



Doc#: 0619533060 Fee: \$52.00
Eugene "Gene" Moore RHSP Fee:\$10.00
Cook County Recorder of Deeds
Date: 07/14/2006 08:39 AM Pg: 1 of 15

(The Above Space For Recorder's Use Only)

**MORTGAGE, SECURITY AND RECAPTURE AGREEMENT,
INCLUDING RESIDENCY, TRANSFER AND FINANCING COVENANTS**
(City Lots For City Living - 2006 Update)

APPLICABLE SUBSIDIES (Enter Amount or "None")		
A.	Land Fair Market Value	\$19,999.00
B.	Base Purchaser Subsidy Amount (Base Land Value Up to \$20,000)	\$20,000.00
C.	Additional Purchaser Subsidy Amount (Land Value In Excess of \$20,000, up to \$50,000)	0.0
D.	Amount Over \$50,000 Subsidy Amount	0.0
E.	TOTAL SUBSIDY AMOUNT (B + C + D)	\$20,000.0

THIS MORTGAGE, SECURITY AND RECAPTURE AGREEMENT, INCLUDING RESIDENCY, TRANSFER AND FINANCING COVENANTS ("**Mortgage**") is made as of this 29 day of June, 2006, from Gerardo Santiago and Maria Santiago ("**Mortgagor**") to the CITY OF CHICAGO, an Illinois municipal corporation, having its principal office at City Hall, 121 N. LaSalle Street, Chicago, Illinois 60602 ("**City**" or "**Mortgagee**"). Capitalized terms not otherwise defined herein shall have the meaning set forth in Section 1.

RECITALS

A. The City Council of the City, by ordinance adopted October 2, 1995 and published in the Journal of Proceedings for such date at pages 8086-8089, established the City Lots for City Living Program ("**Program**") to facilitate the construction of affordable, new, high-quality, owner-occupied or rental housing within the City. Such Program ordinance was amended and restated by that certain ordinance adopted by the City Council of the City on April 6, 2006 and published in the Journal of Proceedings for such date at page 75201 through 75212.

B. Pursuant to the objectives of the Program, the City and Spathies Construction Corporation, ("**Developer**"), an Illinois Corporation, executed that certain City Lots for City Living Redevelopment Agreement, dated as of April 19, 2005, and recorded with the Office of the Recorder of Deeds of Cook County, Illinois on September 22, 2005 as document no. 0526545126 ("**Redevelopment Agreement**"), whereby Developer redeveloped that certain real property legally described on Exhibit A attached hereto ("**Land**") by constructing a single family housing unit ("**Home**") improving the Land.

C. When the City sold and conveyed the Land to the Developer, the Land had a fair market

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REC'D COOK COUNTY

CHS 394

828 360 no party

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value of approximately \$20,000.

D. Pursuant to the Program and the Redevelopment Agreement, the City sold and conveyed the Land to the Developer for the sum of One Dollar (\$1.00).

E. Pursuant to the Program and the Redevelopment Agreement, the first Twenty Thousand Dollars (\$20,000) of such Land fair market value (or such lesser amount as may be applicable) constitutes and is referred to hereinafter as the "**Base Purchaser Subsidy Amount**" and the amount by which the Land fair market value exceeds Twenty Thousand Dollars (\$20,000), if any, up to Fifty Thousand Dollars (\$50,000) in Land Fair Market Value, constitutes and is referred to hereinafter as the "**Additional Purchaser Subsidy Amount**". The amount, if any, by which the Land fair market value exceeds Fifty Thousand Dollars (\$50,000), plus interest thereon as further described herein, is referred to hereinafter as the "**Amount Over \$50,000 Subsidy Amount**".

F. The City's agreement to sell the Land to the Developer was conditioned upon the Developer's undertaking to construct the Home and then sell the Mortgaged Property to the Mortgagor for the Base Purchase Price, subject to Mortgagor's execution of this Mortgage, which secures certain performance and payment covenants intended to assure that the City achieves the affordable housing objectives of the Program.

G. As a result of the land value write-down described above, the Mortgagor has been given the opportunity to buy the Mortgaged Property for the Base Purchase Price (which does not include either the Base Purchaser Subsidy Amount or the Additional Purchaser Subsidy Amount or the Amount Over \$50,000 Subsidy Amount) and to become a homeowner.

H. Mortgagor has covenanted to Mortgagee herein that it meets the income eligibility requirements to participate as an initial homebuyer under the Program.

I. Pursuant to the terms of the Redevelopment Agreement, Developer now proposes to convey the Land and the completed Home to Mortgagor as the initial homebuyer, and Mortgagor desires to execute this Mortgage.

NOW, THEREFORE, to secure the performance and observance by Mortgagor of all the terms, covenants and conditions described herein, and in order to charge the properties, interests and rights hereinafter described with such consideration, Mortgagor has executed and delivered the 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 "**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) payment of the all recapture amounts described herein, (b) performance of residency, transfer and financing covenants described herein and in Exhibit B attached hereto, and (c) the payment and performance of all other obligations, covenants, conditions and agreements contained herein and in any other agreement, document or instrument to which reference is expressly made in the Mortgage.

SECTION I

INCORPORATION OF RECITALS; DEFINITIONS

The recitals set forth above constitute an integral 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. As used herein, the following capitalized terms shall be defined as follows:

"Affordability Period" shall mean the four (4) year period commencing on the Purchase Date.

"Amount Over \$50,000 Subsidy Amount" shall mean, as of any determination date, an amount equal to (a) the Land fair market value in excess of Fifty Thousand Dollars (\$50,000) (i.e., if the Land has a fair market value of Seventy-Five Thousand Dollars (\$75,000), such excess would be Twenty-Five Thousand Dollars (\$25,000), plus, (b) simple interest thereon at _____ percent (____%) per annum, which entire amount shall be subject to repayment if the Home is sold to a homebuyer during the forty (40) year period commencing on the Purchase Date, unless such sale is to an income-qualified homebuyer who purchases the Home for an affordable price, as determined by DOH at the time of such resale.

"Base Purchase Price" shall mean \$166,175.00, which is the base purchase price that the Developer sold the Mortgaged Property to the Mortgagor for under the Program, after giving effect to the land value write-down subsidy described herein.

"Recapture Amount" shall mean an amount, determined as of any applicable determination date, which shall initially equal the sum of (a) the Base Purchaser Subsidy Amount, plus (b) the Additional Purchaser Subsidy Amount, but which shall decline proportionately (i.e. by twenty-five percent (25%) of the original amount) on the first, second,

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third and fourth anniversary dates of the Purchase Date, and after such fourth anniversary date, shall equal zero dollars (\$0.00), plus (c) the Amount Over \$50,000 Subsidy Amount, if any.

"Purchase Date" shall mean the date on which the Mortgagor purchased the Mortgaged Property, which shall be deemed to be the date on which this Mortgage is recorded.

SECTION 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 mechanic's, laborer's, materialmen's, or statutory lien to remain outstanding upon any of the Mortgaged Property. 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 hereinafter defined), 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 cancelled, except upon thirty (30) days prior written notice to Mortgagee.

2.03 Maintenance of the Property.

(a) Mortgagor shall preserve and maintain the Mortgaged Property in good condition and repair, will not commit or suffer any waste thereof, and will 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

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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 co-insurer, will 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.

The Mortgage shall be subject and subordinate in all respects to that certain mortgage dated as of June 27, 2005 between Mortgagor and COUNTYSIDE FSA ("Senior Lender"), recorded with the Office of the Recorder of Deeds of Cook County, Illinois on July 14, 2005 as document #0619533059 to secure indebtedness in the original principal amount not to exceed the Base Purchase Price ("Senior Mortgage") pursuant to the terms of the Redevelopment Agreement. 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 Base Purchase Price.

2.05 Income Eligibility.

Mortgagor covenants to Mortgagee that it meets the income eligibility requirements established by the City pursuant to the Program in order to participate as an initial homebuyer under the Program.

2.06 Income Eligibility of Households Which Rent the Rental Unit.

If the Home is a Two-Flat Building, then with regard to the rental of the housing unit ("Rental Unit") which is not occupied by the Mortgagor, the Mortgagor hereby covenants that during the Affordability Period, each household occupying the Rental Unit shall meet the income eligibility requirements of the Program.

Prior to the commencement of the initial occupancy of the Rental Unit, the Mortgagor shall deliver to the City's Department of Housing an affidavit attesting to the monthly rent of the Rental Unit, the lease term, and containing a statement that the tenants of the Rental Unit shall meet the income eligibility standards of the Program. This affidavit shall thereafter be delivered to the Department of Housing on an annual basis during the Affordability Period.

2.07 Foreclosure of Senior Mortgage.

In the event of a transfer of title of the Mortgaged Property through foreclosure or recording of deed in lieu of foreclosure to the Senior Lender pursuant to the Senior Mortgage, Mortgagor acknowledges and agrees that the residency, transfer and financing covenants set forth in **Exhibit B** attached hereto, and any other provisions contained herein restricting the sale and occupancy of the Mortgaged Property to buyers or occupants which meet the income eligibility requirements of the Program shall be released and shall have no further force or effect;

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provided, however, that all such covenants and affordability restrictions shall be revived according to the original terms if, during the applicable affordability period, the Mortgagor or any member of Mortgagor's household or family reacquires an ownership interest in the Mortgaged Property. Any other person (including the successors and/or assigns of Senior Lender) receiving title to the Mortgaged Property through a foreclosure or deed in lieu of foreclosure of the Senior Mortgage shall also receive title to the Mortgaged Property free and clear of such restrictions.

Further, if Senior Lender acquires title to the Mortgaged Property pursuant to a deed in lieu of foreclosure, the lien of this Mortgage and the restrictions contained herein shall automatically terminate upon the Senior Lender's acquisition of title to the Mortgaged Property, provided that: (i) the Senior Lender has given written notice to Mortgagor of a default under the Senior Mortgage in accordance with its terms, (ii) the Mortgagor shall not have cured the default under the Senior Mortgage within any applicable cure period(s) provided for therein; and (iii) any proceeds from any subsequent sale of the Mortgaged Property, if any, which Mortgagee is entitled to receive after payment of all amounts due pursuant to the Senior Mortgage and pursuant to this Mortgage, are paid to Mortgagee.

SECTION III

RESIDENCY, TRANSFER AND FINANCING COVENANTS

Mortgagor also covenants to comply with the residency, transfer and financing covenants set forth in Exhibit B, which covenants are all materially related to the City's achievement of the affordable housing objectives of the Program

SECTION IV

DEFAULT

4.01 Events of Default.

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

(a) Mortgagor's breach of one or more of the residency, transfer or financing covenants set forth in Exhibit B, which breach is not cured by Mortgagor within ten (10) days of Mortgagor's receipt of written notice from Mortgagee of such breach; or

(b) Mortgagor's breach of any other material term, covenant, condition, or agreement of this Mortgage, which breach is not cured by Mortgagor within thirty (30) days of Mortgagor's receipt of written notice from Mortgagee of such breach; provided, however, that in the event such default cannot reasonably be cured within such thirty (30) day period and if Mortgagor has

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commenced efforts to cure, then the time to cure shall be extended so long as said party diligently continues to cure such default; or

(c) Any default continuing beyond all applicable cure periods under the Senior Mortgage that permits the Senior Lender to foreclose its lien thereunder.

4.02 Remedies

(a) If an Event of Default arising from a breach of one or more of the covenants set forth in Exhibit P occurs during the Affordability Period (and unless the last paragraph of such Exhibit applies) (such a default, a "**Recapture Default**"), the Recapture Amount, shall, at Mortgagee's sole option, become immediately due and payable and subject to recapture without further notice or demand and the Mortgagee shall be entitled to immediate payment of such Recapture Amount;

(b) If a Recapture Default or any other Event of Default occurs, Mortgagee shall also be entitled to declare all other amounts secured hereby immediately due and payable without further notice or demand and shall have such rights and remedies as may be available at law or at equity, including, without limitation, and subject to the rights of the Senior Lender, the right to foreclose the lien hereof. The Mortgage and the right of foreclosure hereunder shall not (to the extent permitted by law) 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 hereunder, 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 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 4.02(b) mentioned, and such expenses and fees as may be incurred in the protection of the Mortgaged Property and the maintenance of the lien of the Mortgage, including the reasonable fees of any attorney employed by Mortgagee in any litigation or proceeding affecting the 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 fifteen percent (15%) per annum, and shall be secured by the 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 any indebtedness secured by any permitted Senior Mortgage or a permitted refinancing thereof; (iii) all recapture amounts and other amounts due under this Mortgage; and (iv) any remaining amounts due to Mortgagor, its successors or assigns, as their rights may appear.

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4.03 Mortgagor Waivers.

Mortgagor shall not and will not apply for or avail itself of any appraisal, 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 the 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. Mortgagor hereby waives any and all rights of redemption from sale under any order or decree of foreclosure of the Mortgage on its 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 the Mortgage.

4.04 Additional Mortgagee Rights

Upon any other entering upon or taking of possession of the Mortgaged Property after the occurrence of an Event of Default 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 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 of the monies and proceeds so received by Mortgagee first to payment of accrued interest; and second to the payment of principal. The balance of such funds, if any, after payment in full, of all of the aforesaid amounts shall be paid to Mortgagor.

4.05 Right to Receiver.

Subject to the rights of the Senior Lender, if an Event of Default shall have occurred, 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

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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 indebtedness secured hereby as a credit to the purchase price; provided, however, that the Senior Lender has been paid in full.

4.06 Remedies Cumulative.

No right, power or remedy conferred upon or reserved to Mortgagee by the 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 No Waiver By Mortgagee.

No delay or omission of Mortgagee or of any holder of this Mortgage 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 the 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, in respect 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.

SECTION V

MISCELLANEOUS PROVISIONS

5.01 Successors and Assigns.

The 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 the 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.

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5.02 Terminology.

All personal pronouns used in the 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 the Mortgage, and all references herein to sections shall refer to the corresponding sections of the Mortgage unless specific reference is made to such sections of another document or instrument.

5.03 Severability.

If any provision of the Mortgage or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of the 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.

The 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 the 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. Mortgagor shall have no right to convey the Land into a land trust without obtaining the prior written consent of the Mortgagor.

5.06 No Merger.

It being the desire and intention of the parties that the 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, the 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.

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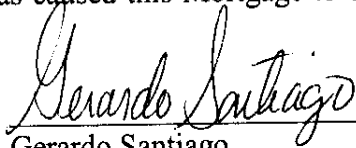
5.07 Applicable Law.

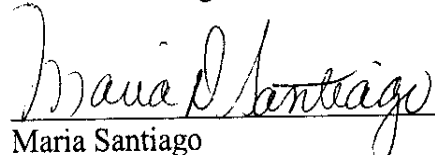
The Mortgage shall be interpreted, construed and enforced under the laws of the State of Illinois.

5.08 Certificates of Compliance; Final Release.

If no Event of Default exists, upon the expiration of the Affordability Period, Mortgagor, within thirty (30) days of receipt of a written request from Mortgagor, shall execute a certificate of compliance in recordable form certifying to Mortgagor's full compliance with residency, transfer and financing covenants during such period, confirming the termination of any applicable recapture amounts, and releasing this Mortgage.

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


Gerardo Santiago


Maria Santiago

**This Document Prepared by
and after Recording Return to:**

Steve Holler
Chief Assistant Corporation Counsel
Department of Law
City of Chicago
121 North LaSalle Street, Room 600
Chicago, IL 60602
312/744-6934

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STATE OF ILLINOIS)
)
COUNTY OF COOK)

I, Roman Rodriguez, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Gerardo Santiago personally known to me as 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 he signed and delivered the said instrument as his free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 26 day of June 2006.

[Signature]
Notary Public



My commission expires 2-8-09.

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STATE OF ILLINOIS)
)
COUNTY OF COOK)

I, Roman Rodriguez, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Maria Santiago personally known to me as 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 21 day of June, 2006.

[Signature]
Notary Public



My commission expires 2-8-09.

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EXHIBIT A

LEGAL DESCRIPTION

LOT 11 IN BLOCK 11 OF WILLIAM A. MERIGOLD'S RESUBDIVISION OF THE NORTH 50 ACRES OF THE EAST HALF OF THE NORTHEAST QUARTER OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Commonly known as: 1424 S. Karlov
Chicago, IL

Permanent Index Number: 16-22-220-032

Property of Cook County Clerk's Office

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EXHIBIT B

Residency, Transfer and Financing Covenants

In consideration of the Base Purchaser Subsidy Amount subsidy, the Additional Purchaser Subsidy Amount subsidy (if any), and the Amount Over \$50,000 Subsidy Amount (if any) that has been provided by the City, and that collectively have enabled the Mortgagor to purchase the Mortgaged Property for the Base Purchase Price, Mortgagor covenants that it shall:

(a) own the Mortgaged Property, shall not lease the Mortgaged Property and shall utilize the Home as its primary residence; and

(b) not directly or indirectly sell or otherwise transfer the Mortgaged Property, or execute a deed in lieu of foreclosure; and

(c) not refinance the Mortgaged Property, except to refinance the Senior Mortgage in an amount not greater than the Base Purchase Price.

Notwithstanding the above, Mortgagor may at any time, sell the Mortgaged Property to a subsequent homebuyer who meets the then applicable income eligibility requirements of the Program and who pays an affordable purchase price under the then applicable affordability requirements of the Program, in each instance as determined by Mortgagee's Department of Housing (or any successor department thereto), provided such purchaser assumes the then-remaining obligations of Mortgagee under this Mortgage. In such event, no Event of Default shall exist and no recapture amounts shall be due and payable, provided that such successor homebuyer assumes the executor obligations of the Mortgagor under this Mortgage in writing.