

EXHIBIT A

LOAN AND ADDITIONAL FINANCING TERMS

BORROWER: Island Terrace 4% Preservation Associates Limited Partnership, an Illinois limited partnership (the "4% Borrower"); the sole general partner of which is POAH Island Terrace 4%, LLC, an Illinois limited liability company (the "4% General Partner"), and the manager and 79% member of the 4% General Partner is Preservation of Affordable Housing, Inc., an Illinois not-for-profit corporation ("POAH") and the 21% member of the 4% General Partner will be The Community Builders, Inc., a Massachusetts non-profit corporation or another non-profit entity acceptable to the City (the "21% GP Member").

PROJECT: The Project shall consist of (i) the creation of the Island Terrace Condominium pursuant to the Condominium Declaration upon the real property commonly known as 6430 South Stony Island Avenue, Chicago, Illinois (the "Property"), (ii) the acquisition and renovation of Unit 1 of the Island Terrace Condominium, which is part of the existing 21-story high-rise building located on the Property, and (iii) the ownership by the 4% Borrower of Unit 1 and that unit's undivided interests in the common elements of the Island Terrace Condominium (collectively, the "4% Project"). More specifically, Unit 1 will consist of approximately 180 one-bedroom, two-bedroom and three-bedroom residential units, approximately 163 of which shall be for rental to persons and families of moderate-income, low-income, very low-income and extremely low-income that will be located on floors 3 through 17 of the building.

(Unit 2 of the Island Terrace Condominium, which will contain approximately 60 one-bedroom, two-bedroom and three-bedroom residential units, approximately 54 of which shall be for rental to persons and families of moderate-income, low-income, very low-income and extremely low-income, the latter of which will be located on floors 18 through 22 of the building, will be separately owned by Island Terrace 9% Preservation Associates Limited Partnership. Unit 2 of the Island Terrace Condominium is not part of this 4% Project.)

LOAN:

Source:	Multi-Family Program Funds, Chicago Recovery Plan funds and/or STSC Bonds ("STSC Funds")
Amount:	Not to exceed \$13,775,000
Term:	Not to exceed 43 years
Interest:	Not to exceed ten percent (10%) per annum
Security:	Non-recourse loan; mortgage junior to the Senior Mortgage (defined below) on Unit 1 of the 4% Project (including the undivided interests in the common elements) (the "City Mortgage"); the Loan and City Mortgage will not be cross-collateralized or cross-defaulted with any separate financing for Unit 2

Alternate Structures:

If so determined by the Commissioner, any portion of the Multi-Family Program Funds, Chicago Recovery Plan funds and/or STSC Funds may be granted by the City to (i) Preservation of Affordable Housing, Inc. or an entity acceptable to the Commissioner for the purpose of making a capital contribution of such funds to the 4% Borrower or (ii) Preservation of Affordable Housing, Inc. or an entity acceptable to the Commissioner for the purpose of making a loan of such funds to the 4% Borrower.

ADDITIONAL FINANCING:

1. Amount: Not to exceed \$55,000,000
Term: Not to exceed 36 months
Source: Illinois Housing Development Authority ("IHDA"), as issuer of certain multi-family housing revenue bonds or notes and the lender of the proceeds of sale of the multi-family housing revenue bonds or notes
Security: Unsecured by mortgage; cash-collateralized with proceeds from the Senior Loan, the Equity Bridge Loan, the POAH Bridge Loan, the Loan, and such other source acceptable to the Commissioner

2. Amount: Not to exceed \$20,000,000 (the "Senior Loan")
Term: Not to exceed 43 years
Source: Merchants Capital Corp. or its affiliate ("Merchants Corp") or such other entity as may be acceptable to the Commissioner
Interest: Fixed; not to exceed twelve percent (12%) per annum
Security: Mortgage senior to the lien of the City Mortgage (the "Senior Mortgage"), and such other security as may be acceptable to the Commissioner.

3. Amount: Not to exceed \$25,000,000 (the "Equity Bridge Loan")
Term: Not to exceed 36 months
Source: Merchants Bank of Indiana or its affiliate ("Merchants Bank") or such other entity as may be acceptable to the Commissioner
Interest: Variable; initial rate at closing will not exceed twelve percent (12%) per annum
Security: Collateral assignment of the investor limited partner's equity contributions, the 4% General Partner's interest in the 4% Borrower, and such other security as may be acceptable to the Commissioner.

4. Amount: Not to exceed \$10,000,000 (the "POAH Bridge Loan")
Term: Not to exceed 36 months
Source: Preservation of Affordable Housing, Inc., an Illinois not-for-profit corporation ("POAH") from corporate bond proceeds, the Capital Magnet Fund Program, or other source acceptable to the Commissioner
Interest: Fixed, not to exceed six percent (6%) per annum,

- Security: Non-Recourse Mortgage senior to the lien of the City Mortgage (the "Bridge Mortgage") and such other security as may be acceptable to the Commissioner.
5. Amount: Not to exceed \$11,300,000 (the "Junior Loan")
 Term: Not to exceed 43 years
 Source: IHDA from the Illinois COVID-19 Affordable Housing Grant Program, or other source acceptable to the Commissioner
 Interest: Fixed, not to exceed 15% per annum
 Security: Non-Recourse Mortgage junior to the lien of the City Mortgage (the "Junior Mortgage") and such other security as may be acceptable to the Commissioner.
6. Amount: Not to exceed \$6,000,000 (the "Second Junior Loan")
 Term: Not to exceed 43 years
 Source: Seller note from POAH Island Terrace, LLC (to be assigned to Preservation of Affordable Housing LLC post-closing), or other source acceptable to the Commissioner
 Interest: Fixed, not to exceed five and one-half percent (5.5%) per annum
 Security: Non-Recourse Mortgage junior to the lien of the City Mortgage (the "Second Junior Mortgage") and such other security as may be acceptable to the Commissioner.
7. Amount: Not to exceed \$750,000 (the "Third Junior Loan")
 Term: Not to exceed 43 years
 Source: POAH, which is expected to receive a grant from Commonwealth Edison Company and Nicor Gas Company through the ComEd Energy Efficiency Program, or other source acceptable to the Commissioner
 Interest: Fixed, not to exceed five and one-half percent (5.5%) per annum
 Security: Non-Recourse Mortgage junior to the lien of the City Mortgage (the "Third Junior Mortgage") and such other security as may be acceptable to the Commissioner.
8. Amount: Not to exceed \$500,000 (the "Fourth Junior Loan")
 Term: Not to exceed 43 years
 Source: Note from POAH Island Terrace, LLC (to be assigned to Preservation of Affordable Housing LLC post-closing) funded by existing reserves, or other source acceptable to the Commissioner
 Interest: Fixed, not to exceed five and one-half percent (5.5%) per annum
 Security: Non-Recourse Mortgage junior to the lien of the City Mortgage (the "Fourth Junior Mortgage") and such other security as may be acceptable to the Commissioner.
 Alternate: Any portion of the existing reserves may be acquired by the 4% Borrower for the Project and the Second Junior Loan increased by the amount of existing reserves.
9. Low-Income Housing Tax Credit ("LIHTC") Proceeds:

Approximately \$33,000,000 or such other amount to which the Commissioner may consent, to be provided by the LIHTC investor to the 4% Borrower, all or a portion of which may be paid in on a delayed basis, and used, among other purposes, to retire all or a portion of the Equity Bridge Loan and the POAH Bridge Loan

Source: To be derived from the syndication of approximately \$3,500,000 annual LIHTC from IHDA

- 10. Amount: \$100
- Source: 4% General Partner