

ORDINANCE

WHEREAS, the City of Chicago (the "**City**") is a home rule unit of government under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois and as such may legislate as to matters which pertain to its local government and affairs; and

WHEREAS, the City Council of the City (the "**City Council**") has determined that the continuance of a shortage of rental housing affordable to persons of low and moderate income is harmful to the health, prosperity, economic stability and general welfare of the City; and

WHEREAS, the City programmed HOME funds for its Multi-Family Loan Program (the "**Multi-Program Funds**") whereby acquisition and rehabilitation loans were made available to owners and developers of rental properties, and the Multi-Program Funds are administered by the City's Department of Housing ("**DOH**"); and

WHEREAS, the City Council, pursuant to an ordinance enacted on December 7, 2005, and published at pages 63290-63426 of the Journal of the Proceedings of the City Council (the "**Journal**") for such date (the "**Ordinance**"), authorized DOH to (i) provide Multi-Program Funds in the amount not to exceed \$6,450,000 (the "**Loan**"); and (ii) the sale and delivery of the City's Variable Rate Demand Multi-Family Housing Revenue Bonds (Lincoln Village Senior Apartments) in the aggregate principal amount of not to exceed \$10,000,000 (the "**Bonds**"), issued in one or more series and secured by one or more Trust Indentures (each, an "**Indenture**" and collectively, the "**Indentures**") from the City to a trustee designated by the Executive Officer (as defined in Section 6 of the Ordinance) (the "**Trustee**"), and lend the proceeds therefrom to Lincoln Village LLC, an Illinois limited company (the "**Borrower**") as provided under the terms and conditions of the Ordinance (the "**Senior Bond Loan**"), all of which were to be used to pay a portion of the costs of acquiring, constructing and equipping Lincoln Village Apartments (the "**Project**"), a multi-family housing development for senior citizens consisting of 102 residential dwelling units in one building located at 6057 North Lincoln Avenue, in Chicago, Illinois (the "**Property**"); and

WHEREAS, the Borrower, the sole managing member of which is Perlmark Realty Corporation, an Illinois corporation (the "**Managing Member**"), and the sole limited partner and investor member of which is Lincoln 6057 LLC, an Illinois limited liability company, owns the Property and the Project; and

WHEREAS, pursuant to the Ordinance and in connection with the Project, the City (i) issued the Bonds and made the Senior Bond Loan to the Borrower; and (ii) made the Loan in the principal amount of \$6,350,628 to the Borrower; which Loan is secured by, among other things, that certain Junior Mortgage, Security Agreement and Financing Statement (the "**Mortgage**") dated and entered into as of May 1, 2006 and recorded on May 17, 2006 in the Office of the Recorder of Deeds of Cook County, Illinois as document number 0613704189, made by the Borrower in favor of the City; and

WHEREAS, the Borrower has (i) met with certain financial difficulties, and (ii) requested that DOH consent to subordinate the lien of the Mortgage to the lien of a mortgage securing a new senior loan in the amount of approximately \$4,100,000 (the "**New Senior Loan**") in order to retire the outstanding balance of the Senior Bond Loan and thereby reduce financing costs; and

WHEREAS, DOH has approved a restructuring of the Project (the "**Restructuring**") in a manner which (1) will not alter the principal amount of the Loan, (2) will not alter the interest rate

on the principal balance of the Loan, (3) will not alter the maturity date of the Loan, (4) will not alter the repayment terms of the Loan, (5) will subordinate the Loan to any and all liens and other security interests associated with the Loan to the New Senior Loan and all liens and other security interests associated with the New Senior Loan; and (6) will reduce certain interest costs and fees on the New Senior Loan (collectively, the "**Material Terms**"); now, therefore,

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

SECTION 1. The above recitals are expressly incorporated in and made a part of this ordinance as though fully set forth herein.

SECTION 2. The Restructuring is hereby approved as described above. The commissioner of Housing (the "**Commissioner**") or a designee of the Commissioner (collectively, an "**Authorized Officer**"), are each hereby authorized, subject to approval by the Corporation Counsel, (i) to negotiate any and all terms and provisions in connection with the Restructuring which do not substantially modify the Material Terms as described herein and (ii) to take any and all actions as may be required under the Indenture and the related bond documents, to implement the redemption of the Bonds. The Authorized Officer is hereby authorized, subject to approval by the Corporation Counsel, to enter into and execute such agreements and instruments, and perform any and all acts as shall be necessary or advisable in connection with the implementation of the Restructuring and redemption of the Bonds. The Authorized Officer is hereby authorized, subject to approval by the Corporation Counsel, to enter into and execute such agreements and instruments, and perform any and all acts as shall be necessary or advisable, in connection with any future restructuring of the Project, which do not substantially modify the Material Terms.

SECTION 3. Notwithstanding anything to the contrary contained in the Municipal Code of Chicago (the "**Municipal Code**") or any other ordinance or mayoral executive order, no parties other than the owners of the Property and the Project as of the date following the date of the closing of the Restructuring (collectively, the "**Project Owner**"), any legal entities which are direct owners in excess of 7.5% of the Project Owner which changed in connection with the Restructuring, and all legal entities who constitute the direct or indirect controlling parties of the Project Owner (as determined by the Corporation Counsel), shall be required to provide to the City the document commonly known as the "Economic Disclosure Statement and Affidavit" (or any successor to such document) in connection with the Restructuring.

SECTION 4. To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code, or part thereof, is in conflict with the provisions of this ordinance, the provisions of this ordinance shall control. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this ordinance. Sections 2-44-080, 2-44-085, 2-44-090, 2-44-100 and 2-44-105 of the Municipal Code shall not apply to the Property or the Project in connection with the Restructuring.

SECTION 5. This ordinance shall be effective as of the date of its passage and approval.