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This instrument prepared by
and after recording return to:
Lisa Misher
Assistant Corporation Counsel
121 North LaSalle Street
Room 600
Chicago, Illinois 60602

Doc#: 0809357113 Fee: \$68.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 04/02/2008 10:27 AM Pg: 1 of 17

GIT (3/27)

4387544 **MORTGAGE, SECURITY AND RECAPTURE AGREEMENT,
INCLUDING RESIDENCY, TRANSFER, FINANCING AND AFFORDABILITY
COVENANTS**

CITY AFFORDABILITY AMOUNT	AFFORDABILITY PERIOD
\$59,000.00	30 Years

THIS MORTGAGE, SECURITY AND RECAPTURE AGREEMENT, INCLUDING RESIDENCY, TRANSFER, FINANCING AND AFFORDABILITY COVENANTS ("Mortgage") is made as of this 25th day of March, 2008, from MORENA ROOSES, a single woman ("Mortgagor") to the CITY OF CHICAGO, an Illinois municipal corporation, acting by and through its Department of Housing, and having its principal office at 33 North LaSalle Street, 2nd Floor, Chicago, Illinois 60602 (the "City" or "Mortgage"). Capitalized terms not otherwise defined herein shall have the meanings set forth in Article 1.

RECITALS

A. On April 9, 2003, the City Council of the City adopted the Affordable Housing Ordinance (the "AHO"), codified at Chapter 2-44-090 of the Municipal Code of the City, which obligates the City to impose certain affordability and recapture requirements upon developers who undertake residential development projects that receive City assistance either in the form of the sale of City land at less than fair market value or in the form of financial assistance.

B. The City and 42nd Place Development Group, LLC, an Illinois limited liability company ("Developer"), have executed that certain Agreement for the Sale and Redevelopment of Land dated as of June 15, 2005, and recorded with the Office of the Recorder of Deeds of Cook County, Illinois, as Document No. 0516634100 (the "Redevelopment Agreement"). Pursuant to the Redevelopment Agreement, the Developer has constructed a 4-unit condominium building (the "Building") on the real property legally described on Exhibit A (the "Property").

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C. The Mortgagor is on the date hereof purchasing from Developer that certain condominium unit in the Building as described in Exhibit B attached hereto (the "Affordable Unit").

D. Pursuant to the Redevelopment Agreement, the City sold and conveyed the Property to the Developer for a price that was less than its fair market value.

E. Pursuant to the AHO, the Developer acknowledges and agrees that it is required to sell the Mortgaged Property to Mortgagor for the Base Purchase Price, plus upgrades, subject to Mortgagor's execution of this Mortgage in favor of Mortgagee, which Mortgage secures the residency, transfer, financing and affordability covenants set forth in Article III of this Mortgage (such covenants, the "Affordability Covenants"), which covenants shall run with the Mortgaged Property and are intended to assure that the City achieves the affordable housing objectives of the AHO and complies with the affordability and recapture provisions of the AHO.

F. The Affordability Covenants require, among other things, that with respect to the initial sale of the Mortgaged Property (in connection with which this Mortgage is being granted), and with respect to each resale of the Mortgaged Property during the Affordability Period (unless Mortgagor elects to repay to the City the Recapture Amount), such Mortgaged Property may only be sold to a Qualified Household for an Affordable Price.

G. Mortgagor has covenanted to Mortgagee herein that it is a Qualified Household and that the Base Purchase Price is an Affordable Price.

H. Mortgagor acknowledges and agrees that, as of the Purchase Date, the Base Purchase Price is less than the fair market price for the Mortgaged Property by an amount equal to the City Affordability Amount, as evidenced by contemporaneous or projected sales of comparable homes.

I. Mortgagor acknowledges and agrees that, but for the City's imposition of the Affordability Covenants, Mortgagor would have been unable to purchase the Mortgaged Property for an Affordable Price.

J. The City has required Mortgagor to execute this Mortgage in order to both (a) impose the Affordability Covenants upon the Mortgaged Property and give notice of the Affordability Covenants to Mortgagor, to any subsequent purchaser of the Mortgaged Property, and to any lender having a mortgage secured by the Mortgaged Property, and (b) to secure the payment of the Recapture Amount described in Section 4.02 hereof and Mortgagor's other obligations under this Mortgage.

K. In consideration of the benefits accruing to Mortgagor as a result of its purchase of the Mortgaged Property for an Affordable Price, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Mortgagor has executed and delivered to the City this Mortgage.

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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 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 Mortgagor's right, title and interest in the following described property (which is hereinafter sometimes referred to as the "**Mortgaged Property**"):

(A) The Affordable Unit and all easements, rights, interests and appurtenances thereto, including, without limitation, any deeded, reserved or assigned parking area or storage space and any interest in common elements and limited common elements associated therewith;

(B) All structures and improvements of every nature whatsoever now or hereafter situated within or comprising a part of the Affordable Unit, including, without limitation, 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 (the "**Improvements**"); and

(C) All rents and issues of the Affordable Unit 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 all Recapture Amounts described herein, (b) performance of the Affordability Covenants, 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.

ARTICLE I **INCORPORATION OF RECITALS; DEFINITIONS**

The recitals set forth above constitute an integral part of this 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:

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“**Affordability Covenants**” shall mean the affordability covenants and requirements contained in Article 3 hereof and Exhibit C hereto.

“**Affordability Period**” shall mean the 30-year period commencing on the Purchase Date.

“**Affordable Price**” shall mean an amount less than or equal to the price at which Monthly Homeownership Costs for the Mortgaged Property would total not more than 30% of household income for a household with a family size equal to the product of 1.5 multiplied by the number of bedrooms in the Mortgaged Property whose income is the maximum amount allowable for such household to qualify as a Qualified Household.

“**Base Purchase Price**” shall mean \$166,000, which is the base purchase price the Mortgagor paid the Developer for the Mortgaged Property pursuant to the requirements of the Redevelopment Agreement.

“**CCLT**” means the Chicago Community Land Trust, an Illinois not-for-profit corporation.

“**City Affordability Amount**” shall mean \$59,000, constituting the dollar difference between the market value of the Mortgaged Property at the time of its purchase from Developer (based on appraisals, comparable sales or similar evidence reasonably acceptable to the City’s Department of Housing) and the Base Purchase Price.

“**Monthly Homeownership Costs**” shall mean the sum of the following estimated amounts:

- (i) monthly principal and interest payments on a 30-year fixed rate purchase money mortgage in the amount of 95% of the purchase price of the Mortgaged Property, bearing interest at a rate equal to the prevailing rate as published in the Chicago Tribune (or posted on the internet website maintained by the Chicago Tribune) as of the date of calculation of Monthly Homeownership Costs rounded up to the nearest quarter percent,
- (ii) annual estimated real property taxes for the Mortgaged Property (based upon the most recently issued real estate tax bill), divided by 12,
- (iii) annual insurance premiums for the Mortgaged Property, divided by 12, for homeowners’ insurance in the amount of the replacement value of the Mortgaged Property, and
- (iv) monthly condominium assessment payments or similar homeowners’ association payments for the Mortgaged Property, if applicable.

“**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.

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“Purchase Price” shall mean \$166,000, being the sum of the Base Purchase Price plus upgrades, if any [no upgrades].

“Qualified Heir” shall mean (a) the spouse or “qualified domestic partner” (as defined in Section 2-152-072 of the Municipal Code of Chicago) of Mortgagor; or (b) the children of Mortgagor, or, if such children are minors, a trustee or guardian for such children; or (c) other members of Mortgagor’s household who have resided in the Affordable Unit continuously for at least one (1) year immediately prior to Mortgagor’s death and are residing in the Affordable Unit at the time of such death.

“Qualified Household” shall mean a single person, family or unrelated persons living together whose adjusted income is not more than 100% of the Chicago-area median income, adjusted for family size, as such adjusted income and Chicago-area median income are determined from time to time by the United States Department of Housing and Urban Development for purposes of Section 8 of the United States Housing Act of 1937.

“Recapture Amount” shall mean an amount, determined as of any applicable determination date, equal to the City Affordability Amount plus simple, non-compounding interest on such amount at the rate of three percent (3.0%) per annum (assuming twelve 30 day months) calculated from the Purchase Date to the date of the Recapture Default. For example, if (a) this Mortgage was recorded January 1, 2008, (b) the date of the Recapture Default was July 1, 2014, and (c) the City Affordability Amount was \$20,000, then (i) the interest on the City Affordability Amount would be \$3,900 (\$600/year for 6 years, plus \$300 for one half-year), and (ii) the Recapture Amount would be \$23,900 (\$20,000 plus \$3,900).

ARTICLE II

COVENANTS, REPRESENTATIONS AND WARRANTIES

Mortgagor covenants and agrees with Mortgagee that, at all times during the Affordability Period:

2.01 Taxes and Assessments.

(a) Mortgagor will pay when due all general taxes and assessments (including, without limitation, any condominium or homeowners’ association assessments, if applicable), 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

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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 (or shall use reasonable efforts to cause the condominium or homeowners' association, as applicable, to keep insured such parts of the Mortgaged Property as may be required to be insured by such association under the applicable declaration) in such amounts and against such risks as required of Mortgagor by the Senior Lender (as defined in Section 2.04 below), 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 30 days to Mortgagee.

2.03 Maintenance of the 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 shall 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 Board of Managers of the condominium or homeowners' association, if applicable, with respect to any proceeds applicable to common elements or limited common elements), 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 that certain mortgage dated as of December 28, 2007, between Mortgagor and **Guaranteed Rate** (the "Senior Lender"), recorded with the Office of the Recorder of Deeds of Cook County, Illinois on _____, 2008, as Document No. _____ (the "Senior Mortgage"), to secure indebtedness in the original principal amount not to exceed the Base Purchase 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 Base Purchase Price.

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2.05 Income Eligibility. Mortgagor represents and warrants to Mortgagee that, based on Mortgagor's household income, as of the time of Mortgagor's execution of its purchase contract for the Mortgaged Property, Mortgagor's household was a Qualified Household.

2.06 Foreclosure of Senior Mortgage. In the event of a transfer of title to the Mortgaged Property through foreclosure or recording of a deed in lieu of foreclosure to the Senior Lender pursuant to the Senior Mortgage, Mortgagee acknowledges and agrees that the Affordability Covenants 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 AHO shall be released and shall have no further force or effect; provided, however, all such Affordability Covenants and restrictions shall be revived according to their original terms if, during the 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.

ARTICLE III

RESIDENCY, TRANSFER, FINANCING AND AFFORDABILITY COVENANTS

Mortgagor covenants to comply with the residency, transfer, financing and affordability covenants set forth in Exhibit C, which covenants are materially related to the affordable housing objectives of the AHO.

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 Affordability Covenants set forth in Exhibit C;

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(b) a failure by Mortgagor to duly observe or perform any other material term, covenant, condition or agreement in the Mortgage 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.

4.02 City Remedies. The City shall have the following remedies, depending on the nature and timing of the Event of Default:

(a) Recapture Defaults. If an Event of Default arising from a breach of one or more of the covenants set forth in Exhibit C occurs (such a default, a "Recapture Default"), the Mortgagee shall be entitled to declare the Recapture Amount immediately due and payable, without further notice or demand. If Mortgagor pays to the City the Recapture Amount, then the City shall have no other remedy with respect to such Event of Default and shall be obligated to execute and deliver a release of this Mortgage in recordable form and any subsequent transferee shall not be bound by any of the Affordability Covenants or otherwise be required to execute and deliver any mortgage in favor of the City.

(b) Other Mortgage Defaults. If an Event of Default occurs that is not a Recapture Default, 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: (i) declare the Recapture Amount immediately due and payable (with such Monetary Event of Default date also being deemed the Recapture Default date for purposes of computing such amount); 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 by Mortgagor failing to perform any other non-monetary obligation required under this Mortgage that is not described in Section 4.02(a) or (b) 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: (i) declare the Recapture Amount immediately due and payable (with such non-monetary Event of Default date also being deemed the Recapture Default date for purposes of computing such amount); 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 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 the 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) and the Senior Lender commences efforts to foreclose its mortgage (or obtain a deed in lieu of foreclosure), or 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: (i) declare the Recapture Amount immediately due and payable (with such

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commencement date also being deemed the Recapture Default date for purposes of computing the Recapture Amount); 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 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 fifteen percent (15%) per annum, 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 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 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 a default and the expiration of the applicable cure period and other than

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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 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.

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 Recapture Amount and other amounts due under and secured by this Mortgage as a credit to the purchase price.

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

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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.

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 fullest 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. Mortgagor shall have no right to convey the Mortgaged Property into a land trust without obtaining the prior written consent of 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

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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 Administration. All consents, approvals, modifications, waivers, adjustments or other actions of the City described herein shall be made in writing by the City, acting through its Department of Housing, or any successor department thereto, or any designee thereof, including, without limitation, the Chicago Community Land Trust. All notices, requests, or other communications to the City hereunder shall be made to the Department of Housing at the following address: 33 North LaSalle Street, 2nd Floor, Chicago, Illinois 60602, Attention: Commissioner.

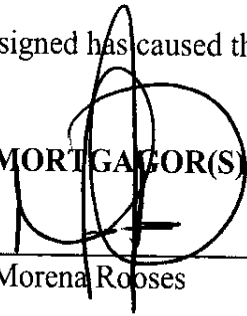
5.09 Exhibits. All exhibits attached hereto are incorporated herein by this reference and made a part hereof.

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

MORTGAGOR(S):



Morena Rooses

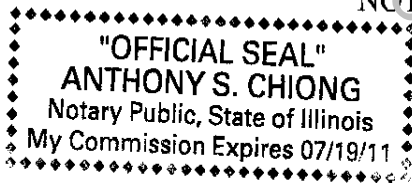
STATE OF ILLINOIS)
)
COUNTY OF COOK)

I, *the undersigned*, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Morena Rooses, 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 he/she signed and delivered the foregoing instrument as his/her free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 25 day of March, 2008.

ASL

NOTARY PUBLIC



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EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

LOTS 72 TO 74, BOTH INCLUSIVE, IN FERRY FARWELL AND TURNER AND BOND'S RESUBDIVISION OF BLOCK 3 IN BAYARD AND PALMER ADDITION IN THE NORTH WEST FRACTIONAL $\frac{1}{4}$ OF SECTION 2, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN,(EXCEPT LOST 21 AND 22 IN SAID BLOCK 3) IN COOK COUNTY, ILLINOIS.

COMMONLY KNOWN AS: 4165 SOUTH ELLIS AVENUE
CHICAGO, ILLINOIS 60653

PERMANENT INDEX NO. 20-02-116-48-0000 (underlying)

Property of Cook County Clerk's Office

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EXHIBIT B

LEGAL DESCRIPTION OF AFFORDABLE UNIT

PARCEL 1:

UNIT 2S TOGETHER WITH ITS UNDIVIDED PERCENTAGE INTEREST IN THE COMMON ELEMENTS IN 4165 SOUTH ELLIS CONDOMINIUM AS DELINEATED AND DEFINED IN THE DECLARATION RECORDED AS DOCUMENT NUMBER 0736203030, IN THE NORTHWEST FRACTIONAL $\frac{1}{4}$ OF SECTION 2, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2

EXCLUSIVE USE FOR PARKING PURPOSES IN AND TO PARKING SPACE NO. ^{P4}A LIMITED COMMON ELEMENT, AS SET FORTH AND DEFINED IN SAID DECLARATION OF CONDOMINIUM AND SURVEY ATTACHED THERETO IN COOK COUNTY, ILLINOIS

COMMONLY KNOWN AS: 4165 SOUTH ELLIS AVENUE, UNIT 2S
CHICAGO, ILLINOIS 60653

PERMANENT INDEX NO. 20-02-116-048-0000 (UNDERLYING)

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EXHIBIT C

RESIDENCY, TRANSFER, FINANCING AND AFFORDABILITY COVENANTS

In consideration of the requirements of the AHO that apply to Developer and that have enabled the Mortgagor to purchase the Mortgaged Property for the Base Purchase Price, Mortgagor covenants to Mortgagee that:

- (a) Mortgagor meets the income eligibility requirements established under the AHO in order to qualify as a Qualified Household under such ordinance.
- (b) During the Affordability Period, Mortgagor shall own the Mortgaged Property, shall not lease the Mortgaged Property, shall use the Mortgaged Property as its primary residence (and the primary residence of Mortgagor's Qualified Household), and will not let any other person occupy or use the Mortgaged Property without the prior written consent of the City, which shall be in the City's reasonable discretion, and which, if granted, will require that the total amount payable by any tenant household not exceed the amount set forth to qualify such housing as "affordable housing" as defined in the Illinois Affordable Housing Act, 310 ILCS 65/1 et seq.
- (c) During the Affordability Period, Mortgagor shall not sell or otherwise directly or indirectly transfer ownership of the Mortgaged Property, except (i) to a Qualified Household, (ii) for an Affordable Price, and provided that (iii) the transferee Qualified Household assumes this Mortgage in writing or, at the City's request, executes an affordable housing restrictive covenant in favor of the CCLT or similar document in form and substance acceptable to the CCLT and the City designed to preserve the long-term affordability of the Affordable Unit. **Mortgagor shall confer with the City's Department of Housing before entering into a sales contract involving the Mortgaged Property for assistance in determining the qualifications of any proposed transferee and the eligible resale price of the Mortgaged Property.** Any transfer of ownership resulting from Mortgagor's death and occurring pursuant to the terms of a written land trust, personal trust or will, or state intestacy law, to a Qualified Heir, or that simply consists of Mortgagor's transfer (with the prior written consent of the City to such 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, shall not be subject to the foregoing transfer restriction, provided, however, that the transferee in any such transfer shall be bound by all of the terms contained in this Mortgage. If Mortgagor attempts or purports to transfer the Mortgaged Property to a transferee in violation of any one or more of the conditions in clauses (i), (ii) and (iii), such attempted or purported transfer shall constitute an immediate Event of Default under Section 4.01(a).
- (d) During the Affordability Period, Mortgagor shall not encumber the Mortgaged Property with any one or more mortgages which, individually or in the aggregate, secures initial principal indebtedness in excess of the Base Purchase Price.

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The Affordability Covenants in this **Exhibit C** may be waived or modified in writing by the City, (i) upon a showing of undue hardship or changed circumstances that would make the enforcement of such covenants inequitable or impractical, as determined by the City in its sole discretion, or (ii) to assure the long-term affordability of the Affordable Unit, consistent with the City's city-wide community land trust initiative ("**CLT Initiative**"), as described in the program ordinance approved by the City Council on January 11, 2006, and published in the Journal of Proceedings for such date at pages 67997 through 68024.

Upon either a permitted transfer described in clause (c) above or a transfer accompanied by a repayment of the Recapture Amount in accordance with the terms of this Mortgage, the City shall, upon prior written notice of at least ten (10) business days, execute and deliver a "Certificate of Transfer" confirming that such transfer is a permitted transfer hereunder and effective to deliver legal title to the transferee. In addition, within thirty (30) days of receipt of a written request from Mortgagor, Mortgagee shall execute a release of the Mortgage in recordable form.

MORTGAGOR ACKNOWLEDGES AND AGREES THAT, TO THE EXTENT THE AFFORDABILITY COVENANTS, ANYTHING IN THIS **EXHIBIT C**, OR ANY OTHER PROVISION IN THIS MORTGAGE COULD BE DEEMED A RESTRAINT ON ALIENATION, THAT ANY SUCH RESTRAINT (A) IS REASONABLE, (B) IS, AS EXPLAINED IN THE RECITALS HERETO, SUPPORTED BY ADEQUATE CONSIDERATION, (C) IS NECESSARY TO IMPLEMENT THE CITY'S PUBLIC POLICY OBJECTIVE OF DEVELOPING AND MAINTAINING AFFORDABLE HOUSING, (D) SHOULD BE ENFORCED AS WRITTEN, AND (E) WAS A MATERIAL INDUCEMENT TO THE CITY'S DECISION TO PROVIDE THE LAND TO THE DEVELOPER, WHICH HAS ENABLED MORTGAGOR TO BUY THE MORTGAGED PROPERTY FOR THE PURCHASE PRICE, WHICH PRICE IS MATERIALLY LESS THAN THE FAIR MARKET VALUE PRICE. MORTGAGOR, THEREFORE, KNOWINGLY AND VOLUNTARILY, TO THE FULLEST EXTENT PERMITTED BY LAW, WAIVES THE RIGHT TO RAISE ANY DEFENSE TO THE ENFORCEMENT OF THE AFFORDABILITY COVENANTS, WHETHER AT LAW OR IN EQUITY.