

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 passed on April 12, 1995, and published at pages 66868 to 66872 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 not to exceed \$2,103,478 with an interest rate of zero percent per annum and a maturity date of September 1, 2036 (the "City Loan") to Ellis Neighborhood Development Corporation, an Illinois not-for-profit corporation (the "Current Borrower"); and

WHEREAS, the Current Borrower entered into that certain Loan Agreement ("Loan Agreement") dated September 14, 1995, with the City with respect to the City Loan, which was evidenced by, among other things, that certain Note ("City Note") dated as of September 14, 1995 made by the Current Borrower in favor of the City in the original principal amount of the City Loan, and which was secured by, among other things, that certain Mortgage, Security Agreement and Financing Statement made by the Current Borrower in favor of the City dated and recorded on September 14, 1995 in the Office of the Recorder of Deeds of Cook County, Illinois (the "Recorder of Deeds") as document number 95619252 (the "City Mortgage"), and which was further supported by that certain Regulatory Agreement executed by the Current Borrower on September 14, 1995 and recorded with the Recorder of Deeds on such date as document number 95619251 (the "Regulatory Agreement"); and

WHEREAS, the Current Borrower used the proceeds of the City Loan for the rehabilitation of a multi-unit residential facility for low- and moderate-income families (the "Project") located generally at 8200 South Ellis Avenue, in Chicago, Illinois (the "Property"); and

WHEREAS, the Current Borrower desires to sell and transfer the Property and its rights, duties and obligations under the City Loan Documents to Ventus Karibuni LLC, an Illinois limited liability company (the "New Borrower"), of which Steve Perez and Zach Elman are the managers and owners; and

WHEREAS, the Current Borrower has requested that DOH consent to the sale and transfer of the Property to New Borrower, and to the New Borrower's assumption of the Loan Agreement, City Note, City Mortgage and Regulatory Agreement (collectively, the "City Financing Documents") and existing City debt associated with the Property; and

WHEREAS, DOH has approved the sale and transfer of the Property and the assumption of the City Financing Documents and City debt (the "Restructuring") in a manner that: (1) will not alter the principal amount of the City Loan, (2) may alter the repayment terms of the City Loan, (3) will not alter the interest rate on the principal balance of the City Loan, (4) will not alter the maturity date of the City Loan, (5) will not extend the compliance period for certain housing affordability requirements, (6) will consent to the sale and transfer of the Property to the New Borrower, (7) will consent to the assumption of the City Financing Documents and existing City debt associated with the Property, (8) may amend certain compliance requirements in the City Financing Documents, and (9) will release the Current Borrower from its rights, duties, obligations and guaranties under the City Financing Documents (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 (the "Municipal Code") shall not apply to the Property or the Project in connection with the Restructuring.

SECTION 4. Notwithstanding anything to the contrary contained in the Municipal Code or any other ordinance or mayoral executive order, no parties other than the owners of the Property as of the date following the date of the closing of the Restructuring (collectively, the "Owner"), any legal entities that are direct owners in excess of 7.5% of the Owner that changed in connection with the Restructuring, and all legal entities that constitute the direct or indirect controlling parties of the 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 5. This ordinance shall be effective as of the date of its passage and approval.