

SUBSTITUTE ORDINANCE

WHEREAS, by virtue of Section 6(a) of Article VII of the 1970 Constitution of the State of Illinois (the "**Constitution**"), the City of Chicago (the "**City**") is a home rule unit of government and as such may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, the City has determined that there exists within the City a serious shortage of decent, safe and sanitary housing available for persons of low- and moderate-income and that the continuance of a shortage of affordable housing is harmful to the health, prosperity, economic stability and general welfare of the City; and

WHEREAS, as a home rule unit and pursuant to the Constitution, the City is authorized and empowered to issue multi-family housing revenue obligations for the purpose of financing the cost of the acquisition, rehabilitation, construction, development, and equipping of affordable multi-family housing facilities for low- and moderate-income families located in the City ("**Multi-Family Housing Financing**"); and

WHEREAS, TTG Indian Trails Limited Partnership, an Illinois limited liability partnership (the "**Borrower**"), the general partner of which is TTG Indian Trails LLC, an Illinois limited liability company (the "**General Partner**"), of which The Transcend Development Group LLC, a Delaware limited liability company, is the manager and sole member, intends to acquire three five-story multi-family residential buildings located at 221-3 East 121st Place and 12141 South Indiana Avenue in the West Pullman neighborhood of Chicago, Illinois (the "**Facilities**"), and commence and complete rehabilitation of the Facilities to provide 179 units of affordable housing to low-income individuals and families); and

WHEREAS, the rehabilitation of the Facilities includes upgrades to the site, building envelope, common areas, and residential units; parking lot improvements, security enhancements, and accessibility upgrades; new roofing, windows, and lighting for the building exteriors; modernized common spaces including laundry rooms and a new "flex space" with fitness, lounge, and business center; and full in-unit renovations with updated kitchens, bathrooms, flooring, finishes, appliances, HVAC, and life-safety systems (the foregoing constitute the "**Renovations**" and collectively with the acquisition of the Facilities, the "**Project**"); and

WHEREAS, by this ordinance (this "**Ordinance**"), the City Council of the City (the "**City Council**") has determined that it is necessary and in the best interests of the City to provide Multi-Family Housing Financing to the Borrower, to enable it to pay or reimburse a portion of the costs of the Project, and to pay a portion of the costs of issuance and other costs in connection therewith; and

WHEREAS, by this Ordinance, the City Council has determined that it is necessary and in the best interests of the City to borrow money for the purposes set forth above and in evidence of its limited, special obligation to repay that borrowing, to issue its Multi-Family Housing Revenue Bonds (Indian Trails Apartments Project), Series 2025 (the "**Bonds**"); and

WHEREAS, in addition to the Bonds, the Borrower seeks to obtain additional financing from various sources (all such funding sources, the "**Additional Sources**") described, together with the Project, the Borrower and the Bonds, on **Exhibit A** hereto; and

WHEREAS, in connection with the issuance of the Bonds, the City Council has determined by this ordinance that it is necessary and in the best interests of the City to enter into (i) an Indenture (the "**Indenture**") between the City and UMB Bank, National Association, as trustee (the "**Trustee**"), providing for the security for and terms and conditions of the Bonds to be issued, (ii) a Financing Agreement (the "**Financing Agreement**") among the City, the Borrower and the Trustee providing for the use of the proceeds of the Bonds to make a loan to the Borrower (the "**Bond Mortgage Loan**"), the proceeds of which will be used to finance a portion of the costs of the Project, (iii) a Bond Purchase Agreement among the City, the Borrower and Berkadia Commercial Mortgage, LLC, the purchaser of the Bonds (the "**Bond Purchaser**"), or, alternatively, another sale agreement among the City, the Borrower and the one or more purchasers of the Bonds (in each case, a "**Bond Purchase Agreement**") providing for the sale of the Bonds and, if necessary, the preparation and circulation of a preliminary disclosure document and a final disclosure document prepared in connection with the offer and sale of the Bonds (in either case, an "**Offering Document**"), (iv) a Land Use Restriction Agreement between the City and the Borrower (the "**Land Use Restriction Agreement**") setting forth certain requirements and restrictions applicable to the Facilities under federal tax law as a result of the financing thereof with proceeds of the Bonds; and (v) a Tax Certificate and Agreement and/or a similar tax certificate (a "**Tax Agreement**") between the City and the Borrower setting forth various additional tax law requirements applicable to the Facilities as a result of the financing thereof with proceeds of the Bonds; and

WHEREAS, in evidence of its limited, special obligation to repay the Bond Mortgage Loan, the Borrower will issue a bond mortgage note, which will be endorsed by the City to the Trustee for the benefit of the holders of the Bonds from time to time (the "**Bond Mortgage Note**") under the terms and conditions of this Ordinance, the Indenture and the Financing Agreement; and

WHEREAS, the principal of, prepayment premium, if any, and interest payable on the Bonds will be secured by, among other things, payments to be made by the Borrower on the Bond Mortgage Note, a mortgage on the Facilities and certain other related collateral, by certain capital contributions to be made to the Borrower by its limited partner(s) in connection with the allocation to the Borrower of federal low-income housing tax credits and by pledges and/or assignments of certain funds, personal property, and contractual rights of the Borrower and its affiliates; and

WHEREAS, the Bonds and the obligation to pay interest thereon do not now and shall never constitute an indebtedness of or an obligation of the City, the State of Illinois or any political subdivision thereof, within the purview of any Constitutional limitation or statutory provision, or a charge against the general credit or taxing powers of any of them. No owner of the Bonds shall have the right to compel the taxing power of the City, the State of Illinois or any political subdivision thereof to pay any principal installment of, prepayment premium, if any, or interest on the Bonds); and

WHEREAS, there has been presented to this meeting of the City Council forms of the following documents in connection with the Bonds:

(a) the form of the Indenture, which includes as an exhibit thereto, a form of the Bonds to be issued by the City (attached hereto as **Exhibit B**);

(b) the form of the Financing Agreement (attached hereto as **Exhibit C**);

(c) the form of the Land Use Restriction Agreement (attached hereto as **Exhibit D**);
and

WHEREAS, the Borrower now desires to obtain financing from the Bonds and the Additional Sources; now, therefore,

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

SECTION 1. Incorporation of Recitals. The recitals contained in the preambles to this Ordinance are hereby incorporated into this Ordinance by this reference. All capitalized terms used in this Ordinance, unless otherwise defined herein, shall have the meanings ascribed thereto in the Indenture.

SECTION 2. Findings and Determinations. The City Council hereby finds and determines that the delegations of authority that are contained in this Ordinance, including the authority to make the specific determinations described herein, are necessary and desirable. Thus, "Authorized Officer" means (a) the Mayor (the "Mayor"), the Chief Financial Officer (the "CFO"), the City Comptroller or any other official of the City so designated by a Certificate signed by the Mayor or the CFO and filed with the Trustee for so long as such designation shall be in effect, and (b) the City Clerk with respect to the certification of any ordinance or resolution of the City Council or any other document filed in his or her office to determine to sell the Bonds on such terms as and to the extent such Authorized Officer determines that such sale or sales is desirable and in the best financial interest of the City. Any such designation and determination by an Authorized Officer shall be signed in writing by the Authorized Officer and filed with the City Clerk or Deputy City Clerk and shall remain in full force and effect for all purposes of this Ordinance unless and until revoked, such revocation to be signed in writing by an Authorized Officer and filed with the City Clerk or Deputy City Clerk. As used herein, the term "**Chief Financial Officer**" shall have the meaning given to such term in Section 1-4-090(k) of the Municipal Code of Chicago (the "**Municipal Code**"). As used herein, "**Certificate**" means an instrument of the City in writing signed by an Authorized Officer. Any such instrument in writing and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed so as to form a single instrument. Any such instrument may be based, insofar as it relates to legal, accounting or engineering matters, upon the opinion or representation of counsel, accountants, or engineers, respectively, unless the officer signing such instrument knows that the opinion or representation with respect to the matters upon which such instrument may be based, as aforesaid, is erroneous. The same Authorized Officer, or the same counsel or accountant or other persons, as the case may be, need not certify to all of the matters required to be certified under any provision of the Indenture or any supplemental Indenture, but different officers, counsel, accountants or other persons may certify to different facts, respectively.

SECTION 3. Authorization of the Bonds, the Indenture, the Financing Agreement, the Land Use Restriction Agreement and Related Agreements.

(a) The issuance of the Bonds in an aggregate principal amount of not to exceed Thirty-Five Million Dollars (\$35,000,000) is hereby authorized.

The Bonds shall contain a provision that they are issued under authority of this Ordinance. The Bonds shall not mature later than eighteen (18) years after the date of issuance thereof. The Bonds shall bear interest at a rate or rates not to exceed eight percent (8%), payable on the interest payment dates as set forth in the Indenture. The Bonds shall be dated, shall be subject to redemption or tender prior to maturity, shall be payable in such places and in such manner and

shall have such other details and provisions as prescribed by the Indenture and the form of the Bonds therein.

The provisions for execution, signatures, authentication, payment and prepayment, with respect to the Bonds shall be as set forth in the Indenture and the form of the Bonds therein.

(b) An Authorized Officer is hereby authorized to execute and deliver the Indenture on behalf of the City, such Indenture to be in substantially the form attached hereto as **Exhibit B** and made a part hereof and hereby approved with such changes therein as shall be approved by the Authorized Officer executing the same, with such execution to constitute conclusive evidence of such Authorized Officer's approval of any changes or revisions from the form of the Indenture attached to this Ordinance.

(c) An Authorized Officer is hereby authorized to execute and deliver the Financing Agreement on behalf of the City, such Financing Agreement to be in substantially the form attached hereto as **Exhibit C** and made a part hereof and hereby approved with such changes therein as shall be approved by the Authorized Officer executing the same, with such execution to constitute conclusive evidence of such Authorized Officer's approval of any changes or revisions from the form of the Financing Agreement attached to this Ordinance.

(d) An Authorized Officer is hereby authorized to execute and deliver the Land Use Restriction Agreement on behalf of the City in connection with the issuance of the Bonds, such Land Use Restriction Agreement to be in substantially the form attached hereto as **Exhibit D** and made a part hereof and hereby approved with such changes therein as shall be approved by the Authorized Officer executing the same, with such execution to constitute conclusive evidence of such Authorized Officer's approval of any changes or revisions from the form of the Land Use Restriction Agreement attached to this Ordinance.

(e) An Authorized Officer is hereby authorized to execute and deliver a Tax Certificate and Agreement on behalf of the City, in substantially the form of tax certificates and agreements used in previous issuances of tax-exempt bonds pursuant to programs similar to the Bonds, with appropriate revisions to reflect the terms and provisions of the Bonds and the applicable provisions of the Internal Revenue Code of 1986, as amended (the "**Code**"), and the regulations promulgated thereunder or applicable thereto, and with such other revisions in text as the Authorized Officer executing the same shall determine are necessary or desirable in connection with the exclusion from gross income for federal income tax purposes of interest on the Bonds. The execution of the Tax Certificate and Agreement by the Authorized Officer shall be deemed conclusive evidence of the approval of the City Council of the terms provided in the Tax Certificate and Agreement.

The City Clerk or Deputy City Clerk is hereby authorized to attest the signature of the Authorized Officer to any document referenced herein and to affix the seal of the City to any such document.

An Authorized Officer is hereby authorized to execute and deliver on behalf of the City such security or collateral documents securing payment of the Bonds as the Authorized Officer regards as appropriate, in substantially the form of the security documents used in previous issuances of tax-exempt bonds pursuant to programs similar to the Bonds, with appropriate revisions to reflect the terms and provisions of the Bonds and with such other revisions as the Authorized Officer executing the same shall determine are appropriate and consistent with the other provisions of this Ordinance. The execution of security or collateral documents by the

Authorized Officer shall be deemed conclusive evidence of the approval of the City Council to the terms provided in such documents.

SECTION 4. Security for the Bonds. The Bonds shall be limited obligations of the City, payable solely from (i) all right, title and interest of the City in and to all Revenues; (ii) all right, title and interest of the City in and to the Financing Agreement, the Bond Mortgage Note, the Bond Mortgage and the other Bond Mortgage Loan Documents (other than the Unassigned Rights), including all extensions and renewals of the terms thereof, if any, including, but without limiting the generality of the foregoing, the present and continuing right to receive, receipt for, collect or make claim for any of the money, income, revenues, issues, profits and other amounts payable or receivable thereunder (including all casualty insurance benefits or condemnation awards, subject to the rights of the Borrower to repair or replace any portion of the Project which suffers a casualty or condemnation set forth herein), whether payable under the above-referenced documents or otherwise, to bring actions and proceedings thereunder or for the enforcement thereof, and to do any and all things which the City or any other Person is or may become entitled to do under said documents; and (iii) except for funds, money or securities in the Cost of Issuance Fund, the Administration Fund and the Rebate Fund, all funds, money and securities and any and all other rights and interests in property whether tangible or intangible from time to time hereafter by delivery or by writing of any kind, conveyed, mortgaged, pledged, assigned or transferred as and for additional security under the Indenture for the Bonds by the City or by anyone on its behalf or with its written consent to the Trustee, which is thereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms of the Indenture.

SECTION 5. Sale and Delivery of Bonds. The Bonds are hereby authorized to be sold and delivered directly to one or more investors to be selected by an Authorized Officer subject to the terms and conditions of the Bond Purchase Agreement. An Authorized Officer is authorized to execute and deliver on behalf of the City, with the concurrence of the Chairman of the Committee on Finance of the City Council, the Bond Purchase Agreement in substantially the form of bond purchase agreements used in previous sales of bonds pursuant to programs similar to the Bonds, with appropriate revisions to reflect the terms and provisions of the Bonds and the fact that the Bonds may be sold to certain institutional investors at a premium or discount, and with such other revisions in text as the Authorized Officer shall determine are necessary or desirable in connection with the sale of the Bonds. The execution of the Bond Purchase Agreement by an Authorized Officer shall be deemed conclusive evidence of the approval of the City Council of the terms provided in the Bond Purchase Agreement. The distribution of an Offering Document to prospective purchasers of the Bonds and the use thereof in connection with the offering and sale of the Bonds is hereby authorized, provided that the City shall not be responsible for the content of the Offering Document except as specifically provided in the Bond Purchase Agreement executed by an Authorized Officer, and provided further that, if the Bonds are sold directly to institutional investors, the City may forgo the use of an Offering Document, but only if such institutional investors execute and deliver to the City "sophisticated investor" letters satisfactory to an Authorized Officer. In connection with the offer and delivery of the Bonds, the Authorized Officers, and such other officers of the City as may be necessary, are authorized to execute and deliver such instruments and documents as may be necessary to implement the transaction and to effect the issuance and delivery of the Bonds. Any limitation on the amount of Bonds issued pursuant to this Ordinance as set forth herein shall be exclusive of any original issue discount or premium.

SECTION 6. Notification of Sale. Subsequent to the sale of the Bonds, an Authorized Officer shall file in the Office of the City Clerk a Notification of Sale for the Bonds

directed to the City Council setting forth (i) the aggregate original principal amount of, sale price, maturity schedule, redemption provisions for and nature of the Bonds sold, (ii) the extent of any tender rights to be granted to the holder of the Bonds, including, without limitation, the right of the holder to tender the Bonds in exchange for one or more mortgage-backed securities held by the Trustee under the Indenture, (iii) the identity of the Trustee, (iv) the interest rate on the Bonds, (v) the identity of the purchaser(s) of the Bonds, and (vi) the compensation, if any, paid to such purchaser(s) in connection with such sale. There shall be attached to such notification the final form of the Indenture.

SECTION 7. Limited Obligations. The Bonds, when issued and outstanding, will be limited obligations of the City, payable solely as provided in the Indenture. The Bonds and the interest thereon shall never constitute a debt or general obligation or a pledge of the faith, the credit or the taxing power of the City within the meaning of any Constitutional or statutory provision of the State of Illinois or of the City. The Bonds shall be payable solely from the funds pledged therefor pursuant to the terms of the Indenture.

SECTION 8. Use of Proceeds. The proceeds from the sale of the Bonds shall be deposited as provided in the Indenture and used for the purposes set forth in the fourth and fifth WHEREAS clauses of this Ordinance.

SECTION 9. Declaration of Official Intent. It is possible that a portion of the cost of the Project which the City intends to finance with the proceeds of the Bonds will have been paid from other monies prior to the date of this Ordinance. It is the intention of the City to utilize a portion of the proceeds of the Bonds to reimburse such expenditures, to the extent they have been or will be made for those costs, to the extent allowed by the Code and related regulations. As such, the City declares its official intent under Section 1.150-2 of the Treasury Regulations promulgated under the Code to utilize the proceeds of the Bonds as such.

SECTION 10. Proxies. Each Authorized Officer may designate another to act as their respective proxy and to affix their respective signatures to the Bonds, whether in temporary or definitive form, and to any other instrument, certificate or document required to be signed by such Authorized Officer pursuant to this Ordinance or the Indenture. In each case, each shall send to the City Council written notice of the person so designated by each, such notice stating the name of the person so selected and identifying the instruments, certificates and documents which such person shall be authorized to sign as proxy for the Mayor and the Authorized Officer, respectively. A written signature of the Mayor or the Authorized Officer, respectively, executed by the person so designated underneath, shall be attached to each notice. Each notice, with signatures attached, shall be recorded in the Journal and filed with the City Clerk. When the signature of the Mayor is placed on an instrument, certificate or document at the direction of the Mayor in the specified manner, the same, in all respects, shall be as binding on the City as if signed by the Mayor in person. When the signature of the Authorized Officer is so affixed to an instrument, certificate or document at the direction of the Authorized Officer in the specified manner, the same, in all respects, shall be as binding on the City as if signed by the Authorized Officer in person.

SECTION 11. Additional Authorization. The Mayor, each Authorized Officer, and the City Treasurer are each hereby authorized to execute and deliver and the City Clerk and the Deputy City Clerk are each hereby authorized to enter into, execute and deliver such other documents and agreements and perform such other acts as may be necessary or desirable in connection with the Bonds, including, but not limited to, the exercise following the delivery date of the Bonds of any power or authority delegated to such official under this Ordinance

with respect to the Bonds upon original issuance, but subject to any limitations on or restrictions of such power or authority as herein set forth.

SECTION 12. Volume Cap. The Bonds are obligations that are taken into account under Section 146 of the Code and require an allocation of the City's volume cap pursuant to such Section and the City Council hereby authorizes an allocation of the City's volume cap to the Bonds.

SECTION 13. Public Hearing. The City Council hereby directs that the Bonds shall not be issued unless and until the requirements of Section 147(f) of the Code, including particularly the approval requirement following any required public hearing, have been fully satisfied, and that no contract, agreement or commitment to issue the Bonds shall be executed or undertaken prior to satisfaction of the requirements of said Section 147(f) unless the performance of said contract, agreement or commitment is expressly conditioned upon the prior satisfaction of such requirements. To the extent that such requirements are satisfied prior to the date of this Ordinance, this Ordinance shall constitute formal approval thereof. All such actions taken prior to the enactment of this Ordinance are hereby ratified and confirmed.

SECTION 14. Authorization of Fees and Expenses. The following fees and expenses are hereby authorized in connection with the Bonds: (i) an Issuer Fee in an amount equal to 1.5 percent of the par amount of the Bonds, payable to the City on the date of issuance of the Bonds, (ii) a Bond Legal Reserve Fee in the amount of 0.1 percent of the par amount of the Bonds, payable to the City on the date of issuance of the Bonds (such fee to be used to pay for other legal and other fees incurred by the City in connection with private activity bonds issued by the City), and (iii) a City Administrative Fee in an amount equal to 0.15 percent of the outstanding principal of the Bonds, accruing monthly but payable to the City on a semi-annual basis.

SECTION 15. Severability. If any provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Ordinance.

SECTION 16. No Recourse. No recourse shall be had for the payment of the principal of, prepayment premium, if any, or interest on the Bonds or for any claim based thereon or upon any obligation, covenant or agreement contained in this Ordinance, the Indenture, the Financing Agreement, the Land Use Restriction Agreement or the Tax Certificate and Agreement (collectively, the "**City Agreements**") against any past, present or future officer, member or employee of the City, or any officer, employee, director or trustee of any successor, as such, either directly or through the City, or any such successor, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such member, officer, employee, director or trustee as such is hereby expressly waived and released as a condition of and consideration for the execution of the City Agreements and the issuance of the Bonds.

SECTION 17. No Impairment. 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 be controlling. No provision of the Municipal Code or violation of any provision of the Municipal Code shall be deemed to render voidable at the option of the City any document, instrument or agreement authorized hereunder or to impair the validity of this Ordinance or the instruments authorized by this Ordinance or to impair the rights of the holders of the Bonds to receive payment of the principal of, prepayment premium, if any, or

interest on the Bonds or to impair the security for the Bonds; provided further that the foregoing shall not be deemed to affect the availability of any other remedy or penalty for any violation of any provision of the Municipal Code.

SECTION 18. Special Exceptions. The Project shall be deemed to qualify as "Affordable Housing" for purposes of Chapter 16-18 of the Municipal Code. Sections 2-44-080 through 2-44-105, inclusive, of the Municipal Code shall not apply to the Project.

SECTION 19. Effective Date. This Ordinance shall take effect upon its passage and approval.

Exhibits "A," "B," "C," and "D" referred to in this Ordinance read as follows:

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