



Doc#: 0610902263 Fee: \$54.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 04/19/2006 01:24 PM Pg: 1 of 16

This instrument prepared by:

Jeffrey M. Galkin, Esq.
Neal, Gerber & Eisenberg LLP
Two N. LaSalle Street, Suite 2300
Chicago, Illinois 60602

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After recording return to:

Todd Stennes, Esq.
Sonnenschein Nath & Rosenthal LLP
8000 Sears Tower
233 South Wacker Drive
Chicago IL 60606

8336377

MORTGAGE, SECURITY AND RECAPTURE AGREEMENT

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THIS MORTGAGE, SECURITY AND RECAPTURE AGREEMENT (this "Mortgage") is made as of this 7th day of April, 2006 from Tawana Collins ("Mortgagor"), to DELTA REVERE PROGRAM, LLC, an Illinois limited liability company, whose offices are located at 53 West Jackson Boulevard, Suite 230, Chicago, Illinois 60604 ("Mortgagee"). Capitalized terms used herein and not otherwise defined are defined on Exhibit A attached hereto and made a part hereof.

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RECITALS

WHEREAS, the City of Chicago, an Illinois municipal corporation ("City") and Revere Community Housing Development LLC, an Illinois limited liability company ("RCHD"), have previously entered into that certain Agreement for the Sale and Redevelopment of Land dated as of May 12, 2005, and recorded with the Office of the Recorder of Deeds of Cook County, Illinois ("Recorder"), on May 16, 2005, as Document No. 0513633180, as amended by that certain First Amendment to Agreement for the Sale and Redevelopment of Land dated as of January 17, 2006, and recorded with the Recorder on February 14, 2006, as Document No. 0604519045 (collectively, the "Redevelopment Agreement"); and

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WHEREAS, pursuant to the Redevelopment Agreement, the City previously sold to RCHD certain vacant parcels of land in the 73rd/University Redevelopment Area ("Project Area") for \$1.00, and RCHD agreed to (i) develop such vacant parcels of land, together with certain additional parcels of land already owned by RCHD, as thirty (30) single-family housing units (each, an "Affordable Unit" and together the "Affordable Units"); (ii) sell the Affordable Units to households earning between 60% and 120% of the Chicago-area median income (each, a "Qualified Household" and together, the "Qualified Households"), and (iii) impose certain affordability requirements on each of the Affordable Units; and

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WHEREAS, in order to facilitate home ownership within the Project Area, RCHD's parent, The Comer Science and Education Foundation, an Illinois not-for-profit corporation ("CSEF"), entered into an agreement with The Delta Institute, an Illinois not-for-profit

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corporation, and the sole owner of Mortgagee (the "Delta Agreement"), which contemplated, among other things, that Mortgagee would provide a cash subsidy in the amount of \$80,000 to the initial purchasers of each of the Affordable Units; and

WHEREAS, RCHD has constructed on the real property legally described on Exhibit B attached hereto (the "Land") a single family housing unit (the "Home"); and

WHEREAS, the Home is one of the Affordable Units; and

WHEREAS, Mortgagor is on the date hereof purchasing the Home from RCHD for the base purchase price (net of the Subsidy Amount (as hereinafter defined) and the cost of upgrades) of \$130,000.00 (the "Initial Affordable Price"); and

WHEREAS, Mortgagor's household is a Qualified Household; and

WHEREAS, Mortgagor acknowledges receipt of a cash subsidy in the amount of \$80,000 (the "Subsidy Amount") and agrees that due to Mortgagor's receipt of the Subsidy Amount, Mortgagor's payment of the Adjusted Affordable Price (as hereinafter defined) is less than the fair market price for the Affordable Unit; and

WHEREAS, but for the City's land value write-down and receipt of the Subsidy Amount, Mortgagor would have been unable to purchase the Affordable Unit for the Adjusted Affordable Price; and

WHEREAS, Mortgagor is on the date hereof executing that certain Affordable Housing Covenant in favor of the City (the "City Covenant") in order to satisfy the affordability requirements under the Redevelopment Agreement; and

WHEREAS, in consideration of the grant of the Subsidy Amount, the benefits accruing to Mortgagor as a result of its purchase of the Home for the Adjusted Affordable Price, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Mortgagor has executed and delivered to Mortgagee this Mortgage.

NOW, THEREFORE, to secure the performance and observance by Mortgagor of all the terms, covenants and conditions described in this Mortgage, and in order to charge the properties, interests and rights hereinafter described with such consideration, Mortgagor has executed and delivered this Mortgage and does hereby grant, convey, assign, mortgage, grant a security interest in, and confirm unto Mortgagee and its successors and assigns forever, all of the following described property (which is hereinafter sometimes referred to as the "Mortgaged Property"):

(A) The Land;

(B) All structures and improvements of every nature whatsoever now or hereafter situated on the Land, including, without limitation, the Home, all fixtures of every kind and nature whatsoever which are or shall be attached to said buildings, structures or improvements, and now or hereafter owned by Mortgagor, including all extensions, additions, improvements, betterments, renewals and replacements of any of the foregoing ("Improvements");

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(C) All rents and issues of the Land and Improvements from time to time and all of the estate, right, title, interest, property, possession, claim and demand at law, as well as in equity of Mortgagor, in and to the same;

TO HAVE AND TO HOLD the Mortgaged Property and all parts thereof unto Mortgagee, its successors and assigns, to its own proper use, benefit and advantage forever, subject, however, to the terms, covenants and conditions herein;

WITHOUT limitation of the foregoing, Mortgagor hereby further grants unto Mortgagee, pursuant to the provisions of the Uniform Commercial Code of the State of Illinois, a security interest in all of the above-described property, which are or are to become fixtures.

THIS MORTGAGE IS GIVEN TO SECURE: (a) amounts which may become due and payable pursuant to this Mortgage, and (b) performance of each and every other covenant, condition and agreement contained in this Mortgage, and in any other agreement, document or instrument executed in connection with the payment of the Subsidy Amount and this Mortgage (collectively, the "Subsidy Documents").

ARTICLE I INCORPORATION OF RECITALS

The recitals set forth above constitute an integral part of the Mortgage and are hereby incorporated herein by this reference with the same force and effect as if set forth herein as agreements of the parties.

ARTICLE II COVENANTS, REPRESENTATIONS AND WARRANTIES

Mortgagor covenants and agrees with Mortgagee that:

2.01 Taxes and Assessments.

(a) Mortgagor will pay when due all general taxes and assessments, special assessments, water charges and all of the charges against the Mortgaged Property and shall, upon written request, furnish to Mortgagee receipts evidencing payment thereof, provided that Mortgagor, in good faith and with reasonable diligence, may contest the validity or amount of any such taxes, assessments or charges, provided that during any such contest the enforcement of the lien of such taxes, assessments or charges is stayed.

(b) Mortgagor will not suffer (unless bonded or insured over) any lien or encumbrance affecting title to the Mortgaged Property, including, without limitation, any mechanic's, laborer's, materialmen's, or statutory lien. Mortgagor may contest such lien, provided that Mortgagor shall first post a bond in the amount of the contested lien, or provide title insurance over such contested lien, and further provided that Mortgagor shall diligently prosecute the contested lien and cause the removal of the same.

2.02 Insurance. Mortgagor shall keep the Mortgaged Property continuously insured in such amounts and against such risks as required of Mortgagor by the Senior Lender (as defined

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in Exhibit A), paying the premiums for said insurance as they become due. Policies of insurance shall name Mortgagee as an additional insured. All policies of insurance shall provide that the same shall not be canceled, except upon prior written notice of at least thirty (30) days to Mortgagee.

2.03 Maintenance of the Mortgaged Property.

(a) Mortgagor shall preserve and maintain the Mortgaged Property in good condition and repair, shall not commit or suffer any waste thereof, and shall keep the same in a clean, orderly and attractive condition. Mortgagor shall not do or suffer to be done anything which will increase the risk of fire or other hazard to the Mortgaged Property or any part thereof.

(b) If the Mortgaged Property or any part thereof is damaged by fire or any other cause, Mortgagor will immediately give written notice of the same to Mortgagee.

(c) Mortgagee or its representatives shall have the right to inspect the Mortgaged Property to assure compliance with the terms of this Mortgage.

(d) Mortgagor shall promptly comply, and cause the Mortgaged Property to comply, with all present and future laws, ordinances, orders, rules and regulations and other requirements of any governmental authority affecting the Mortgaged Property or any part thereof and with all instruments and documents of record or otherwise affecting the Mortgaged Property or any part thereof.

(e) If all or any part of the Mortgaged Property shall be damaged by fire or other casualty, Mortgagor, subject to the rights of the Senior Lender under the Senior Mortgage (as defined in Exhibit A), shall promptly restore the Mortgaged Property to the equivalent of its condition prior to the casualty, to the extent of any insurance proceeds made available to Mortgagor for that purpose.

2.04 Subordination. This Mortgage shall be subject and subordinate in all respects to the Senior Mortgage, if any; provided, however, that the maximum amount of indebtedness (including indebtedness attributable to protective advances made by the Senior Lender or other amounts secured under the terms of the Senior Mortgage) that shall be superior to the lien of this Mortgage shall in no instance and at no time exceed 100% of an amount equal to the Adjusted Affordable Price. This Mortgage shall also be subordinate to any subsequent mortgage that refinances the Senior Mortgage, so long as such refinancing is not in an amount greater than the Adjusted Affordable Price.

2.05 Income Eligibility. Mortgagor represents and warrants to Mortgagee that Mortgagor's household income meets the income eligibility requirements established by the City pursuant to the Redevelopment Agreement in order to purchase an Affordable Unit.

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ARTICLE III RECAPTURE OF SUBSIDY PROVISIONS

3.01 Acknowledgment of Receipt of Subsidy Amount. Mortgagor acknowledges and agrees that the Mortgaged Property constitutes one of the Affordable Units and that Mortgagee has subsidized the Mortgagor's purchase of the Home by an amount not less than the Subsidy Amount.

3.02 Recapture of Subsidy Amount in the Event of a Transfer. If, prior to the end of the Recapture Period (as defined in Exhibit A), Mortgagor shall directly, indirectly, by operation of law or otherwise, transfer, sell or convey all or any portion of the Mortgaged Property (or any beneficial interest in the land trust, if title to the Mortgaged Property is held by a land trust) or any legal or equitable interest in the Mortgaged Property or in Mortgagor in the event Mortgagor is not a natural person or persons (or the beneficiary of the land trust, if title to the Mortgaged Property is held by a land trust) (any of the foregoing being a "Transfer"), regardless of form, then the Recapture Amount (as defined in Exhibit A) shall become immediately due and payable by Mortgagor; provided, however, in the event that after payment of the Recapture Amount, there shall exist any Unpaid Subsidy Amount (as defined in Exhibit A), the transferee shall assume any then-remaining obligations of Mortgagee under this Mortgage with respect to such Unpaid Subsidy Amount and shall execute any and all documents reasonably requested by Mortgagee to (a) evidence such transferee's assumption of this Mortgage, (b) acknowledge the sum of the Unpaid Subsidy Amount which shall continue to be secured by this Mortgage, and (c) acknowledge the terms and conditions of the recapture of the Unpaid Subsidy Amount. Notwithstanding the foregoing, no recapture amounts shall be due and payable in the event of any transfer of ownership (x) resulting from Mortgagor's death and occurring pursuant to (i) the terms of a written land trust, personal trust or will, or (ii) state intestacy law, (y) to a spouse or member of Mortgagor's household, or (z) that simply consists of Mortgagor's transfer of the Mortgaged Property into a land trust or personal trust of which Mortgagor is the sole beneficiary and holder of power of direction, as applicable, provided that the transferee in any such transfer shall assume the obligations of the Mortgagor under this Mortgage in writing.

ARTICLE IV DEFAULT

4.01 Events of Default. The terms "Event of Default" or "Events of Default," wherever used in this Mortgage, shall mean any one or more of the following events:

(a) a failure by Mortgagor to comply with any of the covenants set forth in the City Covenant; or

(b) a failure by Mortgagor to duly observe or perform any other material term, covenant, condition, or agreement in this Mortgage or the Subsidy Documents (other than the City Covenant) after the expiration of the applicable cure periods provided in Section 4.02; or

(c) a default continuing beyond all applicable cure periods under the Senior Mortgage and permitting foreclosure thereunder.

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4.02 Mortgagee Remedies. Mortgagee shall have the following remedies depending on the nature and timing of the Event of Default.

(a) If an Event of Default arising from a breach of one or more of the covenants set forth in the City Covenant occurs, then Mortgagee shall be entitled to immediately: (i) declare the Recapture Amount immediately due and payable; and (ii) exercise any other remedies available under this Mortgage, in either instance without further notice or demand

(b) If an Event of Default occurs under Section 4.01(b) and such default involves a failure to make timely payment of any amount due and secured by this Mortgage or the Senior Mortgage and such failure is not cured within ten (10) days of the Mortgagee's delivery of written notice of such failure to Mortgagor (a "Monetary Event of Default"), then Mortgagee shall be entitled to immediately: (i) declare the Recapture Amount immediately due and payable; and (ii) exercise any other remedies available under this Mortgage, in either instance without further notice or demand.

(c) If an Event of Default occurs under Section 4.01(b) and such default does not involve a Monetary Event of Default and such failure is not cured within sixty (60) days of the Mortgagee's delivery of written notice of such failure to Mortgagor, Mortgagee shall be entitled to immediately: (i) declare the Recapture Amount immediately due and payable; and (ii) exercise any other remedies available under this Mortgage, in either instance without further notice or demand. In the event such default cannot reasonably be cured within such sixty (60) day period, however, and if Mortgagor has commenced efforts to cure such default, then the time to cure shall be extended so long as Mortgagor diligently continues to cure such default.

(d) If an event of default occurs under the Senior Lender's security documents (after the giving of any applicable notice and lapse of any applicable cure period, if any) and the Senior Lender commences efforts to foreclose its mortgage (or obtain a deed-in-lieu-of-foreclosure), obtain appointment of a receiver for the Mortgaged Property, or obtain possession of the Mortgaged Property, such event of default shall (notwithstanding anything in this Section 4.02 to the contrary) constitute an immediate Event of Default under this Mortgage and the Mortgagee shall be entitled to immediately: (i) declare the Recapture Amount immediately due and payable; and (ii) exercise any other remedies available under this Mortgage, in either instance without further notice or demand.

4.03 Other Remedies.

(a) If any amounts due under and secured by this Mortgage shall become due, whether by acceleration or otherwise, Mortgagee shall have the right to foreclose the lien hereof for such indebtedness or part thereof. This Mortgage and the right of foreclosure hereunder shall not be impaired or exhausted by any foreclosure of the Senior Mortgage, and may be foreclosed successively and in parts, until all of the Mortgaged Property has been foreclosed against. In any such foreclosure, or upon the enforcement of any other remedy of Mortgagee, there shall be allowed and included as additional indebtedness all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee

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for reasonable attorneys' fees, appraisers' fees, outlays for documentary and expert evidence, stenographers' charges, publication costs, and costs involved in title insurance and title examinations. All expenditures and expenses of the nature in this Section 4.03 mentioned, and such expenses and fees as may be incurred in the protection of the Mortgaged Property and the maintenance of the lien of this Mortgage, including the reasonable fees of any attorney employed by Mortgagee in any litigation or proceeding affecting this Mortgage, or the Mortgaged Property, including probate and bankruptcy proceedings, or in preparation for the commencement or defense of any proceeding or threatened suit or proceeding, shall be immediately due and payable by Mortgagor, with interest thereon at the lesser of the highest rate permitted by law or eighteen percent (18%) per annum (the "Default Rate"), and shall be secured by this Mortgage. The proceeds of any foreclosure sale of the Mortgaged Property shall be distributed and applied in the following order of priority: (i) on account of all costs and expenses incidental to the foreclosure proceedings, including all such items as are mentioned in this section; (ii) repayment of the indebtedness owed to the Senior Lender, subject to the limitation in Section 2.04; (iii) repayment of any other amounts due under this Mortgage; and (iv) payment of any remaining amounts due to Mortgagor, its successors or assigns, as their rights may appear.

(b) Mortgagor shall not and will not apply for or avail itself of any appraisalment, valuation, stay, extension or exemption laws, or any so-called "Moratorium Laws," now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, but hereby waives the benefit of such laws. Mortgagor, for itself and all who may claim through or under it, waives any and all right to have the property and estates comprising the Mortgaged Property marshaled upon any foreclosure of the lien hereof, and agrees that any court having jurisdiction to foreclose such lien may order the Mortgaged Property sold as an entirety. To the extent permitted by law, Mortgagor hereby waives any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage on such Mortgagor's behalf and on behalf of each and every person, except decree or judgment creditors of Mortgagor, acquiring any interest in or title to the Mortgaged Property subsequent to the date of this Mortgage.

(c) Upon any other entering upon or taking of possession of the Mortgaged Property after the occurrence of an Event of Default and the expiration of the applicable cure period and other than by means of a foreclosure, Mortgagee, subject to the rights of the Senior Lender, may hold, use, manage and control the Mortgaged Property and, from time to time (i) make all necessary and proper maintenance, repairs, renewals, replacements, additions, betterments and improvements thereto and thereon and purchase or otherwise acquire additional fixtures, personalty and other property required in connection therewith; (ii) insure or keep the Mortgaged Property insured; (iii) manage the Mortgaged Property and exercise all the rights and powers of Mortgagor to the same extent as Mortgagor could in its own name or otherwise with respect to the same; and (iv) enter into any and all agreements with respect to the exercise by others of any of the powers herein granted to Mortgagee, all as Mortgagee from time to time may reasonably determine to be to its best advantage. Mortgagee may collect and receive all the rents, issues, profits and revenues of the same, including those past due as well as those

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accruing thereafter, and, after deducting to the extent reasonable: (aa) expenses of taking, holding and managing the Mortgaged Property (including compensation for the services of all persons employed for such purposes); (bb) the cost of all such maintenance, repairs, renewals, replacements, additions, betterments, improvements and purchases and acquisitions; (cc) the cost of such insurance; (dd) such taxes, assessments and other similar charges as Mortgagee may determine to pay; (ee) other proper charges upon the Mortgaged Property or any part thereof; and (ff) the reasonable compensation, expenses and disbursements of the attorneys and agents of Mortgagee, shall apply the remainder to the payment of amounts due under this Mortgage. The balance of such funds, if any, after payment in full, of all of the aforesaid amounts shall be paid to Mortgagor.

(d) Mortgagee may also seek specific performance or injunctive relief in order to enforce the provisions of this Mortgage.

4.04 Receiver. Subject to the rights of the Senior Lender, if an Event of Default shall have occurred and be continuing after an applicable cure period has expired, Mortgagee, upon application to a court of competent jurisdiction, shall be entitled to the appointment of a receiver to take possession of and to operate the Mortgaged Property and to collect and apply the rents, issues, profits and revenues thereof. The receiver shall otherwise have all of the rights and powers to the fullest extent permitted by law.

4.05 Purchase by Mortgagee. Upon any foreclosure sale, Mortgagee may bid for and purchase the Mortgaged Property and shall be entitled to apply all or any part of the Subsidy Amount and other amounts due under and secured by this Mortgage as a credit to the Mortgagee's bid amount.

4.06 Remedies Cumulative. No right, power or remedy conferred upon or reserved to Mortgagee by this Mortgage is intended to be exclusive of any other right, power or remedy, but each and every right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder or now or hereafter existing at law, in equity or by statute.

4.07 Waiver. No delay or omission of Mortgagee to exercise any right, power or remedy accruing upon any Event of Default shall exhaust or impair any such right, power or remedy or shall be construed to be a waiver of any such Event of Default or acquiescence therein; and every right, power and remedy given by this Mortgage to Mortgagee may be exercised from time to time as often as may be deemed expedient by Mortgagee. No consent or waiver, expressed or implied, by Mortgagee to or of any breach or Event of Default by Mortgagor in the performance of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or Event of Default in the performance of the same or any other obligations of Mortgagor hereunder. Failure on the part of Mortgagee to complain of any act or failure to act or to declare an Event of Default, irrespective of how long such failure continues, shall not constitute a waiver by Mortgagee of its rights hereunder or impair any rights, powers or remedies on account of any breach or default by Mortgagor.

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ARTICLE V MISCELLANEOUS PROVISIONS

5.01 Successors and Assigns. This Mortgage shall inure to the benefit of and be binding upon Mortgagor and Mortgagee and their respective legal representatives, successors and assigns. Whenever a reference is made in this Mortgage to Mortgagor or to Mortgagee, such reference shall be deemed to include a reference to legal representatives, successors and assigns of Mortgagor or Mortgagee, as applicable.

5.02 Terminology. All personal pronouns used in this Mortgage, whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural, and vice versa. Titles and sections are for convenience only and neither limit nor amplify the provisions of this Mortgage, and all references herein to articles, sections or paragraphs shall refer to the corresponding articles, sections or paragraphs of this Mortgage unless specific reference is made to such articles, sections or paragraphs of another document or instrument.

5.03 Severability. If any provision of this Mortgage or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Mortgage and the application of such provision to other persons or circumstances shall not be affected thereby and shall be enforced to the extent permitted by law.

5.04 Security Agreement. This Mortgage shall be construed as a "Security Agreement" within the meaning of and shall create a security interest under the Uniform Commercial Code as adopted by the State of Illinois with respect to any part of the Mortgaged Property which constitutes fixtures. Mortgagee shall have all the rights with respect to such fixtures afforded to it by said Uniform Commercial Code in addition to, but not in limitation of, the other rights afforded Mortgagee by this Mortgage or any other agreement.

5.05 Modification. No change, amendment, modification, cancellation or discharge hereof, or of any part hereof, shall be valid unless in writing and signed by the parties hereto or their respective successors and assigns and the City.

5.06 No Merger. It being the desire and intention of the parties that this Mortgage and the lien hereof do not merge in fee simple title to the Mortgaged Property, it is hereby understood and agreed that should Mortgagee acquire any additional or other interests in or to said property or the ownership thereof, then, unless a contrary interest is manifested by Mortgagee as evidenced by an appropriate document duly recorded, this Mortgage and the lien hereof shall not merge in the fee simple title, toward the end that this Mortgage may be foreclosed as if owned by a stranger to the fee simple title.

5.07 Applicable Law. This Mortgage shall be interpreted, construed and enforced under the laws of the State of Illinois, without regard to its conflict of laws principles.

5.08 Notices. Any notices and communications under this Mortgage shall be in writing and shall be: (a) delivered in person, (b) mailed, postage prepaid, either by registered or certified mail, return receipt requested, or (c) delivered by overnight express carrier, to the

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parties at the following addresses (or to such other or further addresses as the parties may hereafter designate by like notice similarly sent):

Mortgagor: Tawana Collins
 7336 S. University
 Chicago, Illinois 60619

Mortgagee: Delta Revere Program, LLC
 c/o The Delta Institute
 53 West Jackson Boulevard
 Suite 230
 Chicago, Illinois 60604
 Attn: Maurice Williams

Every notice or other communication hereunder shall be deemed to have been given as of the date evidenced by a receipt from such national courier service or the United States Postal Service or immediately if personally delivered.

5.09 Release of Mortgage. If: (a) Mortgagor is not then in default under this Mortgage and retains ownership of the Mortgaged Property until the expiration of the Recapture Period, or (b) Mortgagor Transfers the Mortgaged Property and, upon payment of the Recapture Amount in accordance with Section 3.02, there is no Unpaid Subsidy Amount to secure, then Mortgagor shall be deemed to have fully complied with the provisions contained in this Mortgage. In such event, within thirty (30) days of receipt of a written request from Mortgagor, Mortgagee shall execute a release of the Mortgage in recordable form.

IN WITNESS WHEREOF, the undersigned has caused this Mortgage to be executed as of the day and year first above written.

MORTGAGOR(S):




 Tawana Collins

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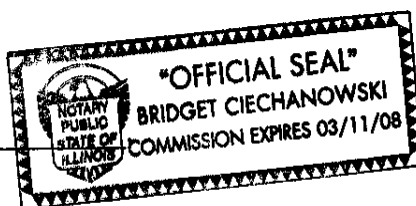
STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, BRIDGET CIECHANOWSKI, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Tawana Collins, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and being first duly sworn by me acknowledged that she signed and delivered the said instrument as her free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 7th day of April, 2006.


Notary Public

My commission expires _____



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EXHIBIT A TO MORTGAGE

DEFINITIONS

“Adjusted Affordable Price” shall mean the Initial Affordable Price plus the cost of all upgrades to the Home installed or to be installed by RCHD as of the date hereof.

“Affordable Unit Appreciation Amount” shall mean the difference (but in no event less than \$0) between (i) the aggregate consideration payable to Mortgagor in connection with any Transfer, and (ii) the sum of (x) the Initial Equity Amount, and (y) the Adjusted Affordable Price.

“Initial Affordable Price” shall have the meaning set forth in the Recitals.

“Initial Equity Amount” shall mean \$4,000.00.

“Recapture Amount” shall mean as of any date of determination, the lesser of (i) the Affordable Unit Appreciation Amount or (ii) the difference between (a) the Subsidy Amount, and (b) the then applicable Subsidy Amortization Amount, provided that Mortgagor is entitled to receive any downpayment it made in conjunction with its acquisition of the Mortgaged Property. Illustrations of the manner of calculation of the Recapture Amount are set forth on Exhibit C attached hereto.

“Recapture Period” shall mean the period commencing on the date of this Mortgage and ending upon the tenth (10th) anniversary of such date.

“Senior Lender” shall mean Lakeside Bank, being the mortgagee under the Senior Mortgage or such other mortgagee under the Senior Mortgage from time to time.

“Senior Mortgage” shall mean that certain mortgage by Mortgagor in favor of Senior Lender and recorded with the Cook County Recorder of Deeds concurrent with the recording of this Mortgage, or such other mortgage as may hereafter be recorded from time to time which is executed in connection with the refinance of the Senior Mortgage.

“Subsidy Amortization Amount” as of any date of determination shall mean the following:

(i) With respect to transfers of the Mortgaged Property occurring prior to the fifth anniversary of this Mortgage, the sum of Zero Dollars (\$0).

(ii) With respect to transfers of the Mortgaged Property occurring on or after the fifth anniversary of this Mortgage, but prior to the sixth anniversary of this Mortgage, the sum of Thirteen Thousand Three Hundred Thirty Three Dollars (\$13,333).

(iii) With respect to transfers of the Mortgaged Property occurring on or after the sixth anniversary of this Mortgage, but prior to the seventh anniversary of this Mortgage, the sum of Twenty Six Thousand Six Hundred Sixty Seven Dollars (\$26,667).

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(iv) With respect to transfers of the Mortgaged Property occurring on or after the seventh anniversary of this Mortgage, but prior to the eighth anniversary of this Mortgage, the sum of Forty Thousand Dollars (\$40,000).

(v) With respect to transfers of the Mortgaged Property occurring on or after the eighth anniversary of this Mortgage, but prior to the ninth anniversary of this Mortgage, the sum of Fifty Three Thousand Three Hundred Thirty Three Dollars (\$53,333).

(vi) With respect to transfers of the Mortgaged Property occurring on or after the ninth anniversary of this Mortgage, but prior to the tenth anniversary of this Mortgage, the sum of Sixty-Six Thousand Six Hundred Sixty Seven Dollars (\$66,667).

(vii) With respect to transfers of the Mortgaged Property occurring on or after the tenth anniversary of this Mortgage, the sum of Eighty Thousand Dollars (\$80,000).

In the event of any Transfer of the Mortgaged Property to a transferee that assumes this Mortgage pursuant to Section 3.02(b), then this definition of the term "Subsidy Amortization Amount" shall be modified to substitute an amortization schedule reasonably determined by Mortgagee which is based upon the amortization of the Unpaid Subsidy Amount over the remainder of the Recapture Period.

"Unpaid Subsidy Amount" shall mean the amount by which (i) the difference between (a) the Subsidy Amount, and (b) the then applicable Subsidy Amortization Amount, exceeds (ii) the Affordable Unit Appreciation Amount. Illustrations of the method of calculation of the Unpaid Subsidy Amount are set forth on Exhibit C attached hereto.

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EXHIBIT B TO MORTGAGE

LEGAL DESCRIPTION

LOT 15 IN BLOCK 19 IN CORNELL, BEING A SUBDIVISION OF THE WEST 1/2 OF SECTION 26 AND THE SOUTH EAST 1/4 OF SECTION 26 (WITH THE EXCEPTION OF THE EAST 1/2 OF THE NORTHEAST 1/4 OF SAID SOUTH EAST 1/4) THE NORTH 1/2 OF THE NORTHWEST 1/4, THE SOUTH 1/2 OF THE NORTHWEST 1/4 LYING WEST OF THE ILLINOIS CENTRAL RAILROAD AND THE NORTHWEST 1/4 OF THE NORTHEAST, 1/4 OF SECTION 35, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS.

COMMON ADDRESS: 7336 SOUTH UNIVERSITY, CHICAGO, IL 60619

PERMANENT REAL ESTATE TAX INDEX NO.: 20-26-121-032-0000

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EXHIBIT C TO MORTGAGE

ILLUSTRATIONS OF CALCULATION OF RECAPTURE AMOUNT

EXAMPLE A

Assume the following facts:

Initial Affordable Price:	\$120,000
Adjusted Affordable Price:	\$135,000
Initial Equity Amount:	\$ 6,000
Affordable Price Upon Resale:	\$190,000
Resale Date:	30 months after initial closing

The Recapture Amount is \$66,000, calculated as follows:

Resale Affordable Price	\$190,000
Less: Adjusted Affordable Price	\$135,000
Initial Equity Amount	\$ 6,000
Affordable Unit Appreciation Amount	\$ 49,000
Subsidy Amount	\$ 80,000
Subsidy Amortization Amount @ 30 mos.	\$ 0
Subsidy Amount	\$ 80,000

Lesser of (a) Affordable Unit Appreciation Amount (\$49,000), or (b) Subsidy Amount less Subsidy Amortization Amount (\$80,000 - \$0 = \$80,000).

The Unpaid Subsidy Amount is \$31,000, representing the amount by which (b) above (\$80,000) exceeds (a) above (\$49,000).

EXAMPLE B

Assume same facts as Example A, except that the resale date is 78 months after initial closing

The Recapture Amount is \$40,000, calculated as follows:

Resale Affordable Price	\$190,000
Less: Initial Affordable Price	\$135,000
Initial Equity Amount	\$ 6,000
Affordable Unit Appreciation Amount	\$ 49,000

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Subsidy Amount	\$ 80,000
Subsidy Amortization Amount @ 78 mos.	<u>\$ 40,000</u>
Subsidy Amount	\$ 40,000

Lesser of (a) Affordable Unit Appreciation Amount (\$49,000) or (b) Subsidy Amount less Subsidy Amortization Amount (\$80,000 - \$40,000= \$40,000).

There is no Unpaid Subsidy Amount, as the amount set forth in (b) above (\$40,000) does not exceed (a) above (\$49,000).

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