

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 has determined that the continuance of a shortage of affordable housing for persons of low and moderate income is harmful to the health, prosperity, economic stability and general welfare of the City; and

WHEREAS, the City, pursuant to the HOME Investment Partnerships Program ("HOME Program"), received from the United States Department of Housing and Urban Development an allocation of funds ("HOME Funds") to make loans and grants to expand the long-term supply of affordable housing through, among other things, acquisition, new construction, reconstruction and moderate and substantial rehabilitation in low- and moderate-income areas; and

WHEREAS, the City Council of the City (the "City Council"), pursuant to an ordinance enacted on December 5, 2001, and published at pages 73655 to 73660 of the Journal of the Proceedings of the City Council (the "Journal") for such date, authorized the City's Department of Housing ("DOH") to extend a loan of HOME Funds in the principal amount of \$3,778,358 with an interest rate of three percent per annum and a maturity date of February 1, 2032 (the "City Loan") to Senior Suites Chicago Jefferson Park, LLC, an Illinois limited liability company (the "Borrower"); and

WHEREAS, the City Loan was evidenced by, among other things, that certain Note dated as of January 1, 2002 made by the Borrower in favor of the City in the original principal amount of the City Loan, and was secured by, among other things, that certain Junior Mortgage, Security Agreement and Financing Statement dated January 1, 2002 and recorded on January 18, 2002 in the Office of the Recorder of Deeds of Cook County, Illinois as document number 0020082202, made by the Borrower in favor of the City (the "City Mortgage"), and was further supported by that certain Regulatory Agreement executed by the Borrower on January 1, 2002 (the "Regulatory Agreement"); and

WHEREAS, the City Mortgage is subordinate to that certain Construction Mortgage, Personal Property Security Agreement, Assignment of Leases and Rentals And Financing Statement dated as of January 1, 2002 and made by the Borrower in favor of Harris Trust and Savings Bank (now d/b/a as BMO Bank, N.A.) (the "Bank"), securing a loan in the amount of \$599,500 (the "Existing Senior Loan"); and

WHEREAS, the Borrower used the proceeds of the City Loan and the Existing Senior Loan for the construction of a multi-unit residential facility for low- and moderate-income senior citizens located generally at 5400 North Northwest Highway, in Chicago, Illinois (the "Project"); and

WHEREAS, the Borrower desires to refinance the Existing Senior Loan and to execute a new note, mortgage and other loan documents in connection with a new loan for the Project to be made by Community Investment Corporation or any other financial institution that is acceptable to the Commissioner (as defined below) (the "New Senior Loan"); and

WHEREAS, the Borrower has requested that DOH consent to a proposed extension of

the maturity date of the City Loan and DOH desires to amend the Regulatory Agreement to extend the compliance period for certain housing affordability requirements through the term of the proposed new maturity date; and

WHEREAS, DOH has approved a restructuring of the City Loan (the "Restructuring") in a manner that: (1) will permit the Borrower to incur the New Senior Loan, (2) will not alter the principal amount of the City Loan, (3) will not alter the repayment terms of the City Loan, (4) will not alter the interest rate on the principal balance of the City Loan, (5) will alter the maturity date of the City Loan, (6) will subordinate the City Mortgage to any liens which will secure the New Senior Loan, (7) will allow for the repayment of the Existing Senior Loan with the proceeds of the New Senior Loan without a concomitant acceleration of the maturity date of the City Loan, and (8) will extend the compliance period for certain housing affordability requirements (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 herein and hereby 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 (each, an "Authorized Officer"), are each hereby authorized, subject to approval by the Corporation Counsel, to negotiate any and all terms and provisions in accordance with the Restructuring which do not substantially modify the Material Terms described herein. Each 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. Each 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 City Loan that does not substantially modify the Material Terms.

SECTION 3. To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code of Chicago, 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 of Chicago shall not apply to the Property or the Project in connection with the Restructuring.

SECTION 4. This ordinance shall be effective as of the date of its passage and approval.