

Ordinance Exhibit C
Form of Loan Agreement

[See Attached]

LOAN AGREEMENT

By and Among

CITY OF CHICAGO

as Issuer

and

THE AVE SW LLC,

as Borrower

And

ZIONS BANCORPORATION, NATIONAL ASSOCIATION,

as Trustee

Dated as of _____, 2024

Relating to:

\$ _____

Multifamily Housing Revenue Bonds
(The Ave SW Project), Series 2024

TABLE OF CONTENTS

		Page
ARTICLE I	DEFINITIONS	2
Section 1.01	Definitions	2
Section 1.02	Interpretation	2
ARTICLE II	REPRESENTATIONS AND WARRANTIES.....	2
Section 2.01	Representations and Warranties of Issuer.....	2
Section 2.02	Representations and Warranties of Borrower	3
Section 2.03	Borrower's Representations Regarding Bonds and Project	6
ARTICLE III	PLAN OF FINANCING	7
Section 3.01	Issuance of Bonds; Application of Proceeds.....	7
Section 3.02	The Loan	7
Section 3.03	[Reserved].....	8
Section 3.04	Acquisition and Construction.	8
Section 3.05	Plans and Specifications	8
Section 3.06	Disbursements from the Project Fund	8
Section 3.07	Duties and Obligations of the Borrower	9
Section 3.08	Borrower Required to Pay Costs in Event Project Fund Insufficient.....	9
Section 3.09	Completion Date.....	9
Section 3.10	Remarketing of Bonds.....	9
Section 3.11	Investment of Fund Money	9
Section 3.12	Rebate Calculations and Payments.....	10
ARTICLE IV	LOAN PAYMENTS; ELIGIBLE FUNDS AND ADDITIONAL PAYMENTS	11
Section 4.01	Loan Repayment; Delivery of Note	11
Section 4.02	Eligible Funds.....	11
Section 4.03	Special Funds.....	12
Section 4.04	Additional Payments.....	12
Section 4.05	Obligations of the Borrower Unconditional.....	14
Section 4.06	Limited Obligation of Issuer	14
Section 4.07	Assignment of Issuer's Rights	14
ARTICLE V	SPECIAL COVENANTS.....	15
Section 5.01	Access to the Project.....	15
Section 5.02	Further Assurances and Corrective Instruments.....	15

TABLE OF CONTENTS

(continued)

	Page
Section 5.03 Issuer and Borrower Representatives.....	15
Section 5.04 Financing Statements.....	15
Section 5.05 Insurance	15
Section 5.06 Restriction on Plans and Specifications	16
Section 5.07 Requisitions.....	16
Section 5.08 Borrower Receipt of Insurance or Condemnation Proceeds	16
Section 5.09 Financial Information	16
Section 5.10 Environmental Requirements; Indemnity	17
ARTICLE VI RESTRICTION ON TRANSFER	20
Section 6.01 Borrower to Maintain its Existence; Sale of Project.....	20
ARTICLE VII INDEMNIFICATION	21
Section 7.01 Indemnification of Issuer and Trustee	21
ARTICLE VIII DEFAULTS AND REMEDIES	23
Section 8.01 Defaults Defined	23
Section 8.02 Remedies on Default.....	24
Section 8.03 No Remedy Exclusive	25
Section 8.04 Agreement to Pay Attorneys' Fees and Expenses	25
Section 8.05 No Additional Waiver Implied by One Waiver	25
Section 8.06 Right to Cure	26
Section 8.07 Default by Issuer; Limited Liability	26
ARTICLE IX MISCELLANEOUS	26
Section 9.01 Term of Agreement	26
Section 9.02 Notices; Publication of Notice	26
Section 9.03 Nonrecourse Liability of Borrower.....	27
Section 9.04 No Pecuniary Liability of Issuer	27
Section 9.05 Binding Effect.....	28
Section 9.06 Severability.....	28
Section 9.07 Amounts Remaining in Funds.....	28
Section 9.08 Amendments, Changes and Modifications.....	28
Section 9.09 Execution in Counterparts	28
Section 9.10 Applicable Law; Jury Trial.....	28
Section 9.11 Captions.....	29

TABLE OF CONTENTS
(continued)

Page

EXHIBIT A:	Form of Promissory Note
EXHIBIT B:	Form of Requisition
EXHIBIT C:	Completion Certificate

LOAN AGREEMENT

THIS LOAN AGREEMENT (the **"Agreement"**) dated as of _____, 2024, 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"**), THE AVE SW LLC, an Illinois limited liability company (the **"Borrower"**) and ZIONS BANCORPORATION, NATIONAL ASSOCIATION, as trustee (the **"Trustee"** or **"Trustee"**) under that certain Indenture dated as of _____, 2024, 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 \$_____ Multi-Family Housing Revenue Bonds (The Ave SW Project), Series 2024 (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 acquisition, construction and equipping of a four-story building located generally at 3601-3625 West Chicago Avenue in Chicago, Illinois (the **"Property"**), to contain fifty-two (52) residential units, including twenty-six (26) one-bedroom units, twenty-three (23) two-bedroom units and three (3) three-bedroom units for low-income, very low-income and extremely low-income families, along with certain common areas, including a community space in which Neighborhood Housing Services of Chicago, Inc., an Illinois not-for-profit corporation, will offer homeownership programs and education, laundry facilities, and approximately twenty-eight (28) enclosed parking spaces (collectively, the **"Project"**) to be known as The Ave SW; 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 Assignment (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 costs of the Project.

(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 Agreement 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 an Illinois limited liability company, duly organized, validly existing and in good standing under the laws of the State of Illinois (the "**Borrower**"), the managing member of which is POAH Ave MM LLC, an Illinois limited liability company (the "**Managing Member**"), of which Preservation of Affordable Housing, Inc., an Illinois not-for-profit corporation, is the manager and a member ("**POAH**") and an additional member of which is KMW The Ave LLC, an Illinois limited liability company, of which KMW Communities LLC, an Illinois limited liability company, is the managing member ("**KMW**").

(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 Agreement 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 Managing Member (i) is authorized to do business in the State of Illinois and every other jurisdiction in which the nature of its business or its properties makes such qualification necessary; (ii) has full power and authority to own its properties and to conduct its business as now being conducted and to enter into, and to perform and observe in all material respects the covenants and agreements in its part contained in the 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 applicable 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 applicable 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, construction, 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, construction, 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 Agreement, 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 Agreement, including all applicable requirements of the Code. All future leases will comply with all applicable laws, the Land Use Restriction Agreement and the Tax Agreement. The Project currently meets the requirements of this Loan Agreement, the Land Use Restriction Agreement, the Tax Agreement 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 Member of the Borrower; provided, however, the foregoing representation, covenant and warranty is made for the benefit of the Borrower and its members 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 members 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, construction, 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, construction and equipping of the Project, and which will be obtained at or prior to the time required by law in connection with the acquisition, construction and equipping of the Project).

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 \$_____.

(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 either (i) 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 Member 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 Member 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 Member and the Trustee.

(k) No portion of the proceeds of the Bonds will be used to provide any energy property or commercial space.

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 costs of the Project, 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 Reserved

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) the deposit of Eligible Funds equal to the amount of such disbursement into the Collateral Fund. 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.

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, 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.

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 Agreement 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 Bond 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 a provider of Eligible Funds to deliver or cause to be delivered to the Trustee 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 or to the construction escrow account administered by the title company for the Project]. As

provided in the Indenture, these amounts will be advanced by such party or the title company 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 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 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 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, 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 Agreement 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 Agreement 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 Agreement.

(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 and the Trustee 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 there has been a 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, construction and equipping thereof at all reasonable times. The Borrower acknowledges that the Issuer shall monitor the acquisition, construction 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 construction 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 shall be made unless (a) the Issuer consents 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, the following shall be permitted and shall not require the prior written approval of the Issuer or the Trustee: (a) the transfer by the Investor Member of its respective interests in the Borrower in accordance with the terms of the Borrower's Organizational Documents, (b) the removal of the Managing Member of the Borrower in accordance with the Organizational Documents or Construction Loan Documents, as applicable, and the replacement thereof with an affiliate of the Investor Member or Construction Lender, (c) the transfer of ownership interests in the Investor Member, (d) upon the expiration of the tax credit compliance period, the transfer of the interests of the Investor Member in the Borrower to the Borrower's Managing Member or any of its respective affiliates or assigns, and (e) any amendment to the Organizational Documents or Construction Loan Documents, as applicable, 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 Lender 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 Bond 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 Member, or the Construction Lender, 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, or in the rents or other income of the Project for the payment of any charge or obligation due hereunder.

The limit on the Borrower's '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.

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.

[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]

The Ave SW LLC,
an Illinois limited liability company

By: POAH Ave MM LLC, an
Illinois limited liability company, its
manager

By: PRESERVATION OF AFFORDABLE
HOUSING, INC., an Illinois not-for-profit
corporation, its manager

By: _____
Name:
Title:

[SIGNATURE PAGE TO LOAN AGREEMENT CONTINUED]

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

By: _____
Name: Anna McCully
Title: Vice President

[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.

\$ _____, 2024

THE AVE SW LLC, an Illinois limited liability company (the "**Borrower**"), for value received, promises to pay in installments to Zions Bancorporation, National Association, as trustee (the "**Trustee**") under the Indenture hereinafter referred to, the principal amount of

_____ MILLION _____ THOUSAND 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 Trustee pursuant to a certain Loan Agreement dated as of _____, 2024 (the "**Loan Agreement**"), 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 the Borrower.

Under the Loan Agreement, the Issuer has loaned the Borrower the principal proceeds received from the sale of its \$ _____ Multi-Family Housing Revenue Bonds (The Ave SW Project), Series 2024 (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 _____, 2024 (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 amounts on each Interest Payment Date 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 relating to the redemption of the Bonds 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.

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, or the rents or deposits or other income of the Project.

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.

The Ave SW LLC,
an Illinois limited liability company

By: POAH Ave MM LLC, an
Illinois limited liability company, its
manager

By: PRESERVATION OF AFFORDABLE
HOUSING, INC., an Illinois not-for-profit
corporation, its manager

By: _____
Name:
Title:

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 _____, 2024.

CITY OF CHICAGO, as Issuer

By: _____
Name: Jill Jaworski
Title: Chief Financial Officer

EXHIBIT B
FORM OF REQUISITION
(Project Fund)

[Trustee]

\$ _____ **Multi-Family Housing Revenue Bonds**
(The Ave SW Project)
Series 2024

Ladies and Gentlemen:

Pursuant to Section 3.06 of the Loan Agreement dated as of _____, 2024 (the "**Loan Agreement**") among the **CITY OF CHICAGO** (the "**Issuer**"), **THE AVE SW LLC**, an Illinois limited liability company (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 _____, 2024 (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: \$ _____ [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__.

The Ave SW LLC,
an Illinois limited liability company

By: POAH Ave MM LLC, an
Illinois limited liability company, its
manager

By: PRESERVATION OF AFFORDABLE
HOUSING, INC., an Illinois not-for-profit
corporation, its manager

By: _____
Name:
Title:

SCHEDULE I
to Project Fund Requisition

EXHIBIT C

\$ _____ Multi-Family Housing Revenue Bonds
(The Ave SW Project)
Series 2024

COMPLETION CERTIFICATE

Pursuant to Section 3.09 of the Loan Agreement dated as of _____, 2024 (the "**Loan Agreement**") among the **CITY OF CHICAGO** (the "**Issuer**"), **THE AVE SW LLC**, an Illinois limited liability company (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.

IN WITNESS WHEREOF, the Authorized Borrower Representative has set his or her hand
as of the _____ day of _____, 202__.

The Ave SW LLC,
an Illinois limited liability company

By: POAH Ave MM LLC, an
Illinois limited liability company, its
manager

By: PRESERVATION OF AFFORDABLE
HOUSING, INC., an Illinois not-for-profit
corporation, its manager

By: _____
Name:
Title: