on this day personally appeared JILL JAWORSKI and ANDREA M. VALENCIA, the CHIEF FINANCIAL OFFICER and CITY CLERK, respectively, of the CITY OF CHICAGO, a municipal corporation and home rule unit of local government duly organized and validly existing under the Constitution and laws of the State of Illinois (the "Issuer"), known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that each executed the same for the purposes and consideration therein expressed and in the capacity therein stated, as the act and deed of said Issuer.

GIVEN UNDER MY HAND and seal of office, this the _____ day of _____, 2025.

[SEAL]

Notary Public in and for the State of Illinois

My commission expires on:

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that Michael W. Reschke, personally known to me to be the Manager of 208 LaSalle Owner, LLC, the sole member and manager of 208 LaSalle AH GP, LLC, the General Partner of 208 LaSalle Affordable LP (the "Owner"), 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 severally acknowledged that as such officer, he signed and delivered the said instrument, as the free and voluntary act of such person, and as the free and voluntary act and deed of the Owner, for the uses and purposes therein set forth.

Given under my hand and official seal this ____ day of _____, 2025.

Notary Public

(SEAL)

My commission expires on:

EXHIBIT A

LEGAL DESCRIPTION OF THE SITE

PARCEL 1A:

THE WEST 10 FEET OF LOT 1 AND ALL OF LOTS 2 TO 8 IN SUBDIVISION OF BLOCK 97 IN SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, TAKEN AS A TRACT, LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF +27.48 FEET ABOVE CHICAGO CITY DATUM AND LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF +13.53 FEET ABOVE CHICAGO CITY DATUM AND LYING WITHIN ITS HORIZONTAL BOUNDARY PROJECTED VERTICALLY AND DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHEAST CORNER OF SAID TRACT; THENCE NORTH 00 DEGREES 04 MINUTES 44 SECONDS WEST, ALONG THE EAST LINE THEREOF, 103.35 FEET TO THE POINT OF BEGINNING; THENCE NORTH 89 DEGREES 47 MINUTES 01 SECONDS WEST, 16.40 FEET; THENCE NORTH 00 DEGREES 12 MINUTES 59 SECONDS EAST, 3.34 FEET; THENCE NORTH 89 DEGREES 47 MINUTES 01 SECONDS WEST, 15.94 FEET; THENCE NORTH 00 DEGREES 01 MINUTES 27 SECONDS EAST, 24.85 FEET; THENCE NORTH 89 DEGREES 47 MINUTES 01 SECONDS WEST, 10.11 FEET; THENCE NORTH 00 DEGREES 12 MINUTES 59 SECONDS EAST, 0.62 FEET; THENCE NORTH 89 DEGREES 47 MINUTES 01 SECONDS WEST, 6.97 FEET; THENCE SOUTH 00 DEGREES 14 MINUTES 16 SECONDS WEST, 42.26 FEET; THENCE SOUTH 89 DEGREES 45 MINUTES 44 SECONDS EAST, 49.58 FEET TO THE EAST LINE OF SAID TRACT; THENCE NORTH 00 DEGREES 04 MINUTES 44 SECONDS WEST, 13.47 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

CONTAINING 1,207 SQ. FT.

PARCEL 3:

THE WEST 10 FEET OF LOT 1 AND ALL OF LOTS 2 TO 8 IN SUBDIVISION OF BLOCK 97 IN SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, TAKEN AS A TRACT, LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF +176.68 FEET ABOVE CHICAGO CITY DATUM AND LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF +27.48 FEET ABOVE CHICAGO CITY DATUM AND LYING WITHIN ITS HORIZONTAL BOUNDARY PROJECTED VERTICALLY AND DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHEAST CORNER OF SAID TRACT; THENCE NORTH 00 DEGREES 04 MINUTES 44 SECONDS WEST, ALONG THE EAST LINE THEREOF, 165.84 FEET TO THE NORTHEAST CORNER OF SAID TRACT; THENCE NORTH 89 DEGREES 45 MINUTES 44 SECONDS WEST, ALONG THE NORTH LINE THEREOF, 32.08 FEET; THENCE SOUTH 00 DEGREES 14 MINUTES 16 SECONDS WEST, 34.32 FEET TO THE POINT OF BEGINNING; THENCE NORTH 89 DEGREES 47 MINUTES 01 SECONDS WEST, 10.11 FEET; THENCE SOUTH 00 DEGREES 01 MINUTES 27 SECONDS WEST, 22.52 FEET; THENCE SOUTH 89 DEGREES 47 MINUTES 01 SECONDS

EAST, 10.11 FEET; THENCE NORTH 00 DEGREES 01 MINUTES 27 SECONDS EAST, 22.52 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

CONTAINING 228 SQ. FT. PER FLOOR.

PARCEL 4A:

THE WEST 10 FEET OF LOT 1 AND ALL OF LOTS 2 TO 8 IN SUBDIVISION OF BLOCK 97 IN SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF +239.12 FEET ABOVE CHICAGO CITY DATUM AND LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF +176.68 FEET ABOVE CHICAGO CITY DATUM,

(EXCEPT THAT PART THEREOF DESCRIBED AS FOLLOWS:

NH PARCEL 2:

THE WEST 10 FEET OF LOT 1 AND ALL OF LOTS 2 TO 8 IN SUBDIVISION OF BLOCK 97 IN SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, TAKEN AS A TRACT, LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF +239.12 FEET ABOVE CHICAGO CITY DATUM AND LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF +27.48 FEET ABOVE CHICAGO CITY DATUM AND LYING WITHIN ITS HORIZONTAL BOUNDARY PROJECTED VERTICALLY AND DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHEAST CORNER OF SAID TRACT; THENCE NORTH 00 DEGREES 04 MINUTES 44 SECONDS WEST, ALONG THE EAST LINE THEREOF, 165.84 FEET TO THE NORTHEAST CORNER OF SAID TRACT; THENCE NORTH 89 DEGREES 45 MINUTES 44 SECONDS WEST, ALONG THE NORTH LINE THEREOF, 56.20 FEET; THENCE SOUTH 00 DEGREES 14 MINUTES 16 SECONDS WEST, 34.37 FEET TO THE POINT OF BEGINNING; THENCE NORTH 89 DEGREES 47 MINUTES 01 SECONDS WEST, 8.82 FEET; THENCE SOUTH 00 DEGREES 12 MINUTES 59 SECONDS WEST, 22.52 FEET; THENCE SOUTH 89 DEGREES 47 MINUTES 01 SECONDS EAST, 8.82 FEET; THENCE NORTH 00 DEGREES 12 MINUTES 59 SECONDS EAST, 22.52 FEET TO THE POINT OF BEGINNING),

IN COOK COUNTY, ILLINOIS.

CONTAINING 53,501 SQ. FT. PER FLOOR.

EXHIBIT B

INCOME COMPUTATION AND CERTIFICATION*

NOTE TO APARTMENT OWNER: This form is designed to assist you in computing Annual Income in accordance with the method set forth in the Department of Housing and Urban Development ("HUD") Regulations (24 CFR Part 5). You should make certain that this form is at all times up to date with HUD Regulations. All capitalized terms used herein shall have the meanings set forth in the Land Use Restriction Agreement, dated as of _____ 1, 2025, between the City of Chicago and 208 LaSalle Affordable LP, an Illinois limited partnership (the "Owner").

Re: 208 LaSalle Apartments
Chicago, IL

I/We, the undersigned, being first duly sworn, state that I/we have read and answered fully and truthfully each of the following questions for all persons who are to occupy the unit in the above apartment project for which application is made. Listed below are the names of all persons who intend to reside in the unit:

Name of Members of the Household	Relationship to Head of Household	Age	Social Security Number	Place of Employment
	HEAD			
	SPOUSE			

1. **Total Anticipated Income.** The total anticipated income, calculated in accordance with this paragraph 6, of all persons listed above for the 12-month period beginning the date that I/we plan to move into a unit (i.e.,) is \$__. Included in the total anticipated income listed above are:

- (a) the full amount, before payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;
- (b) the net income from operation of a business or profession or net income from real or personal property (without deducting expenditures for business expansion or amortization or capital indebtedness); an allowance for depreciation of capital assets used in a business or profession may be deducted, based on

* The form of Income Computation and Certification shall be conformed to any amendments made to 24 CFR Part 5, or any regulatory provisions promulgated in substitution thereof.

straight-line depreciation, as provided in Internal Revenue Service regulation; include any withdrawal of cash or assets from the operation of a business or profession, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the above persons;

(c) interest and dividends (see 7(a)(i) below);

(d) the full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump sum payment for the delayed start of a periodic payment;

(e) payments in lieu of earnings, such as unemployment and disability compensation, workmen's compensation and severance pay;

(f) the amount of any public welfare assistance payment; if the welfare assistance payment includes any amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:

(i) the amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities, plus

(ii) the maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities (if the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph 6(f) shall be the amount resulting from one application of the percentage);

(g) periodic and determinable allowances, such as alimony and child support payments and regular contributions or gifts received from persons not residing in the dwelling; and

(h) all regular pay, special pay and allowances of a member of the Armed Forces.

Excluded from such anticipated total income are:

(a) income from employment of children (including foster children) under the age of 18 years;

(b) payment received for the care of foster children or foster adults;

(c) lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses;

- (d) amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;
- (e) income of a live-in aide;
- (f) the full amount of student financial assistance paid directly to the student or to the educational institution;
- (g) special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
- (h) amounts received under training programs funded by the Department of Housing and Urban Development ("HUD");
- (i) amounts received by a disabled person that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);
- (j) amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;
- (k) a resident service stipend in a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the Owner, on a part-time basis, that enhances the quality of life in the Project, including, but not limited to, fire patrol, hall monitoring, lawn maintenance and resident initiatives coordination (no resident may receive more than one stipend during the same period of time);
- (l) compensation from state or local employment training programs in training of a family member as resident management staff, which compensation is received under employment training programs (including training programs not affiliated with a local government) with clearly defined goals and objectives, and which compensation is excluded only for the period during which the family member participates in the employment training program;
- (m) reparations payment paid by a foreign government pursuant to claims filed under the laws of that government for persons who were persecuted during the Nazi era;
- (n) earnings in excess of \$480 for each full-time student, 18 years or older, but excluding the head of household and spouse;
- (o) adoption assistance payments in excess of \$480 per adopted child;
- (p) deferred periodic payments of supplemental security income and social security benefits that are received in a lump sum payment;

- (q) amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit;
- (r) amounts paid by a state agency to a family with a developmentally disabled family member living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home;
- (s) temporary, nonrecurring or sporadic income (including gifts); and
- (t) amounts specifically excluded by any other federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609I apply.

2. Assets

- (a) Do the persons whose income or contributions are included in Item 6 above:
 - (i) have savings, stocks, bonds, equity in real property or other form of capital investment (excluding the values of necessary items of personal property such as furniture and automobiles, equity in a housing cooperative unit or in a manufactured home in which such family resides, and interests in Indian trust land)? _____ Yes _____ No.
 - (ii) have they disposed of any assets (other than at a foreclosure or bankruptcy sale) during the last two years at less than fair market value? _____ Yes _____ No.
- (b) If the answer to (i) or (ii) above is yes, does the combined total value of all such assets owned or disposed of by -all such persons total more than \$5,000? _____ Yes _____ No.
- (c) If the answer to (b) above is yes, state:
 - (i) the total value of all such assets: \$_____
 - (ii) the amount of income expected to be derived from such assets in the 12-month period beginning on the date of initial occupancy of the unit that you propose to rent: \$_____; and
 - (iii) the amount of such income, if any, that was included in Item 6 above: \$_____.

3. Full-time Students

- (a) Are all of the individuals who propose to reside in the unit full-time students? _____ Yes _____ No.

A full-time student is an individual enrolled as a full-time student (carrying a subject load that is considered full-time for day students under the standards and practices of the educational institution attended) during each of five calendar months during the calendar year in which occupancy of the unit begins at an educational organization which normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of students in attendance or an individual pursuing a full-time course of institutional or farm training under the supervision of an accredited agent of such an educational organization or of a state or political subdivision thereof.

(b) If the answer to 8(a) is yes, are at least two of the proposed occupants of the unit a husband and wife entitled to file a joint federal income tax return? Yes
 No.

4. **Relationship to Project Owner.** Neither I nor any other occupant of the unit I/we propose to rent is the Owner, has any family relationship to the Owner, or owns directly or indirectly any interest in the Owner. For purposes of this paragraph, indirect ownership by an individual shall mean ownership by a family member; ownership by a corporation, partnership, estate or trust in proportion to the ownership or beneficial interest in such corporation, partnership, estate or trust held by the individual or a family member; and ownership, direct or indirect, by a partner of the individual.

5. **Reliance.** This certificate is made with the knowledge that it will be relied upon by the Owner to determine maximum income for eligibility to occupy the unit and is relevant to the status under federal income tax law of the interest on obligations issued to provide financing for the apartment development for which application is being made. I/We consent to the disclosure of such information to the issuer of such obligations, the holders of such obligations, any fiduciary acting on their behalf and any authorized agent of the Treasury Department or the Internal Revenue Service. I/We declare that all information set forth herein is true, correct and complete and based upon information I/we deem reliable, and that the statement of total anticipated income contained in paragraph 6 is reasonable and based upon such investigation as the undersigned deemed necessary.

6. **Further Assistance.** I/We will assist the Owner in obtaining any information or documents required to verify the statements made herein, including, but not limited to, either an income verification from my/our present employer(s) or copies of federal tax returns for the immediately preceding two calendar years.

7. **Misrepresentation.** I/We acknowledge that I/we have been advised that the making of any misrepresentation or misstatement in this declaration will constitute a material breach of my/our agreement with the Owner to lease the unit, and may entitle the Owner to prevent or terminate my/our occupancy of the unit by institution of an action for ejection or other appropriate proceedings.

I/We declare under penalty of perjury that the foregoing is true and correct. Executed this _____ day of _____ in _____, Illinois.

Applicant

Applicant

Applicant

Applicant

[Signature of all persons over the age of 18 years listed in 2 above required.]

SUBSCRIBED AND SWORN to before me this _____ day of _____

(NOTARY SEAL)

Notary Public in and for the State of _____

My Commission Expires: _____

FOR COMPLETION BY APARTMENT OWNER ONLY:

1. Calculation of eligible income:

- a. Enter amount entered for entire household in 6 above: \$ _____
- b.
 - (1) if the amount entered in 7I(i) above is greater than \$5,000, enter the total amount entered in 7I(ii), subtract from that figure the amount entered in 7I(iii) and enter the remaining balance (\$_____);
 - (2) multiply the amount entered in 7I(i) times the current passbook savings rate as determined by HUD to determine what the total annual earnings on the amount in 7I(ii) would be if invested in passbook savings (\$_____), subtract from that figure the amount entered in 7I(iii) and enter the remaining balance (\$_____); and
 - (3) enter at right the greater of the amount calculated under (1) or (2) above: \$_____.
- c. **TOTAL ELIGIBLE INCOME (Line 1.a plus line 1.b(3)):** \$ _____

2. The amount entered in 1.c is:

B-6

____ Less than 80% of Median Gross Income for Area. (**
____ More than 80% of Median Gross Income for the Area.” ***

3. Number of apartment unit assigned: _____
Bedroom Size: _____ Rent: \$ _____
4. The last tenants of this apartment unit for a period of 31 consecutive days [had/did not have] aggregate anticipated annual income, as certified in the above manner upon their initial occupancy of the apartment unit, of less than 80% of Median Gross Income for the Area.
5. Method used to verify applicant(s) income:
- | | |
|-------|-------------------------------|
| _____ | Employer income verification. |
| _____ | Copies of tax returns. |
| _____ | Other (_____) |

Owner or Manager

** “Median Gross Income for the Area” means the median income for the area where the Project is located as determined by the Secretary of Housing and Urban Development under Section 8(0)(3) of the United States Housing Act of 1937, as amended, or if programs under Section 8(f) are terminated, median income determined under the method used by the Secretary prior to the termination. “Median Gross Income for the Area” shall be adjusted for family size.

*** See footnote 2.

INCOME VERIFICATION

(for employed persons)

The undersigned employee has applied for a rental unit located in a project financed by the City of Chicago. Every income statement of a prospective tenant must be stringently verified. Please indicate below the employee's current annual income from wages, overtime, bonuses, commissions or any other form of compensation received on a regular basis.

Annual wages

Overtime

Bonuses

Commissions

Total current income

I hereby certify that the statements above are true and complete to the best of my knowledge.

Signature

Date

Title

I hereby grant you permission to disclose my income to 208 LaSalle Affordable LP, an Illinois limited partnership, in order that it may determine my income eligibility for rental of an apartment located in one of its projects which has been financed by the City of Chicago.

Signature

Date

Please send to:

INCOME VERIFICATION

(for self-employed persons)

I hereby attach copies of my individual federal and state income tax returns for the immediately preceding two calendar years and certify that the information shown in such income tax returns is true and complete to the best of my knowledge.

Signature

Date

EXHIBIT C

CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE

The undersigned, on behalf of 208 LaSalle Affordable LP, an Illinois limited partnership (the "Owner"), hereby certifies as follows:

1. The undersigned has read and is thoroughly familiar with the provisions of the Land Use Restriction Agreement, dated as of _____ 1, 2025 (the "Land Use Restriction Agreement"), between the City of Chicago and the Owner. All capitalized terms used herein shall have the meanings given in the Land Use Restriction Agreement.

2. Based on Certificates of Tenant Eligibility on file with the Owner, as of the date of this Certificate the following number of completed Units in the Project (i) are occupied by Qualifying Tenants (as such term is defined in the Land Use Restriction Agreement), or (ii) were previously occupied by Lower-Income Tenants and have been vacant and not reoccupied except for a temporary period of no more than 31 days:

Occupied by Qualifying Tenants****: _____ No. of Units

Previously occupied by Qualifying Tenants:
(vacant and not reoccupied except for a
temporary period of no more than 31 days): _____ No of Units

3. The total number of completed Units in the Project is _____.

4. The total number in 2 is at least 40% of the total number in 3 above.

**** A unit all of the occupants of which are full-time students does not qualify as a unit occupied by Qualifying Tenants, unless one or more of the occupants was entitled to file a joint tax return.

5. No Event of Default (as defined in the Land Use Restriction Agreement) has occurred and is subsisting under the Land Use Restriction Agreement, except as set forth in Schedule A attached hereto.

208 LASALLE AFFORDABLE LP, an
Illinois limited partnership

By: 208 LaSalle AH GP, LLC,
an Illinois limited liability company
its general partner

By: 208 LaSalle Owner, LLC,
an Illinois limited liability company
its sole member and manager

By: _____
Name: Michael W. Reschke
Its: Manager

EXHIBIT D
[POSSIBLE HUD RIDER]

Ordinance Exhibit E
Form of Redevelopment Agreement

[See Attached]

This agreement was prepared by and
after recording return to:
Karen Sun, Esq.
City of Chicago Department of Law
121 North LaSalle Street, Room 600
Chicago, IL 60602

208 S. LaSalle Redevelopment Agreement

This 208 S. LaSalle Redevelopment Agreement (this "Agreement") is made as of this ____ day of ____, 2025, by and between the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Planning and Development ("DPD"), and LaSalle Development Partners NFP, an Illinois not-for-profit corporation (the "LaSalle NFP")¹, 208 LaSalle Affordable LP, an Illinois limited partnership (the "Affordable Developer"), and 208 LaSalle Market Landlord LLC, an Illinois limited liability company (the "Market Rate Developer", and collectively with the LaSalle NFP and the Affordable Developer, 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 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 et seq., as amended from time to time (the "Act"), to finance projects that eradicate blighted conditions and conservation area factors through the use of tax increment allocation financing for redevelopment projects.

C. City Council Authority: To induce redevelopment pursuant to the Act, in accordance with the provisions of the Act, the City Council of the City (the "City Council"): (i) approved and adopted a redevelopment plan and project (the "Redevelopment Plan") for the LaSalle Central Redevelopment Project Area (the "Redevelopment Area"); (ii) designated the

¹ Prior to the Closing Date, the developer may form a new entity of which LaSalle Development Partners NFP will be the sole member and at closing, this newly formed entity may replace LaSalle Development Partners NFP as a party to this Agreement.

Redevelopment Area as a "redevelopment project area"; and (iii) adopted tax increment allocation financing for the Redevelopment Area, pursuant to ordinances (item 3, the "TIF Adoption Ordinance" and items (1) – (3) collectively, the "TIF Ordinances") adopted on November 15, 2006 and subsequently amended on February 7, 2007 and May 9, 2007 and published in the Journal of the Proceedings of the City Council for such date.

D. The Project: Developer owns or intends to purchase certain property within an existing building thereon located within the Redevelopment Area at 208 S. LaSalle Street, Chicago, Illinois 60604 and legally described on Exhibit A (the "Overall Property"). As of the Closing Date, the Overall Property will be divided into three separate parcels through vertical separation or subdivision as follows: (i) certain property within the Overall Property comprising a portion of the ground floor and floors thirteen (13) through sixteen (16) (the "Property"), which shall be further divided into the "Affordable Property", as legally described on Exhibit A-2 hereto, and the "Market Rate Property", as legally described on Exhibit A-3 hereto, and (ii) the remainder of the Overall Property, which shall be used as a hotel and for commercial space. On the Closing Date, 208 LaSalle Owner, LLC, an Illinois limited liability company shall (i) transfer and convey the Affordable Property to the Affordable Developer and Affordable Developer, within the time frames set forth in Section 3.01, shall rehabilitate or otherwise situate 51 residential dwelling units for Low Income Families thereupon, comprised of approximately 21 studio units, 21 one-bedroom units, and 9 two-bedroom units (collectively, the "Affordable Units"), (ii) transfer and convey the Market Rate Property to the Market Rate Developer and Market Rate Developer, within the time frames set forth in Section 3.01, shall rehabilitate or otherwise situate 117 unrestricted residential dwelling units thereupon, comprised of approximately 49 studio units, 48 one-bedroom units, and 20 two-bedroom units (collectively, the "Market Rate Units"), and (iii) rehabilitate or situate upon the Property, within the time frames set forth in Section 3.01, certain residential amenities including a fitness center, dog run, bike storage, and private tenant lounge (the "Residential Amenities"). The "Affordable Facility" means the Affordable Units and its allocable share of the Residential Amenities. The "Market Rate Facility" means the Market Rate Units and its allocable share of the Residential Amenities.

The Market Rate Developer will enter into an approximately [32] -year master lease, or such other term agreed to by the Developer and the City, with 208 LaSalle Market Master Tenant, LP, an Illinois limited partnership (the "Master Tenant"), of which the limited partner is anticipated to be the HTC Investor. The Market Rate Developer will elect to allocate the HTCs to the HTC Investor and the HTC Investor will provide HTC equity to the Market Rate Developer.

Each of the Affordable Facility, Market Rate Facility and related improvements, including but not limited to the TIF-Funded Improvements defined below and set forth on Exhibits B-1 and B-2, are individually and collectively referred to herein as a "Project" or the "Project". The completion of each Project would not reasonably be anticipated without the financing contemplated in this Agreement.

E. Redevelopment Plan: Developer will carry out each Project in accordance with this Agreement and the Redevelopment Plan.

F. City Financing: The City agrees to use, in the amounts set forth in Section 4.03, Incremental Taxes (as defined below), to pay for or reimburse Developer for the costs of TIF-Funded Improvements pursuant to the terms and conditions of this Agreement.

Now, therefore, in consideration of the mutual covenants and agreements contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Agreement agree as follows:

SECTION 1. RECITALS, HEADINGS AND EXHIBITS

The foregoing recitals are hereby incorporated into this Agreement by reference. The paragraph and section headings contained in this Agreement, including without limitation those set forth in the following table of contents, are for convenience only and are not intended to limit, vary, define, or expand the content thereof. Developer agrees to comply with the requirements set forth in the following exhibits which are attached to and made a part of this Agreement. All provisions listed in the Exhibits have the same force and effect as if they had been listed in the body of this Agreement.

Table of Contents	List of Exhibits
1. Recitals, Headings and Exhibits	A-1 *Legal Description of the Property
2. Definitions	A-2 *Legal Description of the Affordable Property
3. The Project	A-3 *Legal Description of the Market Rate Property
4. Financing	B-1 *Project Budgets for the Affordable Facility (Project Budget, MBE/WBE Budget and TIF-Funded Improvements)
5. Conditions Precedent	B-2 *Project Budgets for the Market Rate Facility (Project Budget, MBE/WBE Budget and TIF-Funded Improvements)
6. Agreements with Contractors	C Requisition Form
7. Completion of Construction or Rehabilitation	D HUD Rider to Restrictive Covenants
8. Covenants/Representations/Warranties of Developer	(An asterisk (*) indicates which exhibits are to be recorded.)
9. Covenants/Representations/Warranties of the City	
10. Developer's Employment Obligations	
11. Environmental Matters	
12. Insurance	
13. Indemnification	
14. Maintaining Records/Right to Inspect	
15. Defaults and Remedies	
16. Mortgaging of the Project	
17. Notice	
18. Miscellaneous	

SECTION 2. DEFINITIONS

For purposes of this Agreement, in addition to the terms defined in the foregoing recitals, the following terms shall have the meanings set forth below, and unless otherwise specified, references to Recitals, Sections, Articles and Exhibits are references to Recitals, Sections, Articles and Exhibits of this Agreement:

"2FM" means the City's Department of Fleet and Facility Management and any successor to said department.

"Act" is defined in the Recitals.

"Affiliate" means any person or entity directly or indirectly controlling, controlled by or under common control with Developer.

"Annual Compliance Report" means a signed report from Developer to the City (a) itemizing each of Developer's obligations under this Agreement during the preceding calendar year, (b) certifying Developer's compliance or noncompliance with such obligations, (c) attaching evidence (whether or not previously submitted to the City) of such compliance or noncompliance and (d) certifying that Developer is not in default with respect to any provision of this Agreement, the agreements evidencing the Lender Financing, if any, or any related agreements; provided, that the obligations to be covered by the Annual Compliance Report shall include the following: (1) compliance with the Operating Covenant (Section 8.06); (2) compliance with the Jobs Creation (Section 8.06); (3) delivery of Financial Statements and unaudited financial statements (Section 8.13); (4) delivery of updated insurance certificates, if applicable (Section 8.14); (5) delivery of evidence of payment of Non-Governmental Charges, if applicable (Section 8.15); (6) delivery of evidence of compliance with the Sustainable Development Policy (Section 8.22); (7) compliance with the Increment and Rate of Return Reporting (Section 8.25); (8) Compliance with the Affordability Requirements (Section 8.26); and (9) compliance with all other executory provisions of this Agreement.

"Available Project Funds" means: (i) the undisbursed City Funds; (ii) the undisbursed Lender Financing, if any; (iii) the undisbursed Equity and (iv) any other amounts deposited by Developer pursuant to this Agreement.

"Capital Event" shall have the meaning set forth for such term in Section 4.09 hereof.

"Certificate" means the Certificate of Completion of Construction, or Rehabilitation described in Section 7.01.

"Change Order" means any amendment or modification to the Scope Drawings, Plans and Specifications or the Project Budget.

"City Contract" is defined in Section 8.01(l).

"City Council" is defined in the Recitals.

"City Funds" is defined in Section 4.03(b).

"City Regulatory Agreement" means, collectively, that certain Low Income Tax Credits Regulatory Agreement, Land Use Regulatory Agreement and Inclusionary Housing Agreement, each entered into on the Closing Date by Affordable Developer and the City, and with respect to the Inclusionary Housing Agreement also entered into by the Market Rate Developer.

"Closing Date" means the date of execution and delivery of this Agreement by all parties to this Agreement, which shall be deemed to be the date appearing in the first paragraph of this Agreement, and shall not be later than 180 days following the date of City Council's approval of the Project Ordinance or such other date acceptable to the commissioner of DOH, in their sole discretion.

"Code" means the Internal Revenue Code of 1986, as amended, and all applicable regulations or rulings thereunder.

"Contaminant" means any of those materials set forth in 415 ILCS 5/3.165, as amended from time to time, that are subject to regulation under any Environmental Law.

"Contract" is defined in Section 10.03.

"Contractor" is defined in Section 10.03.

"Construction Contract" means the construction contract to be entered into between Developer and the General Contractor providing for construction of the Project.

"Corporation Counsel" means the City's Department of Law.

"Davis Bacon Act" means the Davis Bacon Act (40 U.S.C. Section 3141 et seq.).

"DOH" means the City's Department of Housing and any successor to said department.

"EDS" means the City's Economic Disclosure Statement and Affidavit, on the City's then-current form, whether submitted in paper or via the City's online submission process.

"Employer(s)" is defined in Section 10.

"Environmental Laws" means any Federal, state, or local law, statute, ordinance, code, rule, permit, plan, regulation, license, authorization, order, or injunction which pertains to health, safety, any Hazardous Substance or Other Regulated Material, or the environment (including, but not limited to, ground, air, water or noise pollution or contamination, and underground or above-ground tanks) and shall include, without limitation, the Emergency Planning and Community Right-to-Know Act, 42 U.S.C. § 11001 et seq.; the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq.; the Hazardous Material Transportation Act, 49 U.S.C. § 1801 et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq., as amended by the Hazardous and Solid Waste Amendments of 1984; the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601 et seq., as amended by the Superfund Amendments and Reauthorization Act of 1986; the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq.; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq.; the Clean Air Act, 42 U.S.C. § 7401 et seq.; the Illinois Environmental Protection Act, 415 ILCS 5/1 et seq.; the Gasoline Storage Act, 430 ILCS 15/0.01 et seq.; the Sewage and Waste Control Ordinance of the Metropolitan Water Reclamation District of Greater Chicago; the Municipal Code of the City of Chicago; and any other local, state, or federal environmental statutes, and all rules, regulations, orders, and decrees now or hereafter promulgated under any of the foregoing, as any of the foregoing now exist or may be changed or amended or come into effect in the future.

"Equity" means Developer's funds (other than funds derived from Lender Financing) irrevocably available for the Project, in the amount set forth in Section 4.01, which amount may be increased pursuant to Section 4.06 (Cost Overruns) or Section 4.03(b).

"Escrow" means the construction escrow established pursuant to the Escrow Agreement.

"Escrow Agreement" means the Escrow Agreement establishing a construction escrow, to be entered into as of the date of this Agreement by the City, if applicable, the Title Company (or an affiliate of the Title Company), Developer and Developer's lender(s), in a form acceptable to the City.

"Event of Default" is defined in Section 15.

"Excess Proceeds" means all cash proceeds from a Capital Event less (1) repayment of any Lender Financing, (2) all transaction costs, including but not limited to tax liability related to such Capital Event and payments due to the Limited Partner and HTC Investor, and (3) Equity.

"Facility" means collectively the Affordable Facility and the Market Rate Facility.

"Financial Interest" is defined in Section 2-156-010 of the Municipal Code.

"Financial Statements" means complete audited financial statements of Developer prepared by a certified public accountant in accordance with generally accepted accounting principles and practices consistently applied throughout the appropriate periods.

"Full-Time Equivalent Employee" or "FTE" shall mean an employee of Developer or an Affiliate (or, with respect to job shares or similar work arrangements, two such employees counted collectively as a single FTE) who is employed in a permanent position at least 35 hours per week at the Project during the applicable year, excluding (a) persons engaged as or employed by independent contractors, third party service providers or consultants and (b) persons employed or engaged by Developer or by third parties in positions ancillary to Developer's operations at the Project including, without limitation, food service workers, security guards, cleaning personnel, or similar positions.

"General Contractor" means the general contractor(s) hired by Developer pursuant to Section 6.01.

"Hazardous Building Material Survey" shall include (but is not limited to) asbestos and lead-based paint survey, visually inspecting the Site to determine the presence and location of polychlorinated-biphenyl (PCB)-containing equipment and materials (such as lighting ballasts, switchgears, transformers, and hydraulic fluids), mercury-containing equipment and materials (mercury lamps, thermostats, switches, thermometers, regulators, and gauges), radioactive material-containing equipment and/or waste, medical wastes (such as biological or infectious wastes, hazardous chemicals, and/or wastes), refrigerants such as chlorofluorocarbons (CFCs), large appliances or equipment, mold, or any other materials that may require special handling or disposal during or after demolition.

"Hazardous Materials" means any toxic substance, hazardous substance, hazardous material, hazardous chemical or hazardous, toxic or dangerous waste defined or qualifying as such in (or for the purposes of) any Environmental Laws, or any pollutant, toxic vapor, or contaminant, and shall include, but not be limited to, petroleum (including crude oil or any fraction thereof), any radioactive material or by-product material, polychlorinated biphenyls and asbestos in any form or condition.

"Hazardous Substance" has the meaning set forth in 415 ILCS 5/3.215, as amended from time to time.

"HTC" means the federal historic tax credits pursuant to 26 U.S.C. §47 et seq. of the Code.

"HTC Investor" means the to-be-admitted limited partner of the Master Tenant which shall provide the HTC equity to the Market Rate Developer in exchange in part for the receipt of the portion of the federal HTCs related to the Project and allocable to the Market Rate Property, and on the Closing Date is anticipated to be _____, an [Illinois][insert type of entity], and its respective successors and assigns.

"HUD" shall mean the United States Department of Housing and Urban Development.

"Human Rights Ordinance" is defined in Section 10.

"In Balance" is defined in Section 4.07.

"Incremental Taxes" shall mean such ad valorem taxes which, pursuant to the TIF Adoption Ordinance and Section 5/11-74.4-8(b) of the Act, are allocated to and when collected are paid to the Treasurer of the City of Chicago for deposit by the Treasurer into the TIF Fund established to pay Redevelopment Project Costs and obligations incurred in the payment thereof, as adjusted to reflect the amount of the TIF District Administration Fee.

"Indemnitee" and "Indemnitees" are defined in Section 13.01.

"Junior Mortgage" shall mean a Junior Mortgage executed by the Affordable Developer and Market Rate Developer as mortgagor, in favor of the City, as mortgagee, securing certain of the Developer's obligations under this Agreement and the Junior Mortgage; and which shall be a second mortgage unless the Lender Financing includes two separate mortgage loans, in which event the Junior Mortgage may be a third mortgage.

"Lender Financing" means funds borrowed by Affordable Developer and Market Rate Developer from lenders and irrevocably available to pay for costs of the Project, in the amount set forth in Section 4.01.

"LIHTC" means the low-income housing tax credits pursuant to 26 U.S.C. §42 et seq. of the Code.

"Limited Partner" means Red Stone Equity Holding, LLC, a Delaware limited liability company, and its respective successors and assigns ("Red Stone"), an affiliate of Red Stone acceptable to the City, or an unaffiliated entity located by Red Stone acceptable to the City which shall provide the LIHTC and HTC equity to the Affordable Developer in exchange for the receipt of LIHTCs and the portion of the HTCs related to the Project and allocable to the Affordable Property.

"MBE(s)" means a business identified in the Directory of Certified Minority Business Enterprises published by the City's Department of Procurement Services, or otherwise certified by the City's Department of Procurement Services as a minority-owned business enterprise, related to the Procurement Program or the Construction Program, as applicable.

"MBE/WBE Budget" means the MBE/WBE Budget attached as Exhibit B, as described in Section 10.03.

"MBE/WBE Program" is defined in Section 10.03.

"Municipal Code" means the Municipal Code of the City of Chicago, as amended from time to time.

"New Mortgage" is defined in Article 16.

"Non-Governmental Charges" means all non-governmental charges, liens, claims, or encumbrances relating to Developer, the Property, or the Project.

"Other Regulated Material" means any Waste, Contaminant, material meeting 35 IAC Part 742.305, or any other material, not otherwise specifically listed or designated as a Hazardous Substance, that (a) is or contains: petroleum, including crude oil or any fraction thereof, motor fuel, jet fuel, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel or mixtures of natural gas and such synthetic gas, asbestos, radon, any polychlorinated biphenyl, urea, formaldehyde foam insulation, explosive or radioactive material, or (b) is a hazard to the environment or to the health or safety of persons.

"Permitted Liens" means (i) mortgages against the Property and/or the Project recorded on or before the date of this Agreement and securing the Lender Financing and mortgages in connection with a refinancing described in item (c) of Permitted Transfer (defined below), (ii) leases of portions of the Property entered into after the date hereof in Developer's ordinary course of business, if any, and (iii) those matters set forth as Schedule B title exceptions in the Title Policy, but only so long as applicable title endorsements issued in conjunction therewith on the date hereof, if any, continue to remain in full force and effect.

"Permitted Mortgage" is defined in Article 16.

"Permitted Transfer" shall mean (a) the transfer of membership interest in the Market Rate Developer to an Affiliate or to the HTC Investor pursuant to the Market Rate Developer's operating agreement upon the City's receipt of such transferee's corporate documents, EDSs, and any other affidavits or certifications as requested by the City and as may be required by federal, state or local law in the award of public contracts as contemplated by Section 5.14, (b) the HTC Investor member's sale of its interest in the Market Rate Developer to the managing member of an Affiliate of the Market Rate Developer pursuant to Market Rate Developer's operating agreement upon the City's receipt of its corporate documents, EDSs, and any other affidavits or certifications as requested by the City and as may be required by federal, state or local law in the award of public contracts as contemplated by Section 5.14, (c) Lender Financing for which the City has consented for Project construction or, with the City's prior written approval, refinancing of such Project debt to a permanent mortgage in the ordinary course of business, (d) transfers of direct or indirect non-controlling interest in the general partner or managing member of Developer, as applicable, to a trust for estate planning purposes, (e) the transfer of non-controlling membership interest in members of the general partner of the Affordable Developer, and (f) pledges from the Developer or its Affiliate to a lender that is providing Lender Financing of all of the general partner's or managing member's rights, title and interest in and to the Developer, as applicable, as collateral

for the obligations under the loans made or to be made by the lender to Developer, with the City's prior written approval.

"Phase I ESA" means a Phase I environmental site assessment of the Property in accordance with ASTM E-1527-21 (as most recently updated at the time of assessment).

"Phase II ESA" means a Phase II environmental site assessment of the Property in accordance with ASTM E-1903-19 (as most recently updated at the time of assessment).

"Plans and Specifications" means construction documents containing a site plan and working drawings and specifications for the Project, as submitted to the City as the basis for obtaining building permits for the Project.

"Prior Expenditures" is defined in Section 4.05(a).

"Project" is defined in the Recitals.

"Project Budget" means collectively, the Project Budget attached as Exhibit B-1 and Exhibit B-2, showing the total cost of the Project by line item, furnished by Developer to DPD, in accordance with Section 3.03.

"Project Ordinance" means the ordinance adopted by City Council on _____, 2025 and published in the Journal for such date at pages _____ - _____.

"Property" is defined in the Recitals.

"Redevelopment Area" is defined in the Recitals.

"Redevelopment Plan" is defined in the Recitals.

"Redevelopment Project Costs" means redevelopment project costs as defined in Section 5/11-74.4-3(q) of the Act that are included in the budget set forth in the Redevelopment Plan or otherwise referenced in the Redevelopment Plan.

"Reporting Period" means the period of time starting on the date the Certificate is issued and continuing until the tenth anniversary of such date.

"Requisition Form" means the document, in the form to be provided by the City, to be delivered by Developer to DPD pursuant to Section 4.04 of this Agreement.

"Scope Drawings" means preliminary construction documents containing a site plan and preliminary drawings and specifications for the Project.

"Survey" means a plat of survey in the most recently revised form of ALTA/NSPS land title survey of the Property, meeting the 2021 Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys, effective February 23, 2021, dated within 75 days before the Closing Date, acceptable in form and content to the City and the Title Company, prepared by a surveyor registered in the State of Illinois, certified to the City and the Title Company, and indicating whether the Property is in a flood hazard area as identified by the United States Federal

Emergency Management Agency (and updates thereof to reflect improvements to the Property in connection with the construction of the Affordable Facility, Market Rate Facility and related improvements as required by the City or lender(s) providing Lender Financing).

"Sustainable Development Policy" shall mean the Sustainable Development Policy of the City as in effect on the Closing Date.

"Term of the Agreement" means the period of time starting on the Closing Date and ending on the thirtieth anniversary of the issuance of the Certificate.

"TIF Adoption Ordinance" is defined in the Recitals.

"TIF District Administration Fee" means the fee described in Section 4.05(b).

"TIF Fund" means the special tax allocation fund created by the City in connection with the Redevelopment Area into which the Incremental Taxes will be deposited.

"TIF-Funded Improvements" means those improvements of the Project which (i) qualify as Redevelopment Project Costs, (ii) are eligible costs under the Redevelopment Plan and (iii) the City has agreed to pay for out of the City Funds, subject to the terms of this Agreement. Exhibit B lists the TIF-Funded Improvements for each Project.

"TIF Ordinances" is defined in the Recitals.

"Title Company" means First American Title Insurance Company.

"Title Policy" means a title insurance policy in the most recently revised ALTA or equivalent form, showing fee simple title in the Affordable Developer and Market Rate Developer and naming the City as the insured mortgagee in the full amount of the City Funds, noting the recording of this Agreement and the Junior Mortgage as encumbrances against the Property, and a subordination agreement in a form acceptable to the City in favor of the City with respect to previously recorded liens against the Property related to Lender Financing, if any, issued by the Title Company.

"WARN Act" means the Worker Adjustment and Retraining Notification Act (29 U.S.C. Section 2101 et seq.).

"Waste" means those materials defined in the Illinois Environmental Protection Act, 415 ILCS 5/1 et seq. as waste and identified subcategories thereof, including but not limited to, construction or demolition debris, garbage, household waste, industrial process waste, landfill waste, landscape waste, municipal waste, pollution control waste, potentially infectious medical waste, refuse, or special waste.

"WBE(s)" means a business identified in the Directory of Certified Women Business Enterprises published by the City's Department of Procurement Services, or otherwise certified by the City's Department of Procurement Services as a women-owned business enterprise, related to the Procurement Program or the Construction Program, as applicable.

SECTION 3. THE PROJECT

3.01 The Project. With respect to each of the Affordable Facility and the Market Rate Facility, Developer shall, pursuant to the Plans and Specifications and subject to the provisions of Section 18.17: (i) start construction no later than 180 days after the Closing Date; and (ii) complete construction and conduct business operations in the Facility no later than 24 months after the Closing Date.

3.02 Scope Drawings and Plans and Specifications. If requested by DPD, Developer shall submit to DPD the Scope Drawings and Plans and Specifications, and DPD reserves the right to review and approve these documents. If requested by DPD, Developer shall submit to DPD subsequent proposed changes to the Scope Drawings or Plans and Specifications as a Change Order. The Scope Drawings and Plans and Specifications shall always conform to the Redevelopment Plan and all applicable federal, state, and local laws, ordinances and regulations. Developer shall submit all necessary documents to the City's Building Department, Department of Transportation and such other City departments or governmental authorities as may be necessary to acquire building permits and other required approvals for the Project.

3.03 Project Budget. Developer has furnished to DPD, and DPD has approved, a Project Budget showing total costs for the Project in an amount not less than \$[100,000,000]. Developer hereby certifies to the City that (a) the City Funds, together with Lender Financing and Equity described in Section 4.02, shall be sufficient to complete the Project; and (b) the Project Budget is true, correct, and complete in all material respects. Developer shall promptly deliver to DPD certified copies of any Change Orders with respect to the Project Budget.

3.04 Except as provided below in this Section 3.04, all Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to changes to the Project must be submitted by the Owner to DPD concurrently with the progress reports described in Section 3.07 hereof; provided that any Change Order relating to any of the following must be submitted by Developer to DPD for DPD's prior written approval: (a) a reduction in gross or net square footage of the Project by five percent (5%) or more (either individually or cumulatively); (b) a change in the use of the Affordable Facility or Market Rate Facility to a use other than as described in Recital D to this Agreement; or (c) Change Orders resulting in an aggregate increase to the Project Budget for the Project of ten percent (10%) or more. Developer shall not authorize or permit the performance of any work relating to any Change Order or the furnishing of materials in connection therewith prior to the receipt by Developer of DPD's written approval (to the extent said City prior approval is required pursuant to the terms of this Agreement). The Construction Contract, and each contract between the General Contractor and any subcontractor, shall contain a provision to this effect. An approved Change Order shall not be deemed to imply any obligation on the part the City to increase the amount of City Funds which the City has pledged pursuant to this Agreement or provide any other additional assistance to Developer. Notwithstanding anything to the contrary in this Section 3.04 Change Orders other than those set forth above do not require DPD's prior written approval as set forth in this Section 3.04 but DPD shall be notified in writing of all such Change Orders within 10 business days after the execution of such Change Order and Developer, in connection with such notice, shall identify to DPD the source of funding therefor.

3.05 DPD Review. DPD's review of the Scope Drawings, Plans and Specifications is for the purposes of this Agreement only and does not affect or constitute any approval required by

any other City department or pursuant to any City ordinance, code, regulation or any other governmental approval, nor does any approval by DPD pursuant to this Agreement constitute approval of the quality, structural soundness or safety of the Property or the Project.

3.06 Other Approvals. Any DPD approval under this Agreement shall have no effect upon, nor shall it operate as a waiver of, Developer's obligations to comply with the provisions of Section 5.03 (Other Governmental Approvals). Developer shall not start construction of the Project until Developer has obtained all necessary permits and approvals (including but not limited to DPD's approval of the Scope Drawings and Plans and Specifications) and proof of the General Contractor's and each subcontractor's bonding as required under this Agreement.

3.07 Progress Reports and Survey Updates. If requested by DPD, Developer shall provide DPD with written progress reports detailing the status of the Project, including a revised completion date, if necessary (with any change in completion date being considered a Change Order). Written progress reports must be submitted to DPD electronically to the website and/or email specified by the City. Developer shall provide an updated Survey to DPD if requested by DPD or any lender providing Lender Financing, reflecting improvements made to the Property.

3.08 An independent agent or architect (other than Developer's architect) shall be selected to act as the inspecting agent or architect, at Developer's expense, for the Project, and DPD reserves the right to evaluate and approve the inspecting agent or architect. The inspecting agent or architect shall perform periodic inspections with respect to the Project, providing certifications with respect to these inspections to DPD, before Developer requests disbursement for costs related to the Project under this Agreement or the Escrow Agreement, if any. If approved by the City, the inspecting agent or architect may be the same one being used in such role by a lender providing Lender Financing, provided that such agent or architect (a) is not also Developer's agent or architect and (b) acknowledges in writing to the City that the City may rely on the findings of such agent or architect:

3.09 Barricades. Before starting any construction requiring barricades, Developer shall install a construction barricade of a type and appearance satisfactory to the City and constructed in compliance with all applicable federal, state or City laws, ordinances, and regulations. DPD retains the right to approve the maintenance, appearance, color scheme, painting, nature, type, content, and design of all barricades.

3.10 Signs and Public Relations. Developer shall erect a sign of size and style approved by the City in a conspicuous location on the Property during the Project, indicating that financing has been provided by the City. The City reserves the right to include the name, photograph, artistic rendering of the Project and other pertinent information regarding Developer, the Property and the Project in the City's promotional literature and communications.

3.11 Utility Connections. Developer may connect all on-site water, sanitary, storm and sewer lines constructed on the Property to City utility lines existing on or near the perimeter of the Property, provided Developer first complies with all City requirements governing such connections, including the payment of customary fees and costs related to such connections.

3.12 Permit Fees. In connection with the Project, Developer shall be obligated to pay only those building, permit, engineering, tap on and inspection fees that are assessed on a

uniform basis throughout the City of Chicago and are of general applicability to other property within the City of Chicago.

SECTION 4. FINANCING

4.01 Total Project Cost and Sources of Funds. The estimated total cost of the Project is shown below, to be applied in the manner set forth in the Project Budget. Such costs shall be funded from the following sources:

<u>Equity (subject to Sections 4.03(b) and 4.06)</u>	<u>Amount</u>
LIHTC Equity	\$[8,424,478] ^{1,2}
HTC Equity for the Affordable Facility and the Market Rate Facility	\$[7,918,592] ¹
Deferred Developer Fee	\$[3,600,000]
Developer Equity	\$[9,100,000] ²
Managing Member Equity	\$ [100]

<u>Lender Financing</u>	<u>Amount</u>
LIHTC Equity Bridge Loan	\$[8,424,478] ^{1,3}
HTC Equity Bridge Loan for the Affordable Facility and the Market Rate Facility	\$[7,918,592] ^{1,3}
TIF Bridge Loan for the Affordable Facility and the Market Rate Facility	\$[26,000,000] ¹
HUD 221(d)(4) Loan for the Affordable Facility and the Market Rate Facility	\$[47,500,000]

Seller Financing Loan for the Affordable Facility and the Market Rate Facility	\$[9,100,000] ⁴
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Tax Exempt Bond Proceeds	\$[21,000,000]
City Funds (subject to Section 4.03)	\$ [26,000,000]

¹ The LIHTC Equity Bridge Loan, HTC Equity Bridge Loan for the Affordable Facility and the Market Rate Facility, and the TIF Bridge Loan for the Affordable Facility and the Market Rate Facility are expected to bridge a portion of the Equity and the City Funds.

² In the event the Limited Partner is unable to provide the LIHTC Equity on the Closing Date, the Developer will increase the amount of its Developer Equity in the amount necessary to fill the resulting budget shortfall.

³ The LIHTC Equity Bridge Loan, HTC Equity Bridge Loan for the Affordable Facility and the Market Rate Facility may be structured as one loan with the aggregate total amount or as separate loans in the amounts shown here.

⁴ The Seller Financing Loan may instead be structured as contributions to Affordable Developer and the Market Rate Developer.

The payment of City Funds, including the timing of payment, is subject to the terms and conditions of this Agreement, including but not limited to Section 4.03 and Section 5.

4.02 Developer Funds. Equity and/or Lender Financing shall be used to pay all Project costs, including but not limited to Redevelopment Project costs and costs of TIF-Funded Improvements.

4.03 City Funds.

(a) Uses of City Funds. City Funds may only be used to pay directly or reimburse Developer for costs of TIF-Funded Improvements that constitute Redevelopment Project Costs. Exhibit B sets forth, by line item, the TIF-Funded Improvements for the Project, and the maximum amount of costs that may be paid by or reimbursed from City Funds for each line item in Exhibit B (subject to Sections 4.03(b) and 4.05(b)), contingent upon the City receiving documentation satisfactory in form and substance to DPD evidencing such cost and its eligibility as a Redevelopment Project Cost.

(b) Sources of City Funds. Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03 and Section 5, the City hereby agrees to provide City funds from the sources and in the amounts described directly below (the "City Funds") to pay for or reimburse Developer for the costs of the TIF-Funded Improvements:

<u>Source of City Funds</u>	<u>Maximum Amount</u>
Incremental Taxes	\$26,000,000

provided, however, that the total amount of City Funds expended for TIF-Funded Improvements shall be an amount not to exceed the lesser of \$26,000,000 or 26% of the actual total Project costs; and provided further, that the City Funds to be derived from Incremental Taxes shall be available to pay costs related to TIF-Funded Improvements and allocated by the City for that purpose only so long as:

(i) The amount of the Incremental Taxes deposited into the TIF Fund shall be sufficient to pay for such costs; and

(ii) The City has been reimbursed from Incremental Taxes for the amount previously disbursed by the City for TIF-Funded Improvements.

Developer acknowledges and agrees that the City's obligation to pay for TIF-Funded Improvements up to a maximum of \$26,000,000 is contingent upon the fulfillment of the conditions set forth in parts (i) and (ii) above. If such conditions are not fulfilled, the amount of Equity to be contributed by Developer or Lender Financing obtained by Developer pursuant to Section 4.01 shall increase proportionately.

(c) Disbursement of City Funds. Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03, the City shall disburse the City Funds in four (4) payments as follows:

(i) \$7,800,000 upon the completion of 30% of the construction of the Project as certified to the City in a Requisition Form with required supporting documentation; and

(ii) \$7,800,000 upon the completion of 60% of the construction of the Project as certified to the City in a Requisition Form with required supporting documentation; and

(iii) \$7,800,000 upon the completion of 90% of the construction of the Project as certified to the City in a Requisition Form with required supporting documentation; and

(iv) \$2,600,000 upon issuance of Certificate.

4.04 Requisition Form. Developer shall provide DPD with a Requisition Form for reimbursement of TIF-Funded Improvements, along with the documentation described in the Requisition Form. Developer shall meet with DPD at the request of DPD to discuss any Requisition Form previously delivered.

4.05 Treatment of Prior Expenditures and Subsequent Disbursements.

(a) Effect of Prior Expenditures on Equity or Lender Financing demonstrated before the Closing Date. If Developer incurs and pays Project expenses before the Closing Date and wants these expenses to reduce the amount of Equity or Lender Financing Developer is required to demonstrate before the Closing Date, then Developer shall provide documentation of these expenses satisfactory to DPD. Any such expenses reviewed and approved in writing by DPD, in its sole discretion, shall be referred to as "Prior Expenditures". Prior Expenditures made for TIF-Funded Improvements may be reimbursed to Developer under the terms of this Agreement. Prior Expenditures made for items other than TIF-Funded Improvements shall not be reimbursed to Developer but shall reduce the amount of Equity and/or Lender Financing Developer is required to contribute under Section 4.01.

(b) TIF District Administration Fee. Annually, the City may allocate an amount (the "TIF District Administration Fee") not to exceed five percent (5%) of the Incremental Taxes to pay costs the City incurred to administer and monitor the Redevelopment Area, including the Project. Such fee shall be in addition to and shall not be deducted from or considered a part of the City Funds, and the City shall have the right to receive such funds before any City Funds are paid under this Agreement.

(c) Allocation Among Line Items. Disbursements for expenditures related to TIF-Funded Improvements may be allocated to and charged against the appropriate line only, with transfers of costs and expenses from one line item to another, without the prior written consent of DPD, being prohibited; provided, however, that such transfers among line items, in an amount not to exceed \$25,000 or \$100,000 in the aggregate, may be made without the prior written consent of DPD.

4.06 Cost Overruns. If the aggregate cost of the TIF-Funded Improvements exceeds City Funds available pursuant to Section 4.03, or if the cost of completing the Project exceeds the Project Budget, Developer shall be solely responsible for such excess cost, and shall hold the City harmless from any and all costs and expenses of completing the TIF-Funded Improvements in excess of City Funds and of completing the Project.

4.07 Preconditions of Disbursement. Before each disbursement of City Funds, Developer shall submit documentation regarding the applicable expenditures to DPD, which shall be satisfactory to DPD in its sole discretion. Developer's delivery of any request for disbursement of

City Funds shall, in addition to the items expressly set forth in such request, constitute Developer's certification to the City, as of the date of such request for disbursement, that:

(a) the total amount of the disbursement request represents the actual cost of the acquisition of the Property or the actual amount payable to (or paid to) the General Contractor and/or subcontractors who have performed work on the Project, and/or their payees;

(b) all amounts shown as previous payments on the current disbursement request have been paid to the parties entitled to such payment;

(c) Developer has approved all work and materials for the current disbursement request and such work and materials conform to the Plans and Specifications;

(d) the representations and warranties contained in this Agreement are true and correct and Developer is in compliance with all covenants contained in this Agreement;

(e) Developer has received no notice and has no knowledge of any liens or claim of lien either filed or threatened against the Property except for the Permitted Liens;

(f) no Event of Default or condition or event which, with the giving of notice or passage of time or both, would constitute an Event of Default exists or has occurred; and

(g) the Project is In Balance. The Project shall be deemed to be in balance ("In Balance") only if the total of the Available Project Funds equals or exceeds the aggregate of the amount necessary to pay all unpaid Project costs incurred or to be incurred in the completion of the Project. Developer hereby agrees that, if the Project is not In Balance, Developer shall, within 10 days after a written request by the City, deposit with the escrow agent or will make available (in a manner acceptable to the City), cash in an amount that will place the Project In Balance, which deposit shall first be exhausted before any further disbursement of the City Funds shall be made.

The City shall have the right, in its discretion, to require Developer to submit further documentation as the City may require in order to verify that the matters certified to above are true and correct, and any disbursement by the City shall be subject to the City's review and approval of such documentation and its satisfaction that such certifications are true and correct; provided, however, that nothing in this sentence shall be deemed to prevent the City from relying on such certifications by Developer. In addition, Developer shall have satisfied all other preconditions of disbursement of City Funds for each disbursement, including but not limited to requirements set forth in the TIF Ordinances, this Agreement and/or the Escrow Agreement.

4.08 Conditional Grant. The City Funds are being granted on a conditional basis, subject to Developer's compliance with the provisions of this Agreement, and are subject to being reimbursed as provided in Section 15.02.

4.09 Return of City Funds Upon Refinance, Sale or Transfer. For purposes of this section, the term "Capital Event" shall mean an arms-length sale, transfer, or refinancing of the Project, excluding (i) a refinancing of the construction loan (if any) to a permanent loan as part of the normal course of business, or (ii) a Permitted Transfer. Upon the occurrence of a Capital Event during the Reporting Period, the Owner agrees to pay and remit to the City a one-time payment in an amount equal to 15% of the amount by which the Excess Proceeds exceed the sum of (a)

the amount needed for Owner to achieve a 25% internal rate of return (as calculated from the Closing Date to the date of the Capital Event) on the Equity amount specified in Section 4.01 of this Agreement and (b) the amount paid by Developer to address cost overruns pursuant to Section 4.06 of this Agreement.

SECTION 5. CONDITIONS PRECEDENT

Developer has complied with the following conditions to the City's satisfaction on or before the Closing Date:

5.01 Project Budget. Developer has submitted to DPD, and DPD has approved, a Project Budget in accordance with the provisions of Section 3.03.

5.02 Scope Drawings and Plans and Specifications. Developer has submitted to DPD, and DPD has approved, the Scope Drawings and Plans and Specifications in accordance with the provisions of Section 3.02.

5.03 Other Governmental Approvals. Developer has secured all other necessary approvals and permits required by any state, federal, or local statute, ordinance or regulation and has submitted evidence thereof to DPD.

5.04 Financing. Developer has furnished proof reasonably acceptable to the City that Developer has Equity and Lender Financing in the amounts set forth in Section 4.01 to complete the Project and satisfy its obligations under this Agreement. If such funds include Lender Financing, Developer has furnished proof as of the Closing Date that the proceeds of the Lender Financing (a) are available for Developer to draw upon as needed and (b) are sufficient, along with the Equity and/or other sources set forth in Section 4.01, to complete the Project. If the City is not a party to the Escrow Agreement, then Developer has delivered to DPD a copy of the Escrow Agreement. Except for the senior FHA-insured mortgage loan from _____, an [_____] [corporation], any liens against the Property existing at the Closing Date have been subordinated to certain encumbrances of the City set forth in this Agreement pursuant to a subordination agreement, in a form acceptable to the City, executed on or before the Closing Date, which is to be recorded, at Developer's expense, with the Cook County Clerk's Office.

5.05 Acquisition and Title. On the Closing Date, Developer has furnished the City with a Title Policy for the Property, certified by the Title Company. The Title Policy is dated as of the Closing Date and contains only those title exceptions that are Permitted Liens and evidences the recording of this Agreement and the Junior Mortgage pursuant to the provisions of Section 8.18. The Title Policy also contains such endorsements as shall be required by Corporation Counsel, including but not limited to an owner's comprehensive endorsement and satisfactory endorsements regarding zoning (3.1 with parking), contiguity, location, access, and survey. Developer has provided to DPD, on or before the Closing Date, documentation related to the purchase of the Property and certified copies of all easements and encumbrances of record with respect to the Property not addressed, to DPD's satisfaction, by the Title Policy and any endorsements to the Title Policy.

5.06 Evidence of Clean Title. Developer, at its own expense, has provided the City with searches as indicated in the chart below under Developer's name and Developer's trade names

showing no liens against Developer, the Property or any fixtures now or hereafter affixed to the Property, except for the Permitted Liens:

Jurisdiction	Searches
Secretary of State	UCC, Federal tax
Cook County Clerk's Office	UCC, Fixtures, Federal tax, State tax, Memoranda of judgments
U.S. District Court, Northern District - Illinois	Pending suits and judgments, Bankruptcy
Clerk of Circuit Court, Cook County	Pending suits and judgments

5.07 Surveys. Developer has furnished the City with a copy of the Survey.

5.08 Insurance. Developer, at its own expense, has insured the Property in accordance with Section 12, and has delivered certificates required pursuant to Section 12 evidencing the required coverages to DPD.

5.09 Opinion of Developer's Counsel. On the Closing Date, Developer has furnished the City with an opinion of counsel in form and substance acceptable to Corporation Counsel. If Developer has engaged special counsel in connection with the Project, and such special counsel is unwilling or unable to give some of the opinions required by the Corporation Counsel, such opinions must be obtained by Developer from its general corporate counsel or such other counsel acceptable to the Corporation Counsel.

5.10 Evidence of Prior Expenditures. Developer has provided evidence satisfactory to DPD in its sole discretion of the Prior Expenditures, if any, in accordance with the provisions of Section 4.05(a).

5.11 Financial Statements. Developer has provided Financial Statements to DPD for its most recent three fiscal year and audited or unaudited interim financial statements.

5.12 [Intentionally Omitted].

5.13 Environmental. Developer has provided DPD with copies of that certain Phase I ESA, as hereinafter defined, completed with respect to the Property and any Phase II ESA, as hereinafter defined, with respect to the Property required by the City. Developer has provided the City with a letter from the environmental engineer(s) who completed such audit(s), authorizing the City to rely on such audits. Developer shall abide by the environmental requirements detailed in Section 11.

5.14 Corporate Documents; Economic Disclosure Statement. Each party comprising the Developer has provided a copy of its articles or certificate of incorporation, limited partnership or organization containing the original certification of the Secretary of State; certificates of good standing from the Secretary of State of its state of incorporation or organization and all other states in which Developer is qualified to do business; a secretary's certificate in such form and substance as the Corporation Counsel may require; bylaws, partnership agreement or operating agreement; and such other organizational documentation as the City has requested.

Each party comprising the Developer has provided to the City an EDS, dated as of the Closing Date, which is incorporated by reference, and Developer further will provide any other affidavits or certifications as may be required by federal, state, or local law in the award of public contracts, all of which affidavits or certifications are incorporated by reference. Notwithstanding acceptance by the City of the EDS, failure of the EDS to include all information required under the Municipal Code renders this Agreement voidable at the option of the City. Developer and any other parties required by this Section 5.14 to complete an EDS must promptly update their EDS(s) on file with the City whenever any information or response provided in the EDS(s) is no longer complete and accurate, including changes in ownership and changes in disclosures and information pertaining to ineligibility to do business with the City under Chapter 1-23 of the Municipal Code, as such is required under Sec. 2-154-020, and failure to promptly provide the updated EDS(s) to the City will constitute an event of default under this Agreement.

5.15 Junior Mortgage. The Affordable Developer and the Market Rate Developer shall have delivered to the City the Junior Mortgage and such financing statements as the City may require.

5.16 Master Lease. The Developer shall have delivered to the City the form of master lease between the Market Rate Developer and the Master Tenant and such related documentation as the City may require.

SECTION 6. AGREEMENTS WITH CONTRACTORS

6.01 Bid Requirement for General Contractor and Subcontractors.

(a) DPD acknowledges that Developer has selected _____ as the General Contractor for the Project. Developer will cause the General Contractor to solicit bids for work on the Project solely from qualified subcontractors eligible to do business with the City of Chicago, and if requested by DPD shall submit all bids received to DPD for its inspection and written approval.

(b) Developer shall submit copies of the Construction Contract to DPD in accordance with Section 6.02 below. Copies of all subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DPD within five (5) business days after they are signed. Developer shall ensure that the General Contractor shall not (and shall cause the General Contractor to ensure that the subcontractors shall not) begin work on the Project until the Plans and Specifications have been approved by DPD, if requested by DPD in accordance with Section 3.02, and all requisite permits have been obtained.

6.02 Construction Contract. Before executing the Construction Contract, Developer Parties shall deliver to DPD a copy of the proposed Construction Contract with the General Contractor selected to handle the Project for DPD's prior written approval, which DPD shall grant or deny within ten (10) business days after delivery of the proposed Construction Contract. Within ten (10) business days after the Construction Contract is executed by all parties thereto, but no later than five (5) business days prior to the Closing Date, Developer Parties shall deliver to DPD and Corporation Counsel a certified copy of such contract together with any modifications, amendments, or supplements thereto.

6.03 Performance and Payment Bonds. Before starting construction of any portion of the Project, Developer shall require that the General Contractor be bonded for its performance and payment by sureties having an [AA rating or better using American Institute of Architect's Form No. A312,] its equivalent, or as otherwise required by HUD. Before starting construction of any portion of the Project which includes work on the public way, Developer shall require that the General Contractor be bonded for its payment by sureties having an AA rating or better using a bond in the form acceptable to the City. The City shall be named as obligee or co-obligee on any such bonds.

6.04 Employment Opportunity. Developer shall contractually obligate and cause the General Contractor and each subcontractor to agree to the provisions of Section 10.

6.05 Other Provisions. In addition to the requirements of this Section 6, the Construction Contract and each contract with any subcontractor shall contain provisions required pursuant to Section 8.09 (Prevailing Wage), Section 10.01(e) (Employment Opportunity), Section 10.02 (City Resident Employment Requirement), Section 10.03 (MBE/WBE Requirements, as applicable), Section 12 (Insurance) and Section 14.01 (Books and Records). Copies of all contracts or subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DPD within five (5) business days of the execution thereof.

SECTION 7. COMPLETION OF CONSTRUCTION OR REHABILITATION

7.01 Certificate of Completion of Construction or Rehabilitation. Upon completion of the construction and/or rehabilitation of the Project in accordance with the terms of this Agreement, and upon Developer's written request, DPD shall issue to Developer a Certificate in recordable form certifying that Developer has fulfilled its obligation to complete the construction and/or rehabilitation of the Project in accordance with the terms of this Agreement. DPD shall respond to Developer's written request for a Certificate within forty-five (45) days by issuing either a Certificate or a written statement detailing the ways in which the Project does not conform to this Agreement or has not been satisfactorily completed, and the measures which must be taken by Developer to obtain the Certificate. Developer may resubmit a written request for a Certificate upon completion of such measures.

Developer acknowledges and understands that the City will not issue the Certificate until the following conditions have been met:

- (a) Evidence acceptable to DPD that the total Project Cost equals or exceeds \$[100,000,000]; as described in Section 4.03(b), the City Funds will be reduced on pro rata basis if the Total Project Cost is less than this amount; and
- (b) Evidence that Developer has incurred TIF-eligible expenses in an amount equal to, or greater than, the total amount of City Funds for the Project (up to \$26,000,000); and
- (c) Receipt of a certificate of occupancy for the Project or other evidence acceptable to DPD that Developer has complied with building permit requirements for the Project; and
- (d) Evidence acceptable to DPD in the form of a closeout letter from DPD's Compliance and Monitoring division stating that Developer is in complete compliance with all City Requirements (MBE/WBE, City Residency, and Prevailing Wage); and

- (e) Evidence acceptable to DPD that the Project has complied with the City's Sustainable Development Policy; and
- (f) Developer has submitted a preliminary summary of information in a form and content acceptable to DPD's Historic Preservation Division regarding the historic characteristics of the Overall Property for the purpose of the landmark designation of the Property and has consented in writing to the designation of the property as a Chicago Landmark (as such term is defined in Section 2-120-620 of the Municipal Code); and
- (g) Evidence acceptable to DPD in the form of an Affordable Requirements Ordinance Letter of Compliance with standards for construction of the Affordable Units; and
- (h) A letter from DOH's Long-term Monitoring and Compliance Division confirming that all Affordable Units are leased; and
- (i) There exists neither an Event of Default which is continuing nor a condition or event which, with the giving of notice or passage of time or both, would constitute an Event of Default; and
- (j) Developer has provided 2FM with a comprehensive Hazardous Building Material Survey and abatement plan, if necessary, prior to the commencement of any rehabilitation, renovation, or demolition activities.

7.02 Effect of Issuance of Certificate; Continuing Obligations. The Certificate relates only to the construction and/or rehabilitation of the Project, and upon its issuance, the City will certify that the terms of the Agreement specifically related to Developer's obligation to complete such activities have been satisfied. After the Certificate is issued, however, all executory terms and conditions of this Agreement and all representations and covenants contained in this Agreement will continue to remain in full force and effect throughout the Term of the Agreement as to the parties described in the following paragraph, and the issuance of the Certificate shall not be construed as a waiver by the City of any of its rights and remedies pursuant to such executory terms.

Those covenants specifically described at Section 8.02 (Covenant to Redevelop), Section 8.06 (Jobs Creation; Operating Covenant), Section 8.19 (Real Estate Provisions), Section 8.20 (Annual Compliance Report), Section 8.26 (Affordable Housing Covenant) and Section 14.02 (Inspection Rights) as covenants that run with the land are the only covenants in this Agreement intended to be binding upon any transferee of the Property (including an assignee as described in the following sentence) throughout the Term of the Agreement, or throughout the Reporting Period for the covenant in connection with Section 8.20, notwithstanding the issuance of a Certificate; provided, that when the Certificate is issued, the covenants set forth in Section 8.02 shall be deemed to have been fulfilled. The other executory terms of this Agreement that remain after the Certificate is issued shall be binding only upon Developer or a permitted assignee of Developer who, pursuant to Section 18.14 (Assignment) of this Agreement, has contracted to take an assignment of Developer's rights under this Agreement and assume Developer's liabilities under this Agreement.

7.03 Failure to Complete. If Developer fails to complete the Project in accordance with the terms of this Agreement, then the City has, but shall not be limited to, any of the following rights and remedies:

(a) the right to terminate this Agreement and cease all disbursement of City Funds not yet disbursed under this Agreement;

(b) the right (but not the obligation) to complete those TIF-Funded Improvements that are public improvements and to pay for the costs of TIF-Funded Improvements (including interest costs) out of City Funds or other City monies. If the aggregate cost of completing the TIF-Funded Improvements exceeds the amount of City Funds available pursuant to Section 4.03, Developer shall reimburse the City for all reasonable costs and expenses incurred by the City in completing such TIF-Funded Improvements in excess of the available City Funds; and

(c) the right to place a lien on the Project in the amount of City Funds paid and/or to seek reimbursement of the City Funds from Developer.

7.04 Notice of Expiration of Term of Agreement. When the Term of the Agreement expires, at Developer's written request DPD shall provide Developer with a written notice in recordable form stating that the Term of the Agreement has expired.

SECTION 8. COVENANTS/REPRESENTATIONS/WARRANTIES OF DEVELOPER.

8.01 General. The representations and warranties provided by Developer under this Agreement are material conditions precedent to the City's obligations under this Agreement. Developer represents, warrants, and covenants, as of the date of this Agreement and as of the date of each disbursement of City Funds hereunder and throughout the Term of the Agreement, that:

(a) Developer is a corporation, limited partnership or limited liability company duly incorporated or organized, validly existing, qualified to do business in its state of incorporation or organization and in Illinois, and licensed to do business in any other state where, due to the nature of its activities or properties, such qualification or license is required;

(b) Developer has the right, power and authority to enter into, execute, deliver and perform this Agreement;

(c) the execution, delivery and performance by Developer of this Agreement has been duly authorized by all necessary action, and does not and will not violate its certificate or articles of incorporation or organization, bylaws or operating agreement as amended and supplemented, any applicable provision of law, or constitute a breach of, default under or require any consent under any agreement, instrument or document to which Developer is now a party or by which Developer is now or may become bound;

(d) unless otherwise permitted or not prohibited pursuant to or under the terms of this Agreement, Developer shall acquire and shall maintain good, indefeasible, and merchantable fee simple title to the Property (and all improvements thereon) free and clear of all liens (except for the Permitted Liens, Lender Financing as disclosed in the Project Budget and Non-Governmental Charges that Developer is contesting in good faith pursuant to Section 8.15);

(e) Developer is now and for the Term of the Agreement shall remain solvent and able to pay its debts as they mature;

(f) there are no actions or proceedings by or before any court, governmental commission, board, bureau or any other administrative agency pending, threatened or affecting Developer which would impair its ability to perform under this Agreement;

(g) Developer has and shall maintain all government permits, certificates and consents (including, without limitation, appropriate environmental approvals) necessary to conduct its business and to construct, complete and operate the Project;

(h) Developer is not in default with respect to any indenture, loan agreement, mortgage, deed, note or any other agreement or instrument related to the borrowing of money to which Developer is a party or by which Developer is bound;

(i) the Financial Statements are, and when hereafter required to be submitted will be, complete, correct in all material respects and accurately present Developer's assets, liabilities, results of operations and financial condition, and there has been no material adverse change in Developer's assets, liabilities, results of operations or financial condition since the date of Developer's most recent Financial Statements;

(j) prior to the issuance of the Certificate, Developer shall not do any of the following without the prior written consent of DPD: (1) sale, be a party to any merger, liquidation or consolidation; (2) sell, transfer, convey, lease or otherwise dispose of all or substantially all of its assets or any portion of the Property (including but not limited to any fixtures or equipment now or hereafter attached to the Property) except in the ordinary course of business; (3) enter into any transaction outside the ordinary course of Developer's business; (4) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity (other than guarantees requested by lenders providing Lender Financing for the Project in a form and substance acceptable to the City in its sole discretion); or (5) enter into any transaction that would cause a material and detrimental change to Developer's financial condition; provided, however, that the foregoing notwithstanding, City consent shall not be required for a transfer from the Developer to one of Developer's subsidiaries or affiliates, or to an entity controlled by, under the control of, or under common control with the Developer;

(k) Developer has not incurred, and shall not, without the prior written consent of the Commissioner of DPD, allow the existence of any liens against the Property (or improvements thereon) other than the Permitted Liens; or incur any indebtedness, secured or to be secured by the Property (or improvements thereon) or any fixtures now or hereafter attached to the Property, except Lender Financing disclosed in the Project Budget; and

(l) has not made or caused to be made, directly or indirectly, any payment, gratuity or offer of employment in connection with the Agreement or any contract paid from the City treasury or pursuant to City ordinance, for services to any City agency ("City Contract") as an inducement for the City to enter into the Agreement or any City Contract with Developer in violation of Chapter 2-156-120 of the Municipal Code;

(m) neither Developer nor any affiliate of Developer is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the Bureau of Industry and Security of the U.S. Department of Commerce or their successors, or on any other list of persons or entities with which the City may not do business under any applicable law, rule, regulation, order or judgment: the Specially Designated Nationals List, the

Denied Persons List, the Unverified List, the Entity List and the Debarred List. For purposes of this subparagraph (m) only, the term "affiliate," when used to indicate a relationship with a specified person or entity, means a person or entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such specified person or entity, and a person or entity shall be deemed to be controlled by another person or entity, if controlled in any manner whatsoever that results in control in fact by that other person or entity (or that other person or entity and any persons or entities with whom that other person or entity is acting jointly or in concert), whether directly or indirectly and whether through share ownership, a trust, a contract or otherwise.

(n) Developer understands that (i) the City Funds are limited obligations of the City, payable solely from moneys on deposit in the account of the TIF Fund designated for the Project; (ii) the City Funds do not constitute indebtedness of the City within the meaning of any constitutional or statutory provision or limitation; (iii) Developer will have no right to compel the exercise of any taxing power of the City for payment of the City Funds; and (iv) the City Funds do not and will not represent or constitute a general obligation or a pledge of the faith and credit of the City, the State of Illinois or any political subdivision thereof;

(o) Developer has sufficient knowledge and experience in financial and business matters, including municipal projects and revenues of the kind represented by the City Funds, and has been supplied with access to information to be able to evaluate the risks associated with the receipt of City Funds;

(p) Developer understands that there is no assurance as to the amount or timing of receipt of City Funds, and that the amounts of City Funds actually received by such party may be substantially less than the maximum amounts set forth in Section 4.03(b);

(q) Developer understands it may not sell, assign, pledge or otherwise transfer its interest in this Agreement or City Funds in whole or in part except in accordance with the terms of Section 18.14 (Assignment) of this Agreement, and, to the fullest extent permitted by law, agrees to indemnify the City for any losses, claims, damages or expenses relating to or based upon any sale, assignment, pledge or transfer of City Funds in violation of this Agreement; and

(r) Developer will consent in writing to the designation of the Property as a City of Chicago Landmark within 45 days from the date that DPD's Historic Preservation Division mails to Developer a request for such consent to the proposed designation.

8.02 Covenant to Redevelop. Upon DPD's approval of the Project Budget, the Scope Drawings and Plans and Specifications as provided in Sections 3.02 and 3.03, and Developer's receipt of all required building permits and governmental approvals, Developer shall redevelop the Property in accordance with this Agreement and all its Exhibits, the TIF Ordinances, the Scope Drawings, Plans and Specifications, Project Budget and all amendments to such documents, and all federal, state and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Project, the Property and/or Developer. The covenants set forth in this Section shall run with the land and be binding upon any transferee but shall be deemed satisfied when the City issues the Certificate.

8.03 Redevelopment Plan. Developer represents that the Project is and shall be in compliance with all of the terms of the Redevelopment Plan, which is hereby incorporated by reference into this Agreement.

8.04 Use of City Funds. City Funds disbursed to Developer shall be used by Developer solely to pay for (or to reimburse Developer for its payment for) the TIF-Funded Improvements as provided in this Agreement.

8.05 Other Bonds. Developer shall, at the request of the City, agree to any reasonable amendments to this Agreement that are necessary or desirable in order for the City to issue (in its sole discretion) any bonds in connection with the Redevelopment Area, the proceeds of which may be used to reimburse the City for expenditures made in connection with, or provide a source of funds for the payment for, the TIF-Funded Improvements; provided, however, that any such amendments shall not have a material adverse effect on Developer or the Project. Developer shall, at Developer's expense, cooperate and provide reasonable assistance in connection with the marketing of any such bonds, including but not limited to providing written descriptions of the Project, making representations, providing information regarding its financial condition and assisting the City in preparing an offering statement with respect to such bonds.

8.06 Jobs Creation; Operating Covenant. (a) Developer estimates that the Project will result in the creation of (i) approximately 15 full-time equivalent permanent jobs (the "Permanent Jobs") and (ii) during the construction of the Project, approximately 250 temporary full-time construction jobs (the "Construction Jobs," and collectively with the Permanent Jobs, the "Jobs"). Throughout the Reporting Period, the Owner shall submit certified employment reports disclosing the number of Jobs at the Project to DPD and DOH as a part of the Owner's submission of the Annual Compliance Report. Notwithstanding any other provision in this Agreement to the contrary, the failure to create the specified number of Jobs shall not constitute an Event of Default.

(b) Throughout the Term of the Agreement, Developer shall operate the Affordable Facility as described in Section 8.26 herein and the Market Rate Facility as residential rental housing.

The covenants set forth in this Section 8.06(b) shall run with the land and be binding upon any transferee.

8.07 Employment Opportunity; Progress Reports. Developer covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause the General Contractor and each subcontractor to abide by the terms set forth in Section 10. Developer shall deliver to the City written progress reports detailing compliance with the requirements of Sections 8.09, 10.02 and 10.03 of this Agreement. Such reports shall be delivered to the City when the Project is 25%, 50%, 75% and 100% completed (based on the amount of expenditures incurred in relation to the Project Budget). If any such reports indicate a shortfall in compliance, Developer shall also deliver a plan to DPD which shall outline, to DPD's satisfaction, how Developer shall correct any shortfall.

8.08 Employment Profile. Developer shall submit, and contractually obligate and cause the General Contractor or any subcontractor to submit, to DPD, from time to time, statements of its employment profile upon DPD's request.

8.09 Prevailing Wage. Unless compliance with the Davis Bacon Act is required, Developer covenants and agrees to pay, and to contractually obligate and cause the General Contractor and each subcontractor to pay, the prevailing wage rate as ascertained by the Illinois Department of Labor (the "Department"), to all Project employees. All such contracts shall list the specified rates to be paid to all laborers, workers and mechanics for each craft or type of worker or mechanic employed pursuant to such contract. If the Department revises such prevailing wage rates, the revised rates shall apply to all such contracts. Upon the City's request, Developer shall provide the City with copies of all such contracts entered into by Developer or the General Contractor to evidence compliance with this Section 8.09.

8.10 Arms-Length Transactions. Unless DPD has given its prior written consent, no Affiliate of Developer may receive any portion of City Funds, directly or indirectly, in payment for work done, services provided or materials supplied in connection with any TIF-Funded Improvement. Developer shall provide information with respect to any entity to receive City Funds directly or indirectly (whether through payment to the Affiliate by Developer and reimbursement to Developer for such costs using City Funds, or otherwise), upon DPD's request, before any such disbursement.

8.11 Conflict of Interest. Pursuant to Section 5/11-74.4-4(n) of the Act, Developer represents, warrants and covenants that, to the best of its knowledge, no member, official, or employee of the City, or of any commission or committee exercising authority over the Project, the Redevelopment Area or the Redevelopment Plan, or any consultant hired by the City or Developer with respect thereto, owns or controls, has owned or controlled or will own or control any interest, and no such person shall represent any person, as agent or otherwise, who owns or controls, has owned or controlled, or will own or control any interest, direct or indirect, in Developer's business, the Property or any other property in the Redevelopment Area.

8.12 Disclosure of Interest. Developer's counsel has no direct or indirect financial ownership interest in Developer, the Property or any other aspect of the Project.

8.13 Financial Statements. Developer shall obtain and provide to DPD Financial Statements for Developer's most recent fiscal year and each fiscal year thereafter for the Term of the Agreement. In addition, Developer shall submit unaudited financial statements as soon as reasonably practical following the close of each fiscal year and for such other periods as DPD may request.

8.14 Insurance. Developer, at its own expense, shall comply with all provisions of Section 12.

8.15 Non-Governmental Charges. (a) Payment of Non-Governmental Charges. Except for the Permitted Liens, Developer agrees to pay or cause to be paid when due any Non-Governmental Charge assessed or imposed upon the Project, the Property or any fixtures that are or may become attached thereto, which creates, may create, or appears to create a lien upon all or any portion of the Property or Project; provided however, that if such Non-Governmental Charge may be paid in installments, Developer may pay the same together with any accrued interest thereon in installments as they become due and before any fine, penalty, interest, or cost may be added thereto for nonpayment. Developer shall furnish to DPD, within thirty (30) days of DPD's request, official receipts from the appropriate entity, or other proof satisfactory to DPD, evidencing payment of the Non-Governmental Charge in question.

(b) Right to Contest. Developer has the right, before any delinquency occurs:

(i) to contest or object in good faith to the amount or validity of any Non-Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted, in such manner as shall stay the collection of the contested Non-Governmental Charge, prevent the imposition of a lien or remove such lien, or prevent the sale or forfeiture of the Property (so long as no such contest or objection shall be deemed or construed to relieve, modify or extend Developer's covenants to pay any such Non-Governmental Charge at the time and in the manner provided in this Section 8.15); or

(ii) at DPD's sole option, to furnish a good and sufficient bond or other security satisfactory to DPD in such form and amounts as DPD shall require, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such sale or forfeiture of the Property or any portion thereof or any fixtures that are or may be attached thereto, during the pendency of such contest, adequate to pay fully any such contested Non-Governmental Charge and all interest and penalties upon the adverse determination of such contest.

8.16 Developer's Liabilities. Developer shall not enter into any transaction that would materially and adversely affect its ability to perform its obligations under this Agreement or to repay any material liabilities or perform any material obligations of Developer to any other person or entity. Developer shall immediately notify DPD of any and all events or actions which may materially affect Developer's ability to carry on its business operations or perform its obligations under this Agreement or any other documents and agreements.

8.17 Compliance with Laws. To the best of Developer's knowledge, after diligent inquiry, the Property and the Project are and shall be in compliance with all applicable federal, state and local laws, statutes, ordinances, rules, regulations, executive orders and codes pertaining to or affecting the Project and the Property. Upon the City's request, Developer shall provide evidence satisfactory to the City of such compliance.

8.18 Recording and Filing. Developer shall cause this Agreement, certain exhibits (as specified by Corporation Counsel) and all amendments and supplements to this Agreement to be recorded and filed, at Developer's expense, against the Property on the date hereof in the Cook County Clerk's Office.

8.19 Real Estate Provisions.

(a) Governmental Charges.

(i) Payment of Governmental Charges. Developer agrees to pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed upon Developer, the Property or the Project, or become due and payable, and which create or may create a lien upon Developer or all or any portion of the Property or the Project. "Governmental Charge" means all federal, State, county, the City, or other governmental (or any instrumentality, division, agency, body, or department thereof) taxes, levies, assessments, charges, liens, claims or encumbrances (except for those

assessed by foreign nations, states other than the State of Illinois, counties of the State other than Cook County, and municipalities other than the City) relating to Developer, the Property or the Project including but not limited to real estate taxes.

(ii) Right to Contest. Developer has the right before any delinquency occurs to contest or object in good faith to the amount or validity of any Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted in such manner as shall stay the collection of the contested Governmental Charge and prevent the imposition of a lien or the sale or forfeiture of the Property. No such contest or objection shall be deemed or construed in any way as relieving, modifying, or extending Developer's covenants to pay any such Governmental Charge at the time and in the manner provided in this Agreement unless Developer has given prior written notice to DPD of Developer's intent to contest or object to a Governmental Charge and, unless, at DPD's sole option,

(iii) Developer shall demonstrate to DPD's satisfaction that legal proceedings instituted by Developer contesting or objecting to a Governmental Charge shall conclusively operate to prevent or remove a lien against, or the sale or forfeiture of, all or any part of the Property to satisfy such Governmental Charge before the final determination of such proceedings; and/or

(iv) Developer shall furnish a good and sufficient bond or other security satisfactory to DPD in such form and amounts as DPD shall require, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such sale or forfeiture of the Property during the pendency of such contest, adequate to pay fully any such contested Governmental Charge and all interest and penalties upon the adverse determination of such contest.

(b) Developer's Failure To Pay Or Discharge Lien. If Developer fails to pay any Governmental Charge or to obtain discharge of the same, then Developer shall advise DPD in writing. At that time DPD in its sole discretion may, but shall not be obligated to, make all or any part of such payment or obtain such discharge and take any other related action which DPD deems advisable. By taking any action under this paragraph, DPD shall not waive or release any obligation or liability of Developer under this Agreement. Developer shall promptly reimburse DPD for all sums, if any, DPD pays under this paragraph and expenses, if any, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto. Notwithstanding anything contained in this paragraph to the contrary, this paragraph shall not be construed to obligate the City to pay any Governmental Charge. If Developer fails to pay any Governmental Charge, the City, in its sole discretion, may require Developer to submit to the City audited Financial Statements at Developer's own expense.

(c) Intentionally Omitted.

(d) Notification to the Cook County Assessor of Change in Use or Ownership. If required under 35 ILCS 200/15-20 due to a change in use or ownership of the Property, within 90 days after the Closing Date, Developer shall complete a letter of notification, in accordance with 35 ILCS 200/15-20, notifying the Cook County Assessor of such change in use or ownership. After delivery of the notification, Developer shall forward a copy of the return receipt to DPD, with a copy to the City's Corporation Counsel's office.

8.20 Annual Compliance Report. Throughout the Reporting Period, Developer shall submit to DPD the Annual Compliance Report within 60 days after the end of the calendar year to which the Annual Compliance Report relates.

8.21 Inspector General. It is the duty of Developer and the duty of any bidder, proposer, contractor, subcontractor, and every applicant for certification of eligibility for a City contract or program, and all of Developer's officers, directors, agents, partners, and employees and any such bidder, proposer, contractor, subcontractor or such applicant, to cooperate with the Inspector General in any investigation or hearing undertaken pursuant to Chapter 2-56 of the Municipal Code. Developer represents that it understands and will abide by all provisions of Chapter 2-56 of the Municipal Code and that it will inform subcontractors of this provision and require their compliance.

8.22 Sustainable Development Policy. Developer shall provide evidence acceptable to the City that they have complied with the Sustainable Development Policy for the Project in accordance with Section 7.01. If a default occurs under this Section 8.22, the City shall have the right to reduce the City Funds by \$250,000 as described in Section 15.02.

8.23. FOIA and Local Records Act Compliance.

(a) FOIA. Developer acknowledges that the City is subject to the Illinois Freedom of Information Act, 5 ILCS 140/1 et. seq., as amended ("FOIA"). The FOIA requires the City to produce records (very broadly defined in FOIA) in response to a FOIA request in a very short period of time, unless the records requested are exempt under the FOIA. If Developer receives a request from the City to produce records within the scope of FOIA, then Developer covenants to comply with such request within 48 hours of the date of such request. Failure by Developer to timely comply with such request shall be an Event of Default.

(b) Exempt Information. Documents that Developer submits to the City as part of the Annual Compliance Report or otherwise during the Term of the Agreement that contain trade secrets and commercial or financial information may be exempt if disclosure would result in competitive harm. However, for documents submitted by Developer to be treated as a trade secret or information that would cause competitive harm, FOIA requires that Developer mark any such documents as "proprietary, privileged or confidential." If Developer marks a document as "proprietary, privileged and confidential", then DPD will evaluate whether such document may be withheld under the FOIA. DPD, in its discretion, will determine whether a document will be exempted from disclosure, and that determination is subject to review by the Illinois Attorney General's Office and/or the courts.

(c) Local Records Act. Developer acknowledges that the City is subject to the Local Records Act, 50 ILCS 205/1 et. seq, as amended (the "Local Records Act"). The Local Records Act provides that public records may only be disposed of as provided in the Local Records Act. If requested by the City, Developer covenants to use its best efforts consistently applied to assist the City in its compliance with the Local Records Act.

8.24 Survival of Covenants. All warranties, representations, covenants and agreements of Developer contained in this Section 8 and elsewhere in this Agreement shall be true, accurate and complete at the time of Developer's execution of this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties to this Agreement and, except as

provided in Section 7 when the Certificate is issued, shall be in effect throughout the Term of the Agreement.

8.25 Increment and Rate of Return Reporting. Developer agrees to report the increment projected to be created by the Project at the Closing Date. Developer agrees to report the increment to date created by the Project. Developer agrees to report the Project's rate of return. Rate of return report to be independently verified by a third party chosen by the City.

8.26 Affordable Housing Covenant. Developer agrees and covenants to the City that, prior to any foreclosure of the Property by a lender providing Lender Financing, the provisions of the City Regulatory Agreement shall govern the terms of Developer's obligation to provide affordable housing. Following foreclosure, if any, and from the date of such foreclosure through the Term of the Agreement, the following provisions shall govern the terms of the obligation to provide affordable housing under this Agreement:

(a) The Affordable Facility shall be operated and maintained solely as residential rental housing with certain residential amenities and community space;

(b) The Affordable Units shall be available for occupancy to and be occupied solely by one or more individuals qualifying as Low Income Families (as defined below) upon initial occupancy; and

(c) The Affordable Units have monthly rents not in excess of thirty percent (30%) of the maximum allowable income for a Low Income Family (with the applicable Family size for such units determined in accordance with the rules specified in Section 42(g)(2) of the Internal Revenue Code of 1986, as amended); provided, however, that for any unit occupied by a Family (as defined below) that no longer qualifies as a Low Income Family due to an increase in such Family's income since the date of its initial occupancy of such unit, the maximum monthly rent for such unit shall not exceed thirty percent (30%) of such Family's monthly income.

(d) As used in this Section 8.26, the following terms has the following meanings:

(i) "Family" shall mean one or more individuals, whether or not related by blood or marriage; and

(ii) "Low Income Families" shall mean Families whose annual income does not exceed eighty percent (80%) of the Chicago-area median income, adjusted for Family size, as such annual income and Chicago-area median income are determined from time to time by HUD, and thereafter such income limits shall apply to this definition.

(e) The covenants set forth in this Section 8.26 shall run with the land and be binding upon any transferee.

(f) The City and Developer may enter into a separate agreement to implement the provisions of this Section 8.26.

8.27 HUD Requirements. See HUD Rider to Restrictive Covenants attached hereto as Exhibit D.

SECTION 9. COVENANTS/REPRESENTATIONS/WARRANTIES OF CITY

9.01 General Covenants. The City represents that it has the authority as a home rule unit of local government to execute and deliver this Agreement and to perform its obligations under this Agreement.

9.02 Survival of Covenants. All warranties, representations, and covenants of the City contained in this Section 9 or elsewhere in this Agreement shall be true, accurate, and complete at the time of the City's execution of this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties to this Agreement and be in effect throughout the Term of the Agreement.

SECTION 10. DEVELOPER'S EMPLOYMENT OBLIGATIONS

10.01 Employment Opportunity. Developer, on behalf of itself and its successors and assigns, hereby agrees, and shall contractually obligate its or their various contractors, subcontractors or any Affiliate of Developer operating on the Property (collectively, with Developer, the "Employers" and individually an "Employer") to agree, that for the Term of this Agreement with respect to Developer and during the period of any other party's provision of services in connection with the construction of the Project or occupation of the Property:

(a) No Employer shall discriminate against any employee or applicant for employment based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income as defined in the City of Chicago Human Rights Ordinance, Chapter 2-160, Section 2-160-010 et seq., Municipal Code, except as otherwise provided by said ordinance and as amended from time to time (the "Human Rights Ordinance"). Each Employer shall take affirmative action to ensure that applicants are hired and employed without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income and are treated in a non-discriminatory manner with regard to all job-related matters, including without limitation: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Each Employer agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the City setting forth the provisions of this nondiscrimination clause. In addition, the Employers, in all solicitations or advertisements for employees, shall state that all qualified applicants shall receive consideration for employment without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income.

(b) To the greatest extent feasible, each Employer is required to present opportunities for training and employment of low- and moderate-income residents of the City and preferably of the Redevelopment Area; and to provide that contracts for work in connection with the construction of the Project be awarded to business concerns that are located in, or owned in substantial part by persons residing in, the City and preferably in the Redevelopment Area.

(c) Each Employer shall comply with all federal, state and local equal employment and affirmative action statutes, rules and regulations, including but not limited to the City's Human

Rights Ordinance and the Illinois Human Rights Act, 775 ILCS 5/1-101 et seq. (1993), and any subsequent amendments and regulations promulgated thereto.

(d) Each Employer, in order to demonstrate compliance with the terms of this Section, shall cooperate with and promptly and accurately respond to inquiries by the City, which has the responsibility to observe and report compliance with equal employment opportunity regulations of federal, state and municipal agencies.

(e) Each Employer shall include the foregoing provisions of subparagraphs (a) through (d) in every contract entered into in connection with the Project, and shall require inclusion of these provisions in every subcontract entered into by any subcontractors, and every agreement with any Affiliate operating on the Property, so that each such provision shall be binding upon each contractor, subcontractor or Affiliate, as the case may be.

(f) Failure to comply with the employment obligations described in this Section 10.01 shall be a basis for the City to pursue remedies under the provisions of Section 15.02.

10.02 City Resident Construction Worker Employment Requirement. Developer agrees for itself and its successors and assigns, and shall contractually obligate its General Contractor and shall cause the General Contractor to contractually obligate its subcontractors, as applicable, to agree, that during the construction of the Project they shall comply with the minimum percentage of total worker hours performed by actual residents of the City as specified in Section 2-92-330 of the Municipal Code (at least 50 percent of the total worker hours worked by persons on the site of the Project shall be performed by actual residents of the City); provided, however, that in addition to complying with this percentage, Developer, its General Contractor and each subcontractor shall be required to make good faith efforts to utilize qualified residents of the City in both unskilled and skilled labor positions.

Developer may request a reduction or waiver of this minimum percentage level of Chicagoans as provided for in Section 2-92-330 of the Municipal Code in accordance with standards and procedures developed by the Chief Procurement Officer of the City.

"Actual residents of the City" means persons domiciled within the City. The domicile is an individual's one and only true, fixed and permanent home and principal establishment.

Developer, the General Contractor and each subcontractor shall provide for the maintenance of adequate employee residency records to show that actual Chicago residents are employed on the Project. Each Employer shall maintain copies of personal documents supportive of every Chicago employee's actual record of residence.

Weekly certified payroll reports (U.S. Department of Labor Form WH-347 or equivalent) shall be submitted to the Commissioner of DPD in triplicate, which shall identify clearly the actual residence of every employee on each submitted certified payroll. The first time that an employee's name appears on a payroll, the date that the Employer hired the employee should be written in after the employee's name.

Developer, the General Contractor and each subcontractor shall provide full access to their employment records to the Chief Procurement Officer, the Commissioner of DPD, the Superintendent of the Chicago Police Department, the Inspector General or any duly authorized

representative of any of them. Developer, the General Contractor and each subcontractor shall maintain all relevant personnel data and records for a period of at least three (3) years after final acceptance of the work constituting the Project.

At the direction of DPD, affidavits and other supporting documentation will be required of Developer, the General Contractor and each subcontractor to verify or clarify an employee's actual address when doubt or lack of clarity has arisen.

Good faith efforts on the part of Developer, the General Contractor and each subcontractor to provide utilization of actual Chicago residents (but not sufficient for the granting of a waiver request as provided for in the standards and procedures developed by the Chief Procurement Officer) shall not suffice to replace the actual, verified achievement of the requirements of this Section concerning the worker hours performed by actual Chicago residents.

When work at the Project is completed, in the event that the City has determined that Developer has failed to ensure the fulfillment of the requirement of this Section concerning the worker hours performed by actual Chicago residents or failed to report in the manner as indicated above, the City will thereby be damaged in the failure to provide the benefit of demonstrable employment to Chicagoans to the degree stipulated in this Section. Therefore, in such a case of non-compliance, it is agreed that 1/20 of 1 percent (0.0005) of the aggregate hard construction costs set forth in the Project budget (the product of .0005 x such aggregate hard construction costs) (as the same shall be evidenced by approved contract value for the actual contracts) shall be surrendered by Developer to the City in payment for each percentage of shortfall toward the stipulated residency requirement. Failure to report the residency of employees entirely and correctly shall result in the surrender of the entire liquidated damages as if no Chicago residents were employed in either of the categories. The willful falsification of statements and the certification of payroll data may subject Developer, the General Contractor and/or the subcontractors to prosecution. Any retainage to cover contract performance that may become due to Developer pursuant to Section 2-92-250 of the Municipal Code may be withheld by the City pending the Chief Procurement Officer's determination as to whether Developer must surrender damages as provided in this paragraph.

Nothing herein provided shall be construed to be a limitation upon the "Notice of Requirements for Affirmative Action to Ensure Equal Employment Opportunity, Executive Order 11246" and "Standard Federal Equal Employment Opportunity, Executive Order 11246," or other affirmative action required for equal opportunity under the provisions of this Agreement or related documents.

Developer shall cause or require the provisions of this Section 10.02 to be included in all construction contracts and subcontracts related to the Project.

10.03. MBE/WBE Commitment. Developer agrees for itself and its successors and assigns, and, if necessary to meet the requirements set forth herein, shall contractually obligate the General Contractor to agree that during the Project:

(a) Consistent with the findings which support, as applicable, (i) the Minority-Owned and Women-Owned Business Enterprise Procurement Program, Section 2-92-420 et seq., Municipal Code (the "Procurement Program"), and (ii) the Minority- and Women-Owned Business Enterprise Construction Program, Section 2-92-650 et seq., Municipal Code (the "Construction Program,"

and collectively with the Procurement Program, the "MBE/WBE Program"), and in reliance upon the provisions of the MBE/WBE Program to the extent contained in, and as qualified by, the provisions of this Section 10.03, during the course of the Project, at least the following percentages of the MBE/WBE Budget (as set forth in Exhibit B) shall be expended for contract participation by MBEs and by WBEs:

- (1) At least 26 percent by MBEs.
- (2) At least six percent by WBEs.

(b) For purposes of this Section 10.03 only, Developer (and any party to whom a contract is let by Developer in connection with the Project) shall be deemed a "contractor" and this Agreement (and any contract let by Developer in connection with the Project) shall be deemed a "contract" or a "construction contract" as such terms are defined in Sections 2-92-420 and 2-92-670, Municipal Code, as applicable.

(c) Consistent with Sections 2-92-440 and 2-92-720, Municipal Code, Developer's MBE/WBE commitment may be achieved in part by Developer's status as an MBE or WBE (but only to the extent of any actual work performed on the Project by Developer) or by a joint venture with one or more MBEs or WBEs (but only to the extent of the lesser of (i) the MBE or WBE participation in such joint venture or (ii) the amount of any actual work performed on the Project by the MBE or WBE), by Developer utilizing a MBE or a WBE as the General Contractor (but only to the extent of any actual work performed on the Project by the General Contractor), by subcontracting or causing the General Contractor to subcontract a portion of the Project to one or more MBEs or WBEs, or by the purchase of materials or services used in the Project from one or more MBEs or WBEs, or by any combination of the foregoing. Those entities which constitute both a MBE and a WBE shall not be credited more than once with regard to Developer's MBE/WBE commitment as described in this Section 10.03. In accordance with Section 2-92-730, Municipal Code, Developer shall not substitute any MBE or WBE General Contractor or subcontractor without the prior written approval of DPD.

(d) Developer shall deliver quarterly reports to the City's monitoring staff during the Project describing its efforts to achieve compliance with this MBE/WBE commitment. Such reports shall include, inter alia, the name and business address of each MBE and WBE solicited by Developer or the General Contractor to work on the Project, and the responses received from such solicitation, the name and business address of each MBE or WBE actually involved in the Project, a description of the work performed or products or services supplied, the date and amount of such work, product or service, and such other information as may assist the City's monitoring staff in determining Developer's compliance with this MBE/WBE commitment. Developer shall maintain records of all relevant data with respect to the utilization of MBEs and WBEs in connection with the Project for at least five years after completion of the Project, and the City's monitoring staff shall have access to all such records maintained by Developer, on five Business Days' notice, to allow the City to review Developer's compliance with its commitment to MBE/WBE participation and the status of any MBE or WBE performing any portion of the Project.

(e) Upon the disqualification of any MBE or WBE General Contractor or subcontractor, if such status was misrepresented by the disqualified party, Developer shall be obligated to discharge or cause to be discharged the disqualified General Contractor or subcontractor, and, if possible, identify and engage a qualified MBE or WBE as a replacement. For purposes of this

subsection (e), the disqualification procedures are further described in Sections 2-92-540 and 2-92-730, Municipal Code, as applicable.

(f) Any reduction or waiver of Developer's MBE/WBE commitment as described in this Section 10.03 shall be undertaken in accordance with Sections 2-92-450 and 2-92-730, Municipal Code, as applicable.

(g) Before starting the Project, Developer shall be required to meet with the City's monitoring staff with regard to Developer's compliance with its obligations under this Section 10.03. The General Contractor and all major subcontractors shall be required to attend this pre-construction meeting. During said meeting, Developer shall demonstrate to the City's monitoring staff its plan to achieve its obligations under this Section 10.03, the sufficiency of which shall be approved by the City's monitoring staff. During the Project, Developer shall submit the documentation required by this Section 10.03 to the City's monitoring staff, including the following: (i) subcontractor's activity report; (ii) contractor's certification concerning labor standards and prevailing wage requirements; (iii) contractor letter of understanding; (iv) monthly utilization report; (v) authorization for payroll agent; (vi) certified payroll; (vii) evidence that MBE/WBE contractor associations have been informed of the Project via written notice and hearings; and (viii) evidence of compliance with job creation/job retention requirements. Failure to submit such documentation on a timely basis, or a determination by the City's monitoring staff, upon analysis of the documentation, that Developer is not complying with its obligations under this Section 10.03, shall, upon the delivery of written notice to Developer, be deemed an Event of Default. Upon the occurrence of any such Event of Default, in addition to any other remedies provided in this Agreement, the City may: (1) issue a written demand to Developer to halt the Project, (2) withhold any further payment of any City Funds to Developer or the General Contractor, or (3) seek any other remedies against Developer available at law or in equity.

SECTION 11. ENVIRONMENTAL MATTERS

The Developer provided the City with a Phase I Environmental Site Assessment (ESA) for the Project dated July 20, 2022. The Phase I ESA identified in sublevel 1 one aboveground storage tank (AST) of diesel fuel installed in 2011 for powering the emergency generator and is the responsibility of a separate owner. Two ASTs also exist in sublevel 3 and are reported to 20,000 and 10,000 gallons that were installed in 1959, containing heat oil, were pumped out in the early 1980s. The tanks remain empty onsite. The Developer shall provide an updated Phase I ESA for the Property dated within 180 days prior to the Closing Date.

The Developer shall cooperate and consult with the City at all relevant times (and in all cases upon the City's request) with respect to environmental matters. The City must be named in a reliance letter for all environmental assessment reports produced concerning the Overall Property.

No materials suspected of being impacted by per- and polyfluoroalkyl substances (PFAS), including biosolids, Exceptional Quality (EQ) biosolids, and soil or compost blended with biosolids, from any source, may be imported onto the Property for any purpose. The City, or its designee, must approve the source of all materials before they are imported onto the Property, which approval shall not be unreasonably withheld.

Developer acknowledges that, except in the case of information specifically designated by

the Developer to be treated confidentially as a trade secret or secret process, the City may make environmental assessments, hazardous material building surveys, Illinois Environmental Protection Agency site remediation program submittals, or similar environmental documents relating to the property publicly available, and Developer consents to the City's publication of those documents.

Developer will conduct a Hazardous Building Material Survey of the Property prior to conducting any work that could constitute renovation, demolition, or abatement under the Environmental Laws ("abatement work") on or within an existing physical structure located on the Property. The Hazardous Building Material Survey shall include (but is not limited to):

- asbestos and lead-based paint surveys,
- testing and visually inspecting and, as necessary, testing the Property to determine the presence and location of polychlorinated-biphenyl (PCB)-containing equipment and materials (such as lighting ballasts, switchgears, transformers, and hydraulic fluids),
- mercury-containing equipment and materials (mercury lamps, thermostats, switches, thermometers, regulators, and gauges),
- radioactive material-containing equipment and/or waste,
- medical wastes (such as biological or infectious wastes, hazardous chemicals, and/or wastes),
- refrigerants such as chlorofluorocarbons (CFCs),
- large appliances or equipment,
- mold,
- or any other materials that may require special handling or disposal during or after renovation, demolition, or abatement work.

The Hazardous Building Material Survey must discuss each of the Hazardous Building Materials listed above and state whether or not they were identified. The Hazardous Building Material Survey must document the type, location, quantity, and condition of each Hazardous Building Material that is identified.

Any Hazardous Building Materials that will be impacted by renovation or demolition activities, or are in poor or unstable condition, must be properly abated. A report documenting the Hazardous Building Material Survey results and an abatement plan shall be submitted to the City for review prior to beginning any renovation, demolition, or abatement work. Please note that abatement does not necessarily require removal and disposal of materials. Alternative methods to stabilize or prevent access to materials may be utilized if appropriate.

The Developer will incorporate the results of the Hazardous Building Material Survey into its Project documents and perform abatement work as part of the Project in accordance with all Environmental Laws. A report documenting the completion of the abatement work shall be submitted to the City prior to approval of the Property for occupancy. If abatement work activities are not deemed sufficient by the City, the Developer shall continue work at their own expense until approved.

Without limiting any other provisions hereof, Developer agrees to indemnify, defend and hold the City harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses or claims of any kind whatsoever including, without limitation, any losses, liabilities,

damages, injuries, costs, expenses or claims asserted or arising under any Environmental Laws incurred, suffered by or asserted against the City as a direct or indirect result of any of the following, regardless of whether or not caused by, or within the control of Developer: (i) the presence of any Hazardous Material on or under, or the escape, seepage, leakage, spillage, emission, discharge or release of any Hazardous Material from (A) all or any portion of the Property or (B) any other real property in which Developer, or any person directly or indirectly controlling, controlled by or under common control with Developer, holds any estate or interest whatsoever (including, without limitation, any property owned by a land trust in which the beneficial interest is owned, in whole or in part, by Developer), or (ii) any liens against the Property permitted or imposed by any Environmental Laws, or any actual or asserted liability or obligation of the City or Developer or any of its Affiliates under any Environmental Laws relating to the Property.

SECTION 12. INSURANCE

Developer must provide and maintain, at Developer's own expense, or cause to be provided and maintained during the term of this Agreement, the insurance coverage and requirements specified below, insuring all operations related to the Agreement.

A. Before execution and delivery of this Agreement.

1) Workers' Compensation and Employers Liability

Workers' Compensation Insurance, as prescribed by applicable law covering all employees who are to provide a service under this Agreement and Employer's Liability coverage with limits of not less than \$1,000,000 each accident; \$1,000,000 disease-policy limit and \$1,000,000 disease-each employee, or the full per occurrence limits of the policy, whichever is greater.

2) Commercial General Liability

Commercial General Liability Insurance or equivalent must be maintained with limits of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate for bodily injury, personal injury, and property damage liability. Coverages must include but not be limited to, the following: all premises and operations, products/completed operations (for a minimum of two (2) years following project completion), explosion, collapse, underground, separation of insureds, defense, contractual liability (not to include endorsement CG 21 39 or equivalent), no exclusion for damage to work performed by Sub-developers, any limitation of coverage for designated premises or project is not permitted (not to include endorsement CG 21 44 or equivalent) and any endorsement modifying or deleting the exception to the Employer's Liability exclusion is not permitted. Where the general aggregate limit applies, the general aggregate must apply per project/location and once per policy period if applicable, or Developer may obtain separate insurance to provide the required limits which will not be subject to depletion because of claims arising out of any other work or activity of Developer. If a general aggregate applies to products/completed operations, the general aggregate limits must apply per project and once per policy period.

The City must be provided additional insured status with respect to liability arising out of Developer's work, services or operations and completed operations performed on behalf

of the City. Such additional insured coverage must be provided on ISO form CG 2010 10 01 and CG 2037 10 01 or on an endorsement form at least as broad for ongoing operations and completed operations. The City's additional insured status must apply to liability and defense of suits arising out of Developer's acts or omissions, whether such liability is attributable to the Contractor or to the City. The full policy limits and scope of protection also will apply to the City as an additional insured, even if they exceed the City's minimum limits required herein. A copy of the physical "Additional Insured" endorsement must accompany the Certificate of Insurance when submitted. Developer's liability insurance must be primary without right of contribution by any other insurance or self-insurance maintained by or available to the City.

3) Automobile Liability

A Business Auto Policy covering any motor vehicles (owned, non-owned and hired) which are used in connection with work, services, or operations to be performed, must be maintained by the Developer. Limits of not less than \$1,000,000 per accident for bodily injury and property damage and covering the ownership, maintenance, or use of any auto whether owned, leased, non-owned or hired used in the performance of the work or services. The City is to be added as an additional insured on a primary, non-contributory basis. A copy of the physical "Additional Insured" endorsement must accompany the Certificate of Insurance when submitted.

4) All Risk Property

All Risk Property Insurance at replacement value of the property to protect against loss of, damage to, or destruction of the building/facility. The City is to be named as an additional insured and loss payee/mortgagee if applicable.

5) Blanket Crime (when applicable)

When applicable, Developer must maintain Crime Insurance or equivalent covering all persons handling funds under this Agreement, against loss by employee dishonesty, forgery or alteration, funds transfer fraud, robbery, theft, destruction or disappearance, computer fraud, credit card forgery, and other related crime risks. The policy limit shall be written to cover losses in the amount of the maximum monies collected or received and in the possession of Developer at any given time under this Agreement.

B. Construction. Before the construction of any portion of the Project, Developer shall procure and maintain, or cause its architects, contractors, subcontractors, project managers, and other parties constructing the Project to procure and maintain, the following types and amounts of insurance:

1) Workers' Compensation and Employers Liability

Workers' Compensation Insurance, as prescribed by applicable law covering all employees who are to provide a service under this Agreement and Employer's Liability coverage with limits of not less than \$1,000,000 each accident; \$1,000,000 disease-policy limit and \$1,000,000 disease-each employee, or the full per occurrence limits of the policy, whichever is greater.

2) Commercial General Liability

Commercial General Liability Insurance or equivalent must be maintained with limits of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate for bodily injury, personal injury, and property damage liability. Coverages must include but not be limited to, the following: all premises and operations, products/completed operations (for a minimum of two (2) years following project completion), explosion, collapse, underground, separation of insureds, defense, contractual liability (not to include endorsement CG 21 39 or equivalent), no exclusion for damage to work performed, any limitation of coverage for designated premises or project is not permitted (not to include endorsement CG 21 44 or equivalent) and any endorsement modifying or deleting the exception to the Employer's Liability exclusion is not permitted. Where the general aggregate limit applies, the general aggregate must apply per project/location and once per policy period if applicable, or Insured may obtain separate insurance to provide the required limits which will not be subject to depletion because of claims arising out of any other work or activity of Insured. If a general aggregate applies to products/completed operations, the general aggregate limits must apply per project and once per policy period.

The City must be provided additional insured status with respect to liability arising out of Insured's work, services or operations and completed operations performed on behalf of the City. Such additional insured coverage must be provided on ISO form CG 2010 10 01 and CG 2037 10 01 or on an endorsement form at least as broad for ongoing operations and completed operations. The City's additional insured status must apply to liability and defense of suits arising out of any Insured's acts or omissions, whether such liability is attributable to the Insured or to the City. The full policy limits and scope of protection also will apply to the City as an additional insured, even if they exceed the City's minimum limits required herein. A copy of the physical "Additional Insured" endorsement must accompany the Certificate of Insurance when submitted. Insured's liability insurance must be primary without right of contribution by any other insurance or self-insurance maintained by or available to the City.

3) Automobile Liability

When any motor vehicles (owned, non-owned and hired) are used in connection with work, services, or operations to be performed, Automobile Liability Insurance must be maintained with limits of not less than \$2,000,000 per accident for bodily injury and property damage and covering the ownership, maintenance, or use of any auto whether owned, leased, non-owned or hired used in the performance of the work or services. The City is to be added as an additional insured on a primary, non-contributory basis. A copy of the physical "Additional Insured" endorsement must accompany the Certificate of Insurance when submitted.

4) Umbrella or Excess

Umbrella or Excess Liability Insurance must be maintained with limits of not less than \$10,000,000 per occurrence, or the full per occurrence limits of the policy, whichever is greater. The policy/policies must provide the same coverages/follow form as the underlying Commercial General Liability, Automobile Liability, Employers Liability and

Completed Operations coverage required herein and expressly provide that the Excess or Umbrella policy/policies will drop down over reduced and/or exhausted aggregate limit, if any, of the underlying insurance. The Excess/Umbrella policy/policies must be primary without the right of contribution by any other insurance or self-insurance maintained by or available to the City.

A combination of primary and Excess/Umbrella policies may be used to satisfy the limits of liability required under Workers' Compensation, Employer's Liability, Commercial General Liability, and Automobile Liability.

5) Professional Liability (when applicable)

When any professional consultants perform work, services, or operations in connection with this Agreement, Professional Liability Insurance covering acts, errors, or omissions must be maintained with limits of not less than \$2,000,000 per claim. Coverage must include, but not be limited to, technology errors and omissions and pollution liability if environmental site assessments are conducted, when applicable. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede start of work under the Agreement. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years.

6) Pollution Liability Insurance (when applicable)

When any remediation work or services performed involves a potential pollution risk that may arise from the operations in connection with the work that may fall under the scope and direction of the Developer, the Developer must cause remediation contractor to provide Pollution Liability coverage with limits no less than \$2,000,000 per occurrence or claim and \$2,000,000 aggregate per policy period of one year. Coverage must be provided or caused to be provided, covering bodily injury, property damage and other losses caused by pollution conditions. Coverage must include but not be limited to completed operations, contractual liability, defense, excavation, environmental cleanup, remediation, and disposal and if applicable, include transportation and non-owned disposal coverage. When policies are renewed or replaced, the policy retroactive date must coincide with or precede, start of work on the Agreement. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years.

The City must be provided with an additional insured status with respect to liability arising out of work, services or operations performed on behalf of the City. The City's additional insured status must apply to liability and defense of suits arising out of Insured's acts or omissions, whether such liability is attributable to the Insured or to the City on an additional insured endorsement form acceptable to the City. The City is to be named as an additional insured on a primary, non-contributory basis. The Developer and any other Insured shall comply with any additional insurance requirements that are stipulated by the Interstate Commerce Commission's regulations, Title 49 of the Code of Federal Regulations, Department of Transportation; Title 40 of the Code of Federal Regulations, Protection of the Environment and any other federal, state or local regulations concerning the removal and transportation of Hazardous Materials.

The full policy limits and scope of protection also will apply to the City as an additional insured, even if they exceed the City's minimum limits required herein. Insured's liability insurance must be primary without right of contribution by any other insurance or self-insurance maintained by or available to the City.

7) Valuable Papers (when applicable)

When any plans, designs, drawings, specifications, media, data, records, reports, and other documents are produced or used under this Agreement, Valuable Papers Insurance must be maintained in an amount to insure against any loss whatsoever and must have limits sufficient to pay for the re-creation and reconstruction of such records.

8) Installation Floater (when applicable)

When any construction is undertaken, but there is no real property construction taking place, Developer must cause to provide All Risk Installation Floater Insurance to cover installation work, including improvements, betterments, and/or repairs. The Installation Floater must provide for replacement cost of materials, supplies, equipment, machinery and fixtures that are or will be part of the final project. Coverages must include, but are not limited to, the following: material stored off-site and in-transit; collapse; water, including leakage, overflow, sewer backup or seepage; debris removal; landscaping; and faulty workmanship or materials. The City of Chicago is to be named as an additional insured and loss payee.

9) Builders Risk (when applicable)

When any construction, including improvements, betterments, and/or repairs to real property, is undertaken, Developer must provide or cause to be provided All Risk Builders Risk Insurance at replacement cost for materials, supplies, equipment, machinery, and fixtures that are or will be part of the project. Coverage(s) must include, but are not limited to, the following: material stored off-site and in-transit; collapse; water, including leakage, overflow, sewer backup or seepage; debris removal; landscaping; and faulty workmanship or materials. The City of Chicago is to be named as an additional insured and loss payee.

10) Railroad Protective Liability (when applicable)

When, in connection with this Agreement, any work is to be done within 50 feet adjacent to or on property owned by a railroad or public transit entity, Developer shall procure and maintain, or cause to be procured and maintained, with respect to the operations that Developer or any Insured shall perform, railroad protective liability insurance in the name of such railroad or public transit entity. The policy shall have limits of not less than \$2,000,000 per occurrence, combined single limit, and \$6,000,000 in the aggregate for losses arising out of injuries to or death of all persons, and for damage to or destruction of property, including the loss of use thereof.

11) : Marine Protection & Indemnity (when applicable)

When Developer undertakes any marine operation in connection with this Agreement, Developer must provide, or cause to provide, Marine Protection & Indemnity coverage

with limits of not less than \$1,000,000 per occurrence. Coverage must include, but not be limited to: property damage and bodily injury to third parties; injuries to crew members if not provided through other insurance; damage to wharves; piers and other structures; and collision. The City of Chicago is to be named as an additional insured.

C. Post Construction

1) All Risk Property

All Risk Property Insurance at replacement value of the property to protect against loss of, damage to, or destruction of the building/facility. The City is to be named as an additional insured and loss payee/mortgagee if applicable.

D. Additional Requirements

Evidence of Insurance. Developer must furnish the City of Chicago, Certificates of Insurance (COI) and additional insured endorsement, or other evidence of insurance, to be in force on the date of this Agreement, and renewal COIs and endorsement, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of this Agreement. The Developer must submit evidence of insurance prior to execution of Agreement. The receipt of any COI does not constitute agreement by the City that the insurance requirements in the Agreement have been fully met or that the insurance policies indicated on the COI are in compliance with all requirements of Agreement. The failure of the City to obtain, nor the City's receipt of, or failure to object to a non-complying insurance certificate, endorsement or other insurance evidence from Developer, its insurance broker(s) and/or insurer(s) will not be construed as a waiver by the City of any of the required insurance provisions. Developer must advise all insurers of the Agreement provisions regarding insurance. The City in no way warrants that the insurance required herein is sufficient to protect the Developer for liabilities which may arise from or relate to the Agreement. The City reserves the right to obtain complete, certified copies of any required insurance policies at any time.

Failure to Maintain Insurance. Failure of the Developer to comply with required coverage and terms and conditions outlined herein will not limit Developer's liability or responsibility nor does it relieve Developer of the obligation to provide insurance as specified in this Agreement. Nonfulfillment of the insurance conditions may constitute a violation of the Agreement, and the City retains the right to suspend this Agreement until proper evidence of insurance is provided, or the Agreement may be terminated.

Notice of Material Change, Cancellation or Non-Renewal. Developer must provide for sixty (60) days prior written notice to be given to the City in the event coverage is substantially changed, canceled or non-renewed and ten (10) days prior written notice for non-payment of premium. A copy of the physical endorsements must accompany the Certificate of Insurance for General Liability, Automobile Liability and Workers' Compensation in order to comply with the insurance requirements.

Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions on referenced insurance coverages must be borne by Developer.

Waiver of Subrogation. Developer hereby waives its rights and its insurer(s)' rights of, and agrees

to require their insurers to waive their rights of, subrogation against the City under all required insurance herein for any loss arising from or relating to this Agreement. The Developer agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether the City receives a waiver of subrogation endorsement for Developer's insurer(s).

Developers Insurance Primary. All insurance required of Developer under this Agreement shall be endorsed to state that Developer's insurance policy is primary and not contributory with any insurance carrier by the City.

No Limitation as to Developer's Liabilities. The coverages and limits furnished by the Developer in no way limit the Developer's liabilities and responsibilities specified within the Agreement or by law.

No Contribution by the City. Any insurance or self-insurance programs maintained by the City do not contribute with insurance provided by Developer under this Agreement.

Insurance not Limited by Indemnification. The required insurance to be carried is not limited by any limitations expressed in the indemnification language in this Agreement or any limitation placed on the indemnity in this Agreement given as a matter of law.

Insurance and Limits Maintained. If Developer maintains higher limits and/or broader coverage than the minimums shown herein, the City requires and shall be entitled the higher limits and/or broader coverage maintained by Developer. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

Joint Venture or Limited Liability Company. If Developer is a joint venture or limited liability company, the insurance policies must name the joint venture or limited liability company as a named insured.

Other Insurance obtained by Developer. If Developer desires additional coverages, the Developer will be responsible for the acquisition and cost.

Insurance required of Contractor and Subcontractors. Developer must require Contractor and Subcontractors to provide the insurance required herein, or Developer may provide the coverages for Contractor and Subcontractors. All Contractors and subcontractors are subject to the same insurance requirements of Developer unless otherwise specified in this Agreement. The Developer is responsible for ensuring that each Contractor and Subcontractor has named the City of Chicago as an additional insured where required, as well as specifically naming the City of Chicago as an additional insured on any endorsement form at least as broad and acceptable to the City. The Developer is also responsible for ensuring that each Contractor and Subcontractor has complied with the required coverage and terms and conditions outlined in this Section D, Additional Requirements. When requested by the City, the Developer must provide to the City Certificates of Insurance and additional insured endorsements or other evidence of insurance. The City reserves the right to obtain complete, certified copies of any required insurance policies at any time. Failure of the Contractors and Subcontractors to comply with required coverage and terms and conditions outlined herein will not limit Developer's liability or responsibility.

City's Right to Modify. Notwithstanding any provisions in the Agreement to the contrary, the City, Department of Finance, Risk Management Division maintains the right to modify, delete, alter or change these requirements.

SECTION 13. INDEMNIFICATION

13.01 General Indemnity. Developer agrees to indemnify, pay, defend and hold the City, and its elected and appointed officials, employees, agents and affiliates (individually an "Indemnitee," and collectively the "Indemnitees") harmless from and against, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever (and including without limitation, the reasonable fees and disbursements of counsel for such Indemnitees in connection with any investigative, administrative or judicial proceeding commenced or threatened, whether or not such Indemnitees shall be designated a party thereto), that may be imposed on, suffered, incurred by or asserted against the Indemnitees in any manner relating or arising out of:

(i) Developer's failure to comply with any of the terms, covenants and conditions contained within this Agreement; or

(ii) Developer's or any contractor's failure to pay General Contractors, subcontractors or materialmen in connection with the TIF-Funded Improvements or any other Project improvement; or

(iii) the existence of any material misrepresentation or omission in this Agreement, any official statement, limited offering memorandum or private placement memorandum or the Redevelopment Plan or any other document related to this Agreement that is the result of information supplied or omitted by Developer or any Affiliate Developer or any agents, employees, contractors or persons acting under the control or at the request of Developer or any Affiliate of Developer; or

(iv) Developer's failure to cure any misrepresentation in this Agreement or any other agreement relating to this Agreement;

provided, however, that Developer shall have no obligation to an Indemnitee arising from the wanton or willful misconduct of that Indemnitee. To the extent that the preceding sentence may be unenforceable because it is violative of any law or public policy, Developer shall contribute the maximum portion that it is permitted to pay and satisfy under the applicable law, to the payment and satisfaction of all indemnified liabilities incurred by the Indemnitees or any of them. The provisions of the undertakings and indemnification set out in this Section 13.01 shall survive the termination of this Agreement.

SECTION 14. MAINTAINING RECORDS/RIGHT TO INSPECT

14.01 Books and Records. Developer shall keep and maintain separate, complete, accurate and detailed books and records necessary to reflect and fully disclose the total actual cost of the Project and the disposition of all funds from whatever source allocated thereto, and to monitor the Project. All such books, records and other documents, including but not limited to Developer's loan statements, if any, General Contractors' and contractors' sworn statements, general contracts, subcontracts, purchase orders, waivers of lien, paid receipts and invoices, shall

be available at Developer's offices for inspection, copying, audit and examination by an authorized representative of the City, at Developer's expense. Developer shall incorporate this right to inspect, copy, audit and examine all books and records into all contracts entered into by Developer with respect to the Project.

14.02 Inspection Rights. Upon three (3) business days' notice, Developer shall permit any authorized representative of the City to access to all portions of the Project and the Property during normal business hours for the Term of the Agreement.

SECTION 15. DEFAULT AND REMEDIES

15.01 Events of Default. The occurrence of any one or more of the following events, subject to the provisions of Section 15.03, shall constitute an "Event of Default" by Developer under this Agreement:

(a) Developer fails to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of Developer under this Agreement or any related agreement;

(b) Developer fails to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of Developer under any other agreement with any person or entity if such failure may have a material adverse effect on Developer's business, property, assets, operations or condition, financial or otherwise;

(c) Developer makes or furnishes to the City any representation, warranty, certificate, schedule, report or other communication within or in connection with this Agreement or any related agreement which is untrue or misleading in any material respect;

(d) except as otherwise permitted under this Agreement, the creation (whether voluntary or involuntary) of, or any attempt to create, any lien or other encumbrance upon the Property, including any fixtures now or hereafter attached thereto, other than the Permitted Liens, or the making or any attempt to make any levy, seizure or attachment thereof;

(e) the commencement of any proceedings in bankruptcy by or against Developer or for the liquidation or reorganization of Developer, or alleging that Developer is insolvent or unable to pay its debts as they mature, or for the readjustment or arrangement of Developer's debts, whether under the United States Bankruptcy Code or under any other state or federal law, now or hereafter existing for the relief of debtors, or the commencement of any analogous statutory or non-statutory proceedings involving Developer; provided, however, that if such commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such proceedings are not dismissed within sixty (60) days after the commencement of such proceedings;

(f) the appointment of a receiver or trustee for Developer, for any substantial part of Developer's assets or the institution of any proceedings for the dissolution, or the full or partial liquidation, or the merger or consolidation, of Developer; provided, however, that if such appointment or commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such appointment is not revoked or such proceedings are not dismissed within sixty (60) days after the commencement thereof;

(g) any judgment or order is entered against Developer and remains unsatisfied or undischarged and in effect for sixty (60) days after such entry without a stay of enforcement or execution;

(h) an event of default occurs under the Lender Financing, which default is not cured within any applicable cure period;

(i) the dissolution of Developer;

(j) a criminal proceeding (other than a misdemeanor) is instituted in any court against Developer or any natural person who owns a material interest in Developer and is not dismissed within thirty (30) days, or Developer or any natural person who owns a material interest in Developer is indicted for any crime (other than a misdemeanor);

(k) before the expiration of the Term of the Agreement, a majority of the ownership interests of Developer are sold or transferred without the prior written consent of the City;

(l) Developer or any party that is a Controlling Person (defined in Section 1-23-010 of the Municipal Code) with respect to Developer fails to maintain eligibility to do business with the City in violation of Section 1-23-030 of the Municipal Code; such failure shall render this Agreement voidable or subject to termination, at the option of the Chief Procurement Officer;

(m) failure to provide the City with an Annual Compliance Report within sixty (60) days of when it is due, as set forth in Section 8.20; or

(n) Developer fails to obtain the Certificate prior to the third anniversary of the Closing Date.

For purposes of Section 15.01(j), a person with a material interest in Developer shall be one having a direct or indirect beneficial interest (including ownership) exceeding 10% of Developer.

15.02 Remedies. Except as otherwise provided below, upon the occurrence of an Event of Default, the City may terminate this Agreement and any other agreements to which the City and Developer are or shall be parties, suspend disbursement of City Funds, place a lien on the Project in the amount of City Funds paid and/or seek reimbursement of any City Funds paid, as set forth in this Section 15.02 below. The City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure any available remedy, including but not limited to damages, injunctive relief or the specific performance of the agreements contained in this Agreement. Upon the occurrence of an Event of Default under Section 8.06, Developer shall be obligated to repay to the City all previously disbursed City Funds.

Upon the occurrence of an Event of Default under Section 15.01(m), for which neither notice nor opportunity for cure shall be provided, Developer shall be obligated to pay to the City, as the City's remedy, the amount of \$10,000 as liquidated damages, and not as a penalty, which such payment shall be required no more often than once per calendar year. Any payment of liquidated damages by Developer shall not relieve Developer of its obligation under Section 8.20.

Upon the occurrence of an Event of Default because of failure to comply with Section 8.22, (Sustainable Development Policy), the City's remedy shall be the right to reduce the amount of City Funds by \$250,000.

Notwithstanding any other provisions of this Agreement to the contrary: (i) each of the LaSalle NFP, Affordable Developer and Market Rate Developer shall be jointly and severally liable for the obligations of the other under this Agreement; (ii) with respect to any provisions of this Agreement applicable to an individual property or facility, the Affordable Developer and Market Rate Developer shall be jointly and severally liable with respect to such provisions; and (iii) upon the occurrence of any Event of Default, the City may exercise its remedies (including without limitation pursuant to Section 7.03 or this Section 15.02 of this Agreement, and at law or in equity) against LaSalle NFP, Affordable Developer and Market Rate Developer.

15.03 Curative Period. In the event Developer shall fail to perform a monetary covenant which Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless Developer has failed to perform such monetary covenant within ten (10) days of its receipt of a written notice from the City specifying that it has failed to perform such monetary covenant. In the event Developer shall fail to perform a non-monetary covenant which Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless Developer has failed to cure such default within thirty (30) days of its receipt of a written notice from the City specifying the nature of the default; provided, however, with respect to those non-monetary defaults which are not capable of being cured within such thirty (30) day period, Developer shall not be deemed to have committed an Event of Default under this Agreement if it has started to cure the alleged default within such thirty (30) day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured.

15.04 Lender Notice and Cure Right. In an Event of Default occurs under this Agreement, and if, as a result thereof, the City intends to exercise any right or remedy available to it that could result in the termination of this Agreement or the cancellation, suspension, or reduction of any payment due from the City under this Agreement, the City shall send notice of such intended exercise to each of the lenders providing Lender Financing at the addresses in Section 17, and each of such lenders shall have the right (but not the obligation) to cure such an Event of Default under the following conditions:

(a) if the Event of Default is a monetary default, any party entitled to cure such default may cure it within 30 days after the expiration of the cure period, if any, granted to Developer with respect to such monetary default; and

(b) if the Event of Default is of a non-monetary nature, any party entitled to cure such default shall have the right to cure it within 30 days after the expiration of the cure period, if any, granted to Developer with respect to such non-monetary default; provided, however, that if such non-monetary default is not reasonably capable of being cured by any lender providing Lender Financing within such 30-day period, such period shall be extended for such reasonable period of time agreed to by the City as may be necessary to cure such default; provided that the party seeking such cure must diligently and continuously prosecute the cure of such default until the same has been cured and, if possession of the Project is necessary to effect such cure, the party

seeking such cure must have instituted appropriate legal proceedings to obtain possession to the extent such party has the right to do so.

SECTION 16. MORTGAGING OF THE PROJECT

All mortgages or deeds of trust in place as of the date of this Agreement with respect to the Property or any portion thereof that were made before or on the date of this Agreement in connection with Lender Financing and which are Permitted Liens are referred to in this Agreement as the "Existing Mortgages." Any mortgage or deed of trust that Developer may hereafter elect to execute and record or permit to be recorded against the Property or any portion thereof is referred to in this Agreement as a "New Mortgage." Any New Mortgage that Developer may hereafter elect to execute and record or permit to be recorded against the Property or any portion thereof with the prior written consent of the City is referred to in this Agreement as a "Permitted Mortgage." The City and Developer agree as follows:

(a) If a mortgagee or any other party shall succeed to Developer's interest in the Property or any portion thereof pursuant to the exercise of remedies under a New Mortgage (other than a Permitted Mortgage), whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of Developer's interest under this Agreement in accordance with Section 18.14 (Assignment), the City may, but shall not be obligated to, attorn to and recognize such party as the successor in interest to Developer for all purposes under this Agreement and, unless so recognized by the City as the successor in interest, such party shall be entitled to no rights or benefits under this Agreement, but such party shall be bound by those provisions of this Agreement that are covenants expressly running with the land.

(b) If any mortgagee shall succeed to Developer's interest in the Property or any portion thereof pursuant to the exercise of remedies under an Existing Mortgage or a Permitted Mortgage, whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of Developer's interest under this Agreement in accordance with Section 18.14 (Assignment), the City hereby agrees to attorn to and recognize such party as the successor in interest to Developer for all purposes under this Agreement so long as such party accepts all of the obligations and liabilities of "Developer" under this Agreement; provided, however, that, notwithstanding any other provision of this Agreement to the contrary, it is understood and agreed that if such party accepts an assignment of Developer's interest under this Agreement, such party has no liability under this Agreement for any Event of Default of Developer which accrued before such party succeeded to the interest of Developer under this Agreement, in which case Developer shall be solely responsible. However, if such mortgagee under a Permitted Mortgage or an Existing Mortgage does not expressly accept an assignment of Developer's interest under this Agreement, such party shall be entitled to no rights and benefits under this Agreement, and such party shall be bound only by those provisions of this Agreement, if any, which are covenants expressly running with the land.

(c) During the Term of the Agreement, Developer shall not execute a New Mortgage with respect to the Property or any portion of the Property without the prior written consent of the Commissioner of DPD.

SECTION 17. NOTICE

Unless otherwise specified, any notice, demand or request required under this Agreement shall be given in writing at the addresses set forth below, by any of the following means: (a) personal service; (b) telecopy or facsimile; (c) overnight courier, or (d) registered or certified mail, return receipt requested.

If to the City: City of Chicago Department of Planning and Development 121 North LaSalle Street, Room 1000 Chicago, Illinois 60602 Attention: Commissioner	If to Developer: 208 LaSalle Affordable LP 208 LaSalle Market Landlord LLC c/o The Prime Group, Inc. 120 N LaSalle St #28 Chicago, Illinois 60602 Attention: Michael W. Reschke And to: LaSalle Development Partners NFP 120 N. LaSalle Street, Suite 2800 Chicago, Illinois 60602 Attention: President
With Copies To: City of Chicago Department of Law 121 North LaSalle Street, Room 600 Chicago, Illinois 60602 Attention: Finance and Economic Development Division	With Copies To: Applegate & Thorne-Thomsen, P.C. 425 South Financial Place, Suite 1900 Chicago, Illinois 60605 Attention: Nicholas J. Brunick

Such addresses may be changed by notice to the other parties given in the same manner provided above. Any notice, demand, or request sent pursuant to either clause (a) or (b) hereof shall be deemed received upon such personal service or upon dispatch. Any notice, demand or request sent pursuant to clause (c) shall be deemed received on the day immediately following deposit with the overnight courier and any notices, demands or requests sent pursuant to subsection (d) shall be deemed received two (2) business days following deposit in the mail.

SECTION 18. MISCELLANEOUS

18.01 Amendment. This Agreement and its Exhibits may not be amended or modified without the prior written consent of the parties to this Agreement; provided, however, that the City, in its sole discretion, may amend, modify, or supplement the Redevelopment Plan without the consent of any party to this Agreement. No material amendment or change to this Agreement shall be made or be effective unless ratified or authorized by an ordinance duly adopted by the City Council. The term "material" for the purpose of this Section 18.01 shall be defined as any deviation from the terms of the Agreement which operates to cancel or otherwise reduce any developmental, construction or job-creating obligations of Developer (including those set forth in

Sections 10.02 and 10.03) by more than five percent (5%) or materially changes the Project site or character of the Project or any activities undertaken by Developer affecting the Project site, the Project, or both, or increases any time agreed for performance by Developer by more than ninety (90) days. Any extension to the time agreed for performance by Developer granted under this Section 18.01 is in addition to any extension granted under Section 3.04.

18.02 Entire Agreement. This Agreement (including each Exhibit attached to this Agreement, which is hereby incorporated into this Agreement by reference) constitutes the entire agreement between the parties to this Agreement and it supersedes all prior agreements, negotiations, and discussions between the parties relative to the subject matter of this Agreement.

18.03 Limitation of Liability. No member, official or employee of the City shall be personally liable to Developer or any successor in interest in the event of any default or breach by the City or for any amount which may become due to Developer from the City or any successor in interest or on any obligation under the terms of this Agreement.

18.04 Further Assurances. Developer agrees to take such actions, including the execution and delivery of such documents, instruments, petitions and certifications as may become necessary or appropriate to carry out the terms, provisions and intent of this Agreement.

18.05 Waiver. Waiver by the City or Developer with respect to any breach of this Agreement shall not be considered or treated as a waiver of the rights of the respective party with respect to any other default or with respect to any particular default, except to the extent specifically waived by the City or Developer in writing. No delay or omission on the part of a party in exercising any right shall operate as a waiver of such right or any other right unless pursuant to the specific terms of this Agreement. A waiver by a party of a provision of this Agreement shall not prejudice or constitute a waiver of such party's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by a party, nor any course of dealing between the parties to this Agreement, shall constitute a waiver of any such parties' rights or of any obligations of any other party to this Agreement as to any future transactions.

18.06 Remedies Cumulative. The remedies of a party under this Agreement are cumulative and the exercise of any one or more of the remedies provided for in this Agreement shall not be construed as a waiver of any other remedies of such party unless specifically so provided in this Agreement.

18.07 Disclaimer. Nothing contained in this Agreement nor any act of the City shall be deemed or construed by any of the parties, or by any third person, to create or imply any relationship of third-party beneficiary, principal or agent, limited or general partnership or joint venture, or to create or imply any association or relationship involving the City.

18.08 Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which shall constitute one and the same agreement.

18.09 Severability. If any provision in this Agreement, or any paragraph, sentence, clause, phrase, word or the application thereof, in any circumstance, is held invalid, this Agreement shall be construed as if such invalid part were never included in this Agreement and

the remainder of this Agreement shall be and remain valid and enforceable to the fullest extent permitted by law.

18.10 Conflict. In the event of a conflict between any provisions of this Agreement and the provisions of the TIF Ordinances, such ordinance(s) shall prevail and control.

18.11 Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Illinois, without regard to its conflicts of law principles.

18.12 Form of Documents. All documents required by this Agreement to be submitted, delivered or furnished to the City shall be in form and content satisfactory to the City.

18.13 Approval. Wherever this Agreement provides for the approval or consent of the City, DPD or the Commissioner, or any matter is to be to the City's, DPD's or the Commissioner's satisfaction, unless specifically stated to the contrary, such approval, consent or satisfaction shall be made, given, or determined by the City, DPD or the Commissioner in writing and in the reasonable discretion thereof. The Commissioner or other person designated by the Mayor of the City shall act for the City or DPD in making all approvals, consents, and determinations of satisfaction, granting the Certificate or otherwise administering this Agreement for the City.

18.14 Assignment. Developer may not sell, assign, or otherwise transfer its interest in this Agreement in whole or in part without the written consent of the City. Any successor in interest to Developer under this Agreement shall certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement, as described in Section 7.02 (Effect of Issuance of Certificate; Continuing Obligations), for the Term of the Agreement. Developer consents to the City's sale, transfer, assignment, or other disposal of this Agreement at any time in whole or in part.

18.15 Binding Effect. This Agreement shall be binding upon Developer, the City and their respective successors and permitted assigns (as provided in this Agreement) and shall inure to the benefit of Developer, the City and their respective successors and permitted assigns (as provided in this Agreement). Except as otherwise provided in this Agreement, this Agreement shall not run to the benefit of, or be enforceable by, any person or entity other than a party to this Agreement and its successors and permitted assigns. This Agreement should not be deemed to confer upon third parties any remedy, claim, right of reimbursement or other right.

18.16 Force Majeure. Neither the City nor Developer nor any successor in interest to either of them shall be considered in breach of or in default of its obligations under this Agreement in the event of any delay caused by damage or destruction by fire or other casualty, strike, shortage of material, unusually adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures of abnormal degree or for an abnormal duration, tornadoes or cyclones, and other events or conditions beyond the reasonable control of the party affected which in fact interferes with the ability of such party to discharge its obligations under this Agreement. The individual or entity relying on this section with respect to any such delay shall, upon the occurrence of the event causing such delay, immediately give written notice to the other parties to this Agreement. The individual or entity relying on this section with respect to any such delay may rely on this section only to the extent of the actual number of days of delay effected by any such events described above.

18.17 Business Economic Support Act. Pursuant to the Business Economic Support Act (30 ILCS 760/1 et seq.), if Developer is required to provide notice under the WARN Act, Developer shall, in addition to the notice required under the WARN Act, provide at the same time a copy of the WARN Act notice to the Governor of the State, the Speaker and Minority Leader of the House of Representatives of the State, the President and minority Leader of the Senate of State, and the Mayor of each municipality where Developer has locations in the State. Failure by Developer to provide such notice as described above may result in the termination of all or a part of the payment or reimbursement obligations of the City set forth in this Agreement.

18.18 Venue and Consent to Jurisdiction. If there is a lawsuit under this Agreement, each party to this Agreement agrees to submit to the jurisdiction of the courts of Cook County, the State of Illinois, and the United States District Court for the Northern District of Illinois.

18.19 Costs and Expenses. In addition to and not in limitation of the other provisions of this Agreement, Developer agrees to pay upon demand the City's out-of-pocket expenses, including attorney's fees, incurred in connection with the enforcement of the provisions of this Agreement. This includes, subject to any limits under applicable law, attorney's fees and legal expenses, whether or not there is a lawsuit, including attorney's fees for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals and any anticipated post-judgment collection services. Developer also will pay any court costs, in addition to all other sums provided by law.

18.20 Business Relationships. Developer acknowledges (A) receipt of a copy of Section 2-156-030 (b) of the Municipal Code, (B) that Developer has read such provision and understands that pursuant to such Section 2-156-030 (b), it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with whom the elected City official or employee has a business relationship that creates a "Financial Interest" (as defined in Section 2-156-010 of the Municipal Code)(a "Financial Interest"), or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving any person with whom the elected City official or employee has a business relationship that creates a Financial Interest, or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a business relationship that creates a Financial Interest, and (C) that a violation of Section 2-156-030 (b) by an elected official, or any person acting at the direction of such official, with respect to any transaction contemplated by this Agreement shall be grounds for termination of this Agreement and the transactions contemplated hereby. Developer hereby represents and warrants that, to the best of its knowledge after due inquiry, no violation of Section 2-156-030 (b) has occurred with respect to this Agreement or the transactions contemplated hereby.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

[First Signature Page To Agreement]

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

LaSalle Development Partners NFP,
an Illinois not-for-profit corporation

By: _____

Its: _____

208 LASALLE AFFORDABLE LP,
an Illinois limited partnership

By: 208 LaSalle AH GP, LLC
an Illinois limited liability company,
its manager

By: 208 LaSalle Owner, LLC
an Illinois limited liability company,
its sole member and manager

By: RCP Holdings, LLC
an Illinois limited liability company,
its sole member and manager

By: _____

Name: Michael W. Reschke

Its: Manager

[Second Signature Page To Agreement]

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

208 LASALLE MARKET LANDLORD, LLC
an Illinois limited liability company,

By: 208 LaSalle Residences, LLC
an Illinois limited liability company,
its manager

By: 208 LaSalle Owner, LLC
an Illinois limited liability company,
its sole member and manager

By: RCP Holdings, LLC
an Illinois limited liability company,
its sole member and manager

By: _____
Name: Michael W. Reschke
Its: Manager

[Third Signature Page To Agreement]

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

CITY OF CHICAGO

By:

Ciere Boatright, 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 LaSalle Development Partners NFP, an Illinois not-for-profit corporation (the "LaSalle NFP"), 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 LaSalle NFP, as his/her free and voluntary act and as the free and voluntary act of LaSalle NFP, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this ____ day of _____, ____.

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 208 LaSalle Affordable LP, an Illinois limited partnership (the "Affordable 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 [_____] of Affordable Developer, as his/her free and voluntary act and as the free and voluntary act of Affordable Developer, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this ____ day of _____, ____.

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 208 LaSalle Market Landlord, LLC, an Illinois
limited liability company (the "Market Rate 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 [_____] of Market Rate Developer, as
his/her free and voluntary act and as the free and voluntary act of Market Rate Developer, for the
uses and purposes therein set forth.

GIVEN under my hand and official seal this ____ day of _____, ____.

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 Ciere Boatright, personally known to me to be the Commissioner of the Department of Planning and 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 she signed, sealed, and delivered said instrument pursuant to the authority given to her by the City, as 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 ____ day of _____, ____.

Notary Public

My Commission Expires _____

Exhibit A-1
Legal Description of the Overall Property

[Subject to Survey and Title Insurance]

Property Address: 208 S. LaSalle Street, Chicago, Illinois

Property Identification Numbers (PINs): [_____]

Legal Description:

OFFICE PARCEL 1A:

THE WEST 10 FEET OF LOT 1 AND ALL OF LOTS 2 TO 8 IN SUBDIVISION OF BLOCK 97 IN SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, TAKEN AS A TRACT, LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF +27.48 FEET ABOVE CHICAGO CITY DATUM AND LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF +13.53 FEET ABOVE CHICAGO CITY DATUM AND LYING WITHIN ITS HORIZONTAL BOUNDARY PROJECTED VERTICALLY AND DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHEAST CORNER OF SAID TRACT; THENCE NORTH 00 DEGREES 04 MINUTES 44 SECONDS WEST, ALONG THE EAST LINE THEREOF, 103.35 FEET TO THE POINT OF BEGINNING; THENCE NORTH 89 DEGREES 47 MINUTES 01 SECONDS WEST, 16.40 FEET; THENCE NORTH 00 DEGREES 12 MINUTES 59 SECONDS EAST, 3.34 FEET; THENCE NORTH 89 DEGREES 47 MINUTES 01 SECONDS WEST, 15.94 FEET; THENCE NORTH 00 DEGREES 01 MINUTES 27 SECONDS EAST, 24.85 FEET; THENCE NORTH 89 DEGREES 47 MINUTES 01 SECONDS WEST, 10.11 FEET; THENCE NORTH 00 DEGREES 12 MINUTES 59 SECONDS EAST, 0.62 FEET; THENCE NORTH 89 DEGREES 47 MINUTES 01 SECONDS WEST, 6.97 FEET; THENCE SOUTH 00 DEGREES 14 MINUTES 16 SECONDS WEST, 42.26 FEET; THENCE SOUTH 89 DEGREES 45 MINUTES 44 SECONDS EAST, 49.58 FEET TO THE EAST LINE OF SAID TRACT; THENCE NORTH 00 DEGREES 04 MINUTES 44 SECONDS WEST, 13.47 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

CONTAINING 1,207 SQ. FT.

OFFICE PARCEL 3:

THE WEST 10 FEET OF LOT 1 AND ALL OF LOTS 2 TO 8 IN SUBDIVISION OF BLOCK 97 IN SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, TAKEN AS A TRACT, LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF +176.68 FEET ABOVE CHICAGO CITY DATUM AND LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF +27.48 FEET ABOVE CHICAGO CITY DATUM AND LYING WITHIN ITS HORIZONTAL BOUNDARY PROJECTED VERTICALLY AND DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHEAST CORNER OF SAID TRACT; THENCE NORTH 00 DEGREES 04 MINUTES 44 SECONDS WEST, ALONG THE EAST LINE THEREOF, 165.84 FEET TO THE NORTHEAST CORNER OF SAID TRACT; THENCE NORTH 89 DEGREES 45 MINUTES 44 SECONDS WEST, ALONG THE NORTH LINE THEREOF, 32.08 FEET; THENCE SOUTH 00 DEGREES 14 MINUTES 16 SECONDS WEST, 34.32 FEET TO THE POINT OF BEGINNING; THENCE NORTH 89 DEGREES 47 MINUTES 01 SECONDS WEST,

10.11 FEET; THENCE SOUTH 00 DEGREES 01 MINUTES 27 SECONDS WEST, 22.52 FEET; THENCE SOUTH 89 DEGREES 47 MINUTES 01 SECONDS EAST, 10.11 FEET; THENCE NORTH 00 DEGREES 01 MINUTES 27 SECONDS EAST, 22.52 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

CONTAINING 228 SQ. FT. PER FLOOR.

OFFICE PARCEL 4A:

THE WEST 10 FEET OF LOT 1 AND ALL OF LOTS 2 TO 8 IN SUBDIVISION OF BLOCK 97 IN SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF +239.12 FEET ABOVE CHICAGO CITY DATUM AND LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF +176.68 FEET ABOVE CHICAGO CITY DATUM,

(EXCEPT THAT PART THEREOF DESCRIBED AS FOLLOWS:

NH PARCEL 2:

THE WEST 10 FEET OF LOT 1 AND ALL OF LOTS 2 TO 8 IN SUBDIVISION OF BLOCK 97 IN SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, TAKEN AS A TRACT, LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF +239.12 FEET ABOVE CHICAGO CITY DATUM AND LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF +27.48 FEET ABOVE CHICAGO CITY DATUM AND LYING WITHIN ITS HORIZONTAL BOUNDARY PROJECTED VERTICALLY AND DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHEAST CORNER OF SAID TRACT; THENCE NORTH 00 DEGREES 04 MINUTES 44 SECONDS WEST, ALONG THE EAST LINE THEREOF, 165.84 FEET TO THE NORTHEAST CORNER OF SAID TRACT; THENCE NORTH 89 DEGREES 45 MINUTES 44 SECONDS WEST, ALONG THE NORTH LINE THEREOF, 56.20 FEET; THENCE SOUTH 00 DEGREES 14 MINUTES 16 SECONDS WEST, 34.37 FEET TO THE POINT OF BEGINNING; THENCE NORTH 89 DEGREES 47 MINUTES 01 SECONDS WEST, 8.82 FEET; THENCE SOUTH 00 DEGREES 12 MINUTES 59 SECONDS WEST, 22.52 FEET; THENCE SOUTH 89 DEGREES 47 MINUTES 01 SECONDS EAST, 8.82 FEET; THENCE NORTH 00 DEGREES 12 MINUTES 59 SECONDS EAST, 22.52 FEET TO THE POINT OF BEGINNING),

IN COOK COUNTY, ILLINOIS.

CONTAINING 53,501 SQ. FT. PER FLOOR.

Exhibit A-2

Legal Description of the Affordable Property

[Not attached for City Council Introduction]

[Subject to Survey and Title Insurance]

Property Address:

Property identification numbers (PINs):

Legal Description:

Exhibit A-3

Legal Description of the Market Rate Property

[Not attached for City Council Introduction]

[Subject to Survey and Title Insurance]

Property Address:

Property identification numbers (PINs):

Legal Description:

Exhibit B-1

Project Budgets for the Affordable Facility (Project Budget, MBE/WBE Budget and TIF-Funded Improvements)²

Line Item	\$ Amount
Building Cost	8,100,000
Net Construction Costs	14,878,000
Other Hard Costs	350,000
General Conditions	1,000,000
Overhead	750,000
Profit	1,000,000
Furniture, Fixtures, & Equipment	180,000
Contingency	904,000
Architect - Design	590,000
Engineering Fees	200,000
Legal - Organizational	50,000
Legal - Syndication	100,000
Tax Credit Issuer Fees	150,000
Construction Interest	1,534,000
Model Units	200,000
Other Marketing & Leasing	200,000
Developer Fee	750,000
Deferred Developer Fee	1,100,000
Construction Admin.	176,000
Insurance Reserve	90,000
Property Tax Reserve	150,000
Grand Total Dev Costs	\$32,452,000

MBE/WBE

26% MBE = \$3,868,280

6% WBE = \$ 892,680

TIF-Funded Improvements

Rehabilitation of Affordable Units \$17,978,00

Notwithstanding the total of TIF-Funded Improvements or the amount of TIF-eligible costs, the assistance to be provided by the City is limited to the amount described in Section 4.03.

² The MBE/WBE budget is an estimate calculated as of the Closing Date. The final percentages will be based on the final hard construction costs of the Project.

Exhibit B-2

Project Budgets for the Market Rate Facility (Project Budget, MBE/WBE Budget and TIF-Funded Improvements)³

Line Item	\$ Amount
Building Cost	22,900,000
Net Construction Costs	18,922,000
Other Hard Costs	930,000
General Conditions	1,500,000
Overhead	1,250,000
Profit	1,500,000
Furniture, Fixtures, & Equip't	220,000
Contingency	2,410,200
Construction	1,500,000
Contingency	150,000
Architect - Design	700,000
Engineering Fees	400,000
Legal - Organizational	100,000
Legal - Syndication	250,000
Tax Credit Issuer Fees	150,000
Lender Legal Fees	850,000
Bond -- Other	150,000
Construction Interest	4,066,000
Model Units	400,000
Other Marketing & Leasing	300,000
Developer Fee	1,750,000
Deferred Developer Fee	2,500,000
Construction Admin.	224,000
Insurance Reserve	310,000
Property Tax Reserve	1,350,000
Other Reserves	2,465,800
Grand Total Dev Costs	\$67,248,000

MBE/WBE

26% MBE = \$4,919,720

6% WBE = \$1,135,320

TIF-Funded Improvements

Rehabilitation of Market Rate Units
\$24,102,000

Notwithstanding the total of TIF-Funded Improvements or the amount of TIF-eligible costs, the assistance to be provided by the City is limited to the amount described in Section 4.03.

³ The MBE/WBE budget is an estimate calculated as of the Closing Date. The final percentages will be based on the final hard construction costs of the Project.

Exhibit C

Requisition Form

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

The affiant, _____ of _____, a
_____ (the "Developer"), hereby certifies that with respect to the
_____ Redevelopment Agreement between Developer and the City of Chicago
dated _____, _____ (the "Agreement"):

A. Expenditures for the Project, in the total amount of \$_____, have
been made.

B. This paragraph B sets forth and is a true and complete statement of all costs of
TIF-Funded Improvements for the Project reimbursed by the City to date:

\$_____

C. Developer requests reimbursement for the following cost of TIF-Funded
Improvements:

\$_____

D. None of the costs referenced in paragraph C above have been previously
reimbursed by the City.

E. Developer hereby certifies to the City that, as of the date hereof:

1. Except as described in the attached certificate, the representations and
warranties contained in the Agreement are true and correct and Developer is in compliance with
all applicable covenants contained in the Agreement.

2. No event of Default or condition or event which, with the giving of notice or
passage of time or both, would constitute an Event of Default, exists or has occurred.

All capitalized terms which are not defined in this Requisition Form has the meanings
given such terms in the Agreement.

[Developer]

By: _____

Name: _____

Title: _____

Subscribed and sworn before me this ____ day of _____, _____.

My commission expires: _____

Exhibit D

HUD RIDER TO RESTRICTIVE COVENANTS
[Not attached for City Council Introduction]

Ordinance Exhibit F

Project Site

[Subject to change as provided in final title policy at closing]

Legal Description:

PARCEL 1A:

THE WEST 10 FEET OF LOT 1 AND ALL OF LOTS 2 TO 8 IN SUBDIVISION OF BLOCK 97 IN SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, TAKEN AS A TRACT, LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF +27.48 FEET ABOVE CHICAGO CITY DATUM AND LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF +13.53 FEET ABOVE CHICAGO CITY DATUM AND LYING WITHIN ITS HORIZONTAL BOUNDARY PROJECTED VERTICALLY AND DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHEAST CORNER OF SAID TRACT; THENCE NORTH 00 DEGREES 04 MINUTES 44 SECONDS WEST, ALONG THE EAST LINE THEREOF, 103.35 FEET TO THE POINT OF BEGINNING; THENCE NORTH 89 DEGREES 47 MINUTES 01 SECONDS WEST, 16.40 FEET; THENCE NORTH 00 DEGREES 12 MINUTES 59 SECONDS EAST, 3.34 FEET; THENCE NORTH 89 DEGREES 47 MINUTES 01 SECONDS WEST, 15.94 FEET; THENCE NORTH 00 DEGREES 01 MINUTES 27 SECONDS EAST, 24.85 FEET; THENCE NORTH 89 DEGREES 47 MINUTES 01 SECONDS WEST, 10.11 FEET; THENCE NORTH 00 DEGREES 12 MINUTES 59 SECONDS EAST, 0.62 FEET; THENCE NORTH 89 DEGREES 47 MINUTES 01 SECONDS WEST, 6.97 FEET; THENCE SOUTH 00 DEGREES 14 MINUTES 16 SECONDS WEST, 42.26 FEET; THENCE SOUTH 89 DEGREES 45 MINUTES 44 SECONDS EAST, 49.58 FEET TO THE EAST LINE OF SAID TRACT; THENCE NORTH 00 DEGREES 04 MINUTES 44 SECONDS WEST, 13.47 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

CONTAINING 1,207 SQ. FT.

PARCEL 3:

THE WEST 10 FEET OF LOT 1 AND ALL OF LOTS 2 TO 8 IN SUBDIVISION OF BLOCK 97 IN SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, TAKEN AS A TRACT, LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF +176.68 FEET ABOVE CHICAGO CITY DATUM AND LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF +27.48 FEET ABOVE CHICAGO CITY DATUM AND LYING WITHIN ITS HORIZONTAL BOUNDARY PROJECTED VERTICALLY AND DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHEAST CORNER OF SAID TRACT; THENCE NORTH 00 DEGREES 04 MINUTES 44 SECONDS WEST, ALONG THE EAST LINE THEREOF, 165.84 FEET TO THE NORTHEAST CORNER OF SAID TRACT; THENCE NORTH 89 DEGREES 45 MINUTES 44 SECONDS WEST, ALONG THE NORTH LINE THEREOF, 32.08 FEET; THENCE SOUTH 00 DEGREES 14 MINUTES 16 SECONDS WEST, 34.32 FEET TO THE POINT OF BEGINNING; THENCE NORTH 89 DEGREES 47 MINUTES 01 SECONDS WEST, 10.11 FEET; THENCE SOUTH 00 DEGREES 01 MINUTES 27 SECONDS WEST, 22.52 FEET; THENCE SOUTH 89 DEGREES 47 MINUTES 01 SECONDS

EAST, 10.11 FEET; THENCE NORTH 00 DEGREES 01 MINUTES 27 SECONDS EAST, 22.52 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

CONTAINING 228 SQ. FT. PER FLOOR.

PARCEL 4A:

THE WEST 10 FEET OF LOT 1 AND ALL OF LOTS 2 TO 8 IN SUBDIVISION OF BLOCK 97 IN SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF +239.12 FEET ABOVE CHICAGO CITY DATUM AND LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF +176.68 FEET ABOVE CHICAGO CITY DATUM,

(EXCEPT THAT PART THEREOF DESCRIBED AS FOLLOWS:

NH PARCEL 2:

THE WEST 10 FEET OF LOT 1 AND ALL OF LOTS 2 TO 8 IN SUBDIVISION OF BLOCK 97 IN SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, TAKEN AS A TRACT, LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF +239.12 FEET ABOVE CHICAGO CITY DATUM AND LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF +27.48 FEET ABOVE CHICAGO CITY DATUM AND LYING WITHIN ITS HORIZONTAL BOUNDARY PROJECTED VERTICALLY AND DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHEAST CORNER OF SAID TRACT; THENCE NORTH 00 DEGREES 04 MINUTES 44 SECONDS WEST, ALONG THE EAST LINE THEREOF, 165.84 FEET TO THE NORTHEAST CORNER OF SAID TRACT; THENCE NORTH 89 DEGREES 45 MINUTES 44 SECONDS WEST, ALONG THE NORTH LINE THEREOF, 56.20 FEET; THENCE SOUTH 00 DEGREES 14 MINUTES 16 SECONDS WEST, 34.37 FEET TO THE POINT OF BEGINNING; THENCE NORTH 89 DEGREES 47 MINUTES 01 SECONDS WEST, 8.82 FEET; THENCE SOUTH 00 DEGREES 12 MINUTES 59 SECONDS WEST, 22.52 FEET; THENCE SOUTH 89 DEGREES 47 MINUTES 01 SECONDS EAST, 8.82 FEET; THENCE NORTH 00 DEGREES 12 MINUTES 59 SECONDS EAST, 22.52 FEET TO THE POINT OF BEGINNING),

IN COOK COUNTY, ILLINOIS.

CONTAINING 53,501 SQ. FT. PER FLOOR.

FIN



OFFICE OF THE MAYOR
CITY OF CHICAGO

BRANDON JOHNSON
MAYOR

March 12, 2025

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

Ladies and Gentlemen:

At the request of the Commissioner of Housing, I transmit herewith an ordinance authorizing the issuance of financial assistance for the adaptive reuse project of the property located at 208 South LaSalle Street.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

A handwritten signature in black ink, appearing to read "BJ", followed by a horizontal line.

Mayor



CITY OF CHICAGO

★
COMMITTEE ON FINANCE
CITY COUNCIL
CITY HALL - ROOM 302
121 NORTH LASALLE STREET
CHICAGO, ILLINOIS 60602

ALDERMAN PAT DOWELL
CHAIRMAN

PHONE: 312-744-3380

April 16, 2025
CHICAGO, ILLINOIS

TO THE PRESIDENT AND MEMBERS OF THE CITY COUNCIL:

Your Committee on Finance which was referred an ordinance concerning the issuance of financial assistance to 208 LaSalle Affordable LP and 208 LaSalle Market Landlord, LLC for acquisition, construction, rehabilitation and equipping of affordable and market rate housing projects at 208 S. LaSalle Street. 42nd Ward
(O2025-0016003)

Amount Not to Exceed: \$25,000,000. Multi-Family Revenue Bonds
Amount Not to Exceed: \$26,000,000. TIF

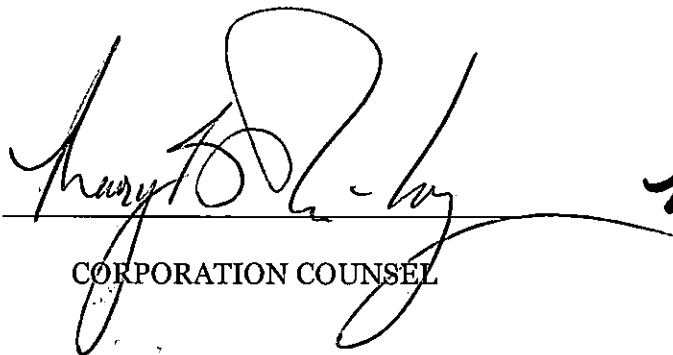
Having the same under advisement, begs leave to report and recommend that Your Honorable Body **Pass** the proposed ordinance transmitted herewith.

This recommendation was concurred in by a voice vote of the members of the committee present with one dissenting vote made by Alderman Raymond Lopez (15th Ward) on **April 14, 2025**.

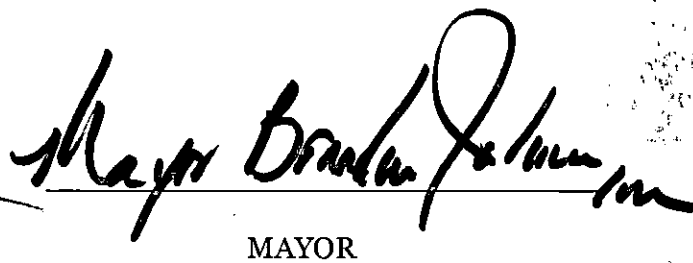
(signed)


Pat Dowell, Chairman
Committee on Finance

APPROVED


CORPORATION COUNSEL

APPROVED


MAYOR

DATED:

April 23, 2015

DATED:

4. 23. 25