

and (ii) that certain Housing Loan Agreement dated as of February 25, 1998 made by and between the Borrower and the City (the "Loan Agreement") and secured by, among other things, the Loan Agreement and that certain Junior Mortgage Security Agreement and Financing Statement dated as of February 25, 1998, made by the Borrower in favor of the City (the "Mortgage"), which was made subordinate to a senior loan in the original principal amount of \$450,000 secured by a mortgage on the Property (the "Senior Loan") that was initially held by LaSalle National Bank ("LaSalle"), and was subsequently acquired by Bank of America as successor by merger to LaSalle; and

WHEREAS, the Borrower now desires (1) to obtain a new refinanced Senior Loan from Bank of America or another lender acceptable to the commissioner ("Commissioner") of the City's Department of Planning and Development ("DPD") or a designee of the Commissioner (each an "Authorized Officer"), (2) to modify the repayment terms of the Loan to defer all payments due under the Note and Mortgage until the Maturity Date (as defined in the Note), and (3) to subordinate the Mortgage to the refinanced Senior Loan referenced above, and (4) to further modify the Maturity Date, interest rate and other terms of the Loan as necessary to complete the refinancing of the Senior Loan including (without limitation) waiving and releasing any and all accrued and unpaid interest under the Note that would have otherwise been due and payable from "Surplus Cash", the "City Savings Portion", and the "Operating Deficit Reserve", as such terms are defined in the Loan Agreement; and

s:Finance/Ruth Shriman House/Ordinance 4

WHEREAS, DPD (1) will alter the repayment terms of the Loan so as to defer all payments due under the Note and Mortgage until the Maturity Date, (2) will subordinate the Mortgage to the security for a refinanced Senior Loan from Bank of America or another lender acceptable to the Commissioner, and (3) will further modify the Maturity Date, the interest rate and other Loan terms as necessary to complete the refinancing of the Senior Loan, including (without limitation) waiving and releasing any and all accrued and unpaid interest under the Note that would have otherwise been due and payable from "Surplus Cash", the "City Savings Portion", and the "Operating Deficit Reserve", as such terms are defined in the Loan Agreement (collectively, the "Amendment"); and

WHEREAS, the Borrower intends to rehabilitate and improve the Property in order to preserve it as affordable housing, and in connection therewith will refinance the Senior Loan; and

WHEREAS, the Borrower has requested that the City approve a restructuring of the Loan which will accommodate the Additional Financing, including the subordination of the Loan to the refinanced Senior Loan; and

WHEREAS, DPD desires to approve a restructuring (the "Restructuring") of the Loan in a manner which (1) will alter the repayment terms of the Loan so as to defer all payments due under the Note and Mortgage until the Maturity Date, (2) will subordinate the Mortgage to the security for a refinanced Senior Loan from Bank of America or another lender acceptable to the Commissioner and extend the maturity date of the Loan, (3) will further modify the Maturity Date, the interest rate and other Loan terms as necessary to complete the refinancing of the Senior Loan, including (without limitation) waiving and releasing any and all accrued and unpaid interest under the Note that would have otherwise been due and payable from "Surplus Cash", the "City Savings Portion", and the "Operating Deficit Reserve", as such terms are defined in the Loan Agreement and (4) subordinate the lien of the Mortgage to a lien securing the refinanced Senior Loan and permit the refinanced 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 Amendment is hereby approved as described above. 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 Amendment.

SECTION 3. The Restructuring is hereby approved as described above. 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. 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 Loan which does not substantially modify the Material Terms.

2

SECTION 4. 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.

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

3

To the President and Members of the City Council:

Your Committee on Finance having had under consideration

A substitute ordinance authorizing the Commissioner of the Department of Planning and Development to enter into and execute a Loan Restructuring Agreement with Ruth Shriman House, Limited Partnership.
02017-3862

Having had the same under advisement, begs leave to report and recommend that your Honorable Body pass the proposed Substitute Ordinance Transmitted Herewith

**This recommendation was concurred in by
of members of the committee with**

Chairman