

Arc Chicago, LLC

November 16, 2018

CIC Mezzanine Investors, L.L.C.
c/o Community Investment Corporation
222 South Riverside Plaza, Suite 380
Chicago, Illinois 60606

Re: *Mission-Related Investment in CIC Mezzanine Investors, L.L.C. also commonly referred to as the Opportunity Investment Fund*

Ladies and Gentlemen:

This letter agreement (this "Letter Agreement") is entered into in connection with the investment by Arc Chicago, LLC ("Arc"), a Delaware limited liability company, of \$5,000,000 (the "Investment") in the membership interests of CIC Mezzanine Investors, L.L.C., an Illinois limited liability company (the "Fund"). The John D. and Catherine T. MacArthur Foundation (the "Foundation"), a not-for-profit corporation formed in the State of Illinois that is a tax-exempt private foundation described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code") is the sole member of Arc and therefore, for tax purposes, Arc is a disregarded entity with respect to the Foundation..

The Investment will be made in accordance with the provisions of Arc's Subscription Agreement dated on or about date hereof, the Fund's Limited Liability Company Agreement, dated on or about date hereof and this Letter Agreement (collectively, and together with any additional agreements that may be executed in connection with the Investment, the "Investment Documents"). Capitalized terms not defined herein shall have the same meaning as in the Investment Documents.

During the period in which Arc is a Member of the Fund, Arc's Commitment, when combined with any Commitments by the "Disqualified Persons" set forth on Exhibit A attached hereto, will not exceed 20% of the total Commitments of all Members; provided, that the Manager's obligations hereunder shall be subject to Arc's provision of an updated Exhibit A from time to time to the extent of any changes thereof. Further, the Manager hereby confirms that, as at the date hereof, no Member is a Disqualified Person on Exhibit A hereto.

In consideration of Arc making the Investment on the terms and conditions stated herein and in the Investment Documents, and for other good and valuable consideration, the undersigned hereby irrevocably agree as follows:

1. Mission-Related Purposes and Use of Funds

a. The primary purpose of the Investment by Arc is to make a prudent investment that furthers Arc's mission of making impact investments in the Chicago region in a variety of areas, including affordable housing. There is substantial academic and other research indicating that living in better neighborhoods provides an increased opportunity to low income individuals for long term success however, most affordable housing efforts are concentrated in disadvantaged communities. As such, the Investment in the Fund aims to encourage the creation and preservation of affordable rental units in strong markets by delivering developers access to low-cost capital to purchase or refinance existing or new, rental buildings in such markets, provided that at least 20% percent of their units remain affordable to low-income households for at least 15 years. Such model intends to (i) provide relief of the poor and distressed or

underprivileged by helping low-income families out of concentrated areas of poverty and into better neighborhoods where they have the opportunity for improved educational opportunities, earnings and overall life chances and (ii) lessen the burdens of government by providing private parties an incentive to offer affordable housing units to low income families (collectively, the “Mission-Related Purpose”).

b. In order to advance the Mission-Related Purpose and in accordance with the programmatic work of Arc, the Fund shall use the proceeds of the Investment only to provide junior mortgage or mezzanine loans to developers investing in multifamily real estate assets and as provided in the Investment Documents and the Fund’s Loan Policy Manual, as updated from time to time, in an effort to further affordability in strong and strengthening markets in the Chicago metropolitan area for low income persons.

c. In addition, the Fund will target neighborhoods with strong access to community services among other offerings that can benefit low-income families. In accordance with Arc’s investment policy, the Fund shall make 100% of investments in communities within Cook, DuPage, Kane, Lake, McHenry, and Will counties to enable the Fund to promote increased access to community-based services for low-income and vulnerable populations.

d. The Fund acknowledges and understands that the Investment is being made by Arc as a “mission-related investment” as it meaningfully contributes to the accomplishment of Arc’s philanthropic mission while achieving a financial return commensurate with the risk and the social impact to be achieved. As such, the Fund acknowledges and understands that the Foundation has determined that the Investment (i) is prudent in accordance with the Uniform Prudent Management of Funds Act, 760 IL Comp. Stat. sec. 51 and furthers the Mission-Related Purposes and (iii) the Investment is being made by Arc in accordance with due diligence and other steps undertaken by Arc such that it is not a jeopardizing investment within the meaning of Section 4944 of the Code.

2. Required Reporting.

Beginning on the date of the Investment, in addition to any and all reports required to be delivered to Arc under the Investment Documents, the Fund shall furnish, or cause to be furnished, to Arc (Attention: Associate Director of Impact Investments) the following reports and certifications:

a. Within 30 days after the end of each fiscal quarter of the Fund during the term of the Investment, a completed Impact Performance Scorecard for such quarter, in the form attached hereto as Exhibit B (the “Impact Scorecard”), which includes outputs and/or outcomes that illustrate the impact of the use of the Investment proceeds in the greater Chicago region. Arc may identify additional indicators or make other modifications to the Impact Performance Scorecard upon notice to the Fund and unless the Fund provides written notice of an objection to such changes within 10 business days after receipt of notice thereof, such modifications shall become effective immediately upon the expiration of such 10-day period. If the Fund timely and reasonably objects to Arc’s proposed modifications, Arc and the Fund shall negotiate in good faith to make modifications to the Impact Performance Scorecard as acceptable to the parties.

b. Within 120 days after the end of each fiscal year of the Fund during the term of the Investment, a narrative report, signed by the President or other authorized executive officer of the Fund, (i) describing the use of the proceeds of the Investment during the preceding fiscal year and (ii) evaluating the progress of the Fund toward achieving the Mission-Related Purposes, which report shall include, without limitation, (a) general information regarding the nature of the Fund’s investments in Chicago, (b) the objectives sought to be achieved, (c) a status update with respect to the Fund’s progress in achieving the outputs or outcomes set forth in the Impact Scorecard that specifically illustrate the impact of the Investment

in greater Chicago; and (d) a story about a person or people or organization positively affected by the Fund's activities, accompanied by high resolutions images or a video (each, an "Impact Story"). All copyright interest in materials produced in connection with an Impact Story (the "Impact Work Product") shall be owned by the Fund. The Fund shall ensure that it obtains all necessary licenses and consents relating to the Impact Work Product including, without limitation, informed consent (in writing) for all individuals or entities that are featured in an Impact Story. The Fund hereby grants Arc a non-exclusive, transferable, perpetual, irrevocable, royalty-free, paid-up, worldwide license to use, display, perform, reproduce, publish, copy, and distribute the Impact Work Product and to sublicense to third parties the rights described herein (the "License"). Without limiting the foregoing, such license includes the right of Arc to publish the Impact Work Product on Benefit Chicago's website and to share the Impact Work Product with other parties of the Benefit Chicago initiative for use in periodic public reports, press releases, and fact sheets about the investments of Arc and the Benefit Chicago initiative. The Fund further acknowledges and agrees, at Arc's request, to execute any additional documents necessary to effect the License.

c. Within 120 days after the end of the first fiscal year of the Fund during which Arc ceases to own the membership interest, a final report, signed by the President or other authorized executive officer of the Fund: (i) describing how the Investment assisted the Fund to obtain its goals relating to growth, strategy, and financial sustainability and (ii) describing whether, and if so, how the Investment helped the Fund attract investment from commercial or other third-party sources.

3. Maintenance of Charitable Objectives; Events of Non-Compliance

The Fund shall at all times utilize the proceeds of the Investment solely for the Mission-Related Purposes and in a manner consistent with the terms and provisions of this Letter Agreement. If the Fund fails to operate in accordance with such purposes or has failed to comply with the provisions of this Letter Agreement (an "Event of Non-Compliance"), it shall notify Arc in writing within 30 days of such Event of Non-Compliance and shall describe the steps the Fund shall take to rectify the situation within 60 days of the notification. Notwithstanding the foregoing sentence, if Arc believes an Event of Non-Compliance has occurred, it shall notify the Fund in writing of such Event of Non-Compliance. Such notification shall clearly specify the basis for Arc's determination and request that the Fund rectify the specified Event of Non-Compliance within 60 days following the date of the notification.

4. Withdrawal Rights

a. If the Fund fails to cure an Event of Non-Compliance within the applicable time period set forth in Section 3 above, the parties will have 30 days to locate, in good faith, a third party or another Member to purchase the Investment (subject to the approval of the Manager, not to be unreasonably withheld). If such purchaser cannot be found within such time period, Arc shall have the right to require the Fund to redeem all of the Investment. For purposes of any redemption, the Investment shall be valued at the greater of (i) Capital Contributions made less amounts returned pursuant to Section 5.01 of the LLC Agreement or, if an appraisal is elected by Arc, (ii) the then current fair market value of the membership interest as determined by a mutually agreed upon (such agreement not to be unreasonably withheld) independent third-party appraiser. Arc shall be responsible for the payment of the appraisal fees. Such redemption amount shall be paid by the Fund in cash or via a promissory note on commercially reasonable terms, with a maturity date equal to the earlier of (a) 4 years from the date such note is delivered to Arc and (b) the end of the Fund's term.

b. If Arc delivers to the Fund an opinion of counsel to the effect that withdrawal is necessary in order for Arc or the Foundation to avoid (i) excise taxes imposed by Subchapter A of Chapter 42 of the

Code (other than sections 4940 and 4942 thereof), or Subchapter F of Chapter 42 or (ii) a material breach of the fiduciary duties of its trustees under any federal or state law applicable to private foundations or any rule or regulation adopted thereunder by any agency, commission, or authority having jurisdiction, then Arc may be permitted to withdraw from the Fund in the same manner set forth in Section 4(a) that applies in the Event of a Non-Compliance.

5. Transfer

Arc may sell, assign, transfer, exchange or grant all or a portion of the Investment as provided in the Investment Documents. Upon the transfer of the Investment, Arc may assign to any such transferee all of its rights attached to such membership interest, including the rights set forth in this Letter Agreement.

6. Public Reports

Arc may include information about the Fund in its periodic public reports to the extent such information is not considered confidential under the terms of the Investment Documents.

7. Access to Records

Notwithstanding any language elsewhere contained in this Letter Agreement to the contrary, the Fund shall retain such books and records and copies of the reports and statements referred to in Section 2 for a period of at least four years after Arc ceases to own any membership interest; and make such books and records available for inspection and copying by Arc and its agents and representatives at reasonable times and on reasonable notice both prior to and for a period of at least four years after Arc ceases to own any membership interest.

8. Promotion of Terrorist Activities

In compliance with the provisions of the USA Patriot Act of 2001, Pub. L. No. 107-56, 115 Stat. 272, as amended, and U.S. Executive Order 13224, the Fund represents that it will not promote or support terrorist activities and that it will not knowingly (after reasonable inquiry) provide any proceeds of the Investment to any entity or individual that promotes or engages in such activities.

9. Fund Investment Committee

Arc shall have the right to designate one representative to serve on the Fund's Investment Committee at any time that Arc is a Member of the Fund. In the event that Arc elects not to designate an individual to serve on such committee, Arc shall be entitled to appoint an individual to act as a committee observer so long as Arc remains a Member of the Fund.

10. Entire Agreement; Modification

The terms and conditions set forth in this Letter Agreement are in addition to the provisions stated in any other documents executed between Arc and the Fund and the terms and conditions of this Letter Agreement shall prevail over any inconsistent provision in any such other document, including without limitation the Investment Documents. All references to Sections shall be deemed to refer to sections of this Letter Agreement unless otherwise specifically stated herein. No change, modification or waiver of any term or condition of this Letter Agreement shall be valid unless it is in writing, it is signed by the party to be bound, and it expressly refers to this Letter Agreement.

11. Authority; Governing Law

Each of the signatories below covenants, represents and warrants that it has all power and authority necessary to enter into this Letter Agreement, that its execution of this Letter Agreement has been duly authorized by all necessary action and that, on execution, it will be fully binding and enforceable in accordance with its terms, and that no other consents or approvals of any other person or third parties are required or necessary for this Letter Agreement to be so binding. This Letter Agreement shall be governed by the laws of the State of Illinois without regard to its conflicts of laws provisions.

12. Counterparts; Execution

This Letter Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall be deemed to be and constitute one and the same instrument. This Letter Agreement may be executed by signatures delivered by facsimile, email scan, jpg or similar electronic means.

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IN WITNESS WHEREOF, the parties have caused to be executed this Letter Agreement to be effective as of the date first set forth above.

FUND:

CIC MEZZANINE INVESTORS, L.L.C., an Illinois limited liability company

By: Community Investment Corporation, its manager

By: _____

Name: _____

Title: _____

MANAGER:

COMMUNITY INVESTMENT CORPORATION

By: _____

Name: _____

Title: _____

ARC:

ARC CHICAGO, LLC

By: _____

Joshua J. Mintz

Manager

EXHIBIT A

Disqualified Persons List

The following is a current list (subject to change) of those individuals that the Fund should consider to be "disqualified persons" with respect to Arc for all purposes under the Side Letter. This list shall not, however, be deemed an acknowledgement to or agreement with any other person that such individuals are "disqualified persons" with respect to Arc for other purposes or that there are no other "disqualified persons" with respect to Arc. Arc reserves the right to modify this list from time to time.

John D. and Catherine T. MacArthur Foundation (Substantial Contributor) 140 South Dearborn Suite 1200 Chicago, Illinois 60603
Joshua Mintz (Manager, Chairman of the Board of Managers) John D. and Catherine T. MacArthur Foundation 140 South Dearborn Suite 1200 Chicago, Illinois 60603
Debra Schwartz (Manager) John D. and Catherine T. MacArthur Foundation 140 South Dearborn Suite 1200 Chicago, Illinois 60603
Trinita Logue (Manager)
James Casselberry (Manager) Sarowitz Family, LLC 1849 Green Bay Road, Suite 280 Highland Park, Illinois 60035

EXHIBIT B

CIC Mezzanine Investors, L.L.C.,
also commonly referred to as the Opportunity Investment Fund
Scorecard

Property-Level Scorecard

Property	Number of tenant households in affordable units at or below 50% AMI	Percentage of tenant households in affordable units at or below 50% AMI	Leverage – OIF	Leverage – 1 st Mortgage	Leverage – Owner funds	Leverage – Other Funds	Building Narrative (Investment Committee write-up)
Property 1	X	X%	\$X	\$X	\$X	\$X	Notes
Property 2	X	X%	\$X	\$X	\$X	\$X	Notes
Total		-					-

Fund-Level Scorecard

<i>Metric</i>	<i>Outcome</i>
Progress toward affordable unit target	X affordable units out of 300
Number of tenant households in affordable units at or below 50% AMI	X
Percentage of tenant households in affordable units at or below 50% AMI	X%
Race/ethnicity data for households in affordable units who elected to complete the optional race/ethnic data reporting form	Race % American Indian or Alaska Native % Asian % Black or African American % Native Hawaiian or Other Pacific Islander % White % Other Ethnicity % Hispanic or Latino % Not Hispanic or Latino
Percentage of tenant households in affordable units who elected to complete the optional race/ethnic data reporting form	X%
Leverage	\$X Opportunity Investment Fund \$X 1 st Mortgage \$X Owner Funds \$X Other Funds