



Doc#: 1032131086 Fee: \$168.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 11/17/2010 12:24 PM Pg: 1 of 67

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REDEVELOPMENT AGREEMENT

(For Sale Projects -
Rehabilitation/Resale -
MPS LLC Interim Ownership
Assignment to Big Developer Model)
(03/11/10 Version)

Property Address: 650 North Sawyer Avenue
PIN: 16-11-214-015-0000

This instrument was prepared by,
and after recording, please return to:

Steven J. Holler
Deputy Corporation Counsel
Department of Law
City of Chicago
121 N. LaSalle Street, Room 600
Chicago, Illinois 60602

(The Above Space For Recorder's Use Only)

This **REDEVELOPMENT AGREEMENT** ("**Agreement**") is made as of the 8th day of November 2010, by and between the City of Chicago, an Illinois municipal corporation and home rule unit of government (the "**City**"), acting by and through its Department of Community Development ("**DCD**"), having its principal office at City Hall, 121 North LaSalle Street, Chicago, Illinois 60602, Mercy Portfolio Services, a Colorado non-profit corporation ("**MPS**"), having its principal office at 120 South LaSalle Street, Suite 1850, Chicago, Illinois 60603, and MPS Community I, LLC, an Illinois limited liability company ("**MPS LLC**"), having its principal office at 120 South LaSalle Street, Suite 1850, Chicago, Illinois 60603. As used in this Agreement, references to the "**Developer**" shall refer to MPS LLC until such time as MPS LLC has conveyed title to the NSP Property to a Participating Entity, and thereafter shall refer to such Participating Entity (the foregoing capitalized terms are defined below).

RECITALS

A. The City has or will receive certain funds in the approximate amount of \$55,238,017 (the "**Program Funds**") from the United States Department of Housing and

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Urban Development ("**HUD**") pursuant to the provisions of the Housing and Economic Recovery Act of 2008, Public Law 110-289 – July 30, 2008, Title III – Emergency Assistance for the Redevelopment of Abandoned and Foreclosed Homes, Section 2301 et seq., as amended by the American Recovery and Reinvestment Act of 2009, H.R.1, as the same may be hereafter amended, restated or supplemented from time to time (collectively, the "**Act**") and the Notice of Allocations, Application Procedures, Regulatory Waivers Granted to and Alternative Requirements for Emergency Assistance for Redevelopment of Abandoned and Foreclosed Homes Developers under the Housing and Economic Recovery Act, 2008 issued by HUD and found at the Federal Register/Vol. 73, No. 194/Monday, October 6, 2008/Notices, as the same may be hereafter amended, restated or supplemented from time to time (the "**Regulations**").

B. The City has submitted to HUD, and HUD has approved, the City's Substantial Amendment application to HUD governing the City's use of the Program Funds in a City neighborhood stabilization program (the "**Program**") in accordance with the Act and the Regulations to address the critical impact of increasing numbers of foreclosed properties within the City of Chicago. Pursuant to such approval, the City and HUD have entered into that certain Grant Agreement dated effective as of March 27, 2009 (the "**Grant Agreement**"). The Act, the Regulations, and the Grant Agreement are collectively referred to herein as the "**NSP Legal Requirements**").

C. The NSP Legal Requirements require the City to use the Program Funds for certain eligible activities, including, without limitation: (a) establishing financing mechanisms for the purchase and redevelopment of abandoned or foreclosed homes and residential properties; (b) acquisition and rehabilitation of homes and residential properties that have been abandoned or foreclosed upon in order to sell, rent, or redevelop such homes and properties; (c) establishing a land bank for homes that have been abandoned or foreclosed; (d) demolition of blighted structures; and (e) redevelopment of demolished or vacant properties (collectively, the "**Eligible Activities**").

D. The NSP Legal Requirements require that the City allocate 25% of the Program Funds to purchase and redevelop abandoned or foreclosed upon residential properties for housing individuals whose incomes do not exceed 50% of the area median income.

E. The NSP Legal Requirements further require that the City allocate 100% of the Program Funds to Eligible Activities benefiting communities and households whose incomes do not exceed 120% of the area median income.

F. The City and MPS LLC's affiliate, MPS, have entered into that certain Agreement Between The City Of Chicago and Mercy Portfolio Services For Neighborhood Stabilization Program dated June 30, 2009 (the "**Subgrant Agreement**"), pursuant to which the City has agreed to make the Program Funds available to MPS for Eligible Activities subject to the terms and conditions of such Subgrant Agreement.

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G. In furtherance of the Program, MPS LLC, which is an affiliate of MPS, shall assist by taking title to the NSP Property (as defined in Recital H) acquired pursuant to the Program. MPS LLC shall hold title only on an interim basis in order to facilitate the initial acquisition of the property, and shall thereafter convey the property to a qualified developer ("**Participating Entity**"), who shall then rehabilitate the property and arrange for the disposition of the property.

H. Pursuant to the Real Estate Purchase and Sale Agreement dated September 27, 2010 (the "**REO Purchase Agreement**") between Federal Home Loan Mortgage Corporation (the "**REO Lender**") and MPS LLC, MPS LLC has contracted to acquire the property legally described on **Exhibit A** attached hereto and improved with the improvements described on **Exhibit A** to this Agreement (the parcel of real property and the improvements, an "**NSP Property**") for the acquisition price specified in such exhibit (the "**NSP Acquisition Price**").

I. Pursuant to the NSP Legal Requirements, prior to such acquisition, the City and MPS have (i) completed the environmental review required pursuant to 24 CFR Part 58, (ii) obtained a current market value appraisal in conformity with the appraisal requirements of 49 CFR Part 24.103, and (iii) prepared a HUD Housing Quality Standards inspection report and scope of work with respect to the NSP Property.

J. Pursuant to that certain Loan Agreement dated September 2, 2009 by and between the Local Initiatives Support Corporation ("**LISC**") and MPS (the "**Acquisition Loan Agreement**"), LISC has agreed to make an acquisition financing facility available to MPS to enable MPS LLC to acquire the NSP Property in a timely manner under the REO Purchase Agreement. In connection with the acquisition of the NSP Property, LISC has agreed to advance funds to MPS for the NSP Property in the allocable amount specified in **Exhibit A** to this Agreement (the "**NSP Acquisition Loan Amount**").

K. No later than ninety (90) days from the date of this Agreement, the City shall pay Program Funds to LISC in an amount equal to the NSP Acquisition Loan Amount, plus any accrued interest thereon, in order to repay the LISC acquisition loan described above.

L. Upon acquiring the NSP Property MPS LLC shall secure the property. MPS LLC and the City shall thereafter identify the Participating Entity that shall rehabilitate the NSP Property and, upon such identification, shall convey the NSP Property to such Participating Entity, which shall thereafter complete the rehabilitation work specified herein and in the Exhibits attached hereto.

M. After the date hereof, the Participating Entity shall enter into a loan agreement with a to-be-identified private lender (the "**NSP Rehabilitation Lender**") reasonably acceptable to MPS and the City, for financing up to an amount necessary to complete the rehabilitation of the NSP Property, as specified in **Exhibit A** to this Agreement (the "**NSP Rehabilitation Loan Amount**"). In connection with the funding

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of the NSP Rehabilitation Loan Amount, MPS and the City shall be obligated to make available to such NSP Rehabilitation Lender Program Funds in an amount equal to the NSP Rehabilitation Loan Amount that the NSP Rehabilitation Lender has agreed to fund for the rehabilitation of the NSP Property. The sum of the NSP Rehabilitation Loan Amount and NSP Acquisition Price shall equal the “**NSP Total Development Cost**,” as specified in **Exhibit A** to this Agreement.

N. After completing the rehabilitation of the NSP Property, the Developer shall sell such property in accordance with the NSP Legal Requirements and this Agreement to a homebuyer or, in the alternative, shall sell such property to a qualified not-for-profit entity, which thereafter shall rent such property to an income-qualified household in accordance with the NSP Legal Requirements and this Agreement under a lease-to-own program acceptable to the City and MPS (any such resale, a “**Disposition**”). The Developer shall not be liable for any short fall, in the event that proceeds arising from any Disposition are less than the NSP Total Development Cost.

O. At the time of the Disposition, any proceeds arising from such Disposition and the permanent refinancing of the property shall, after payment of all permitted indebtedness and transaction costs, be paid to the City as program income.

P. The NSP Legal Requirements require the Developer’s execution of this Redevelopment Agreement in favor of the City and MPS (collectively, the “**NSP Parties**”), which secures certain performance and payment covenants intended to assure that the Developer complies with such legal requirements and achieves the affordable housing objectives of the Program.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

SECTION 1. INCORPORATION OF RECITALS AND EXHIBITS.

The recitals set forth above, together with the information set forth in the Exhibits attached hereto, constitute an integral part of this Agreement and are incorporated herein by this reference with the same force and effect as if set forth herein as agreements of the parties.

SECTION 2. ACQUISITION.

Subject to its receipt of sufficient Program Funds, MPS LLC agrees to purchase the NSP Property on the Closing Date (as defined below) for the NSP Acquisition Price set forth in **Exhibit A** to this Agreement. Based on such Exhibit, the NSP Acquisition Price shall be \$6,643.

SECTION 3. CLOSING COSTS.

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Subject to its receipt of the NSP Acquisition Loan Amount, MPS LLC shall pay all due diligence, closing and other reasonable and customary costs associated with its acquisition of the NSP Property, including, without limitation: (a) a survey of such NSP Property, which may or may not be an ALTA/ASCM survey, but which shall be sufficient to enable a title insurer to issue extended coverage over the standard exceptions that relate to survey issues; (b) an owner's policy of title insurance in the amount of the NSP Acquisition Price with respect to the NSP Property (the "**Title Policy**"); and (c) an inspector's report detailing the condition of the NSP Property and setting forth a required scope of rehabilitation work for such NSP Property prior to its resale, which scope of work shall, together with any additional work items identified by MPS LLC as a result of its inspection of the NSP Property, serve as the basis for the required work applicable to such NSP Property, as set forth on **Exhibit B** to this Agreement (the "**Required Work**").

MPS LLC shall also provide customary purchaser closing documents, such as, for example, transfer tax declarations, and ALTA statements, in connection with the acquisition by MPS LLC of the NSP Property, and customary seller documents in connection with the disposition by MPS LLC of the NSP Property. The Participating Entity shall also provide customary purchaser and seller closing documents in connection with such entity's acquisition and disposition of the NSP Property.

SECTION 4. TERMS OF CONVEYANCE OF NSP PROPERTIES.

MPS LLC acknowledges that, upon acquiring the NSP Property, it shall hold title to such property subject to the NSP Legal Requirements and this Agreement. Notwithstanding the foregoing, the City acknowledges and agrees that MPS LLC's primary obligations under this Agreement are to: (i) facilitate the acquisition of the NSP Property; (ii) hold title to the NSP Property acquired by MPS LLC until a Participating Entity is identified to rehabilitate such property and title to such property is conveyed to such Participating Entity; (iii) secure and provide property management services for the NSP Property acquired by MPS LLC until conveyance of such property to such Participating Entity; and (iv) convey the NSP Property acquired by MPS LLC to the Participating Entity chosen for such property and to assign to such Participating Entity MPS LLC's rights and obligations under this Agreement. At the time of such conveyance and the execution by MPS LLC and such Participating Entity of a written assignment and assumption agreement, MPS LLC shall be released from any further obligations under this Agreement with respect to the NSP Property so conveyed to such Participating Entity.

Prior to purchasing the NSP Property under the REO Purchase Agreement, the City, MPS and MPS LLC have conducted such due diligence as is appropriate to reasonably satisfy themselves as to all title, survey, real estate tax, environmental, zoning, accessibility, and other matters, including, without limitation, the physical condition of such NSP Property and any necessary or appropriate repairs, including, without limitation, the Required Work for the property.

MPS LLC shall (in arriving at the NSP Acquisition Price paid to the REO Lender,

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or otherwise) pay-off, cause to be paid-off or otherwise cause the termination and release all liens (other than real estate taxes, which are dealt with below) of a definite and ascertainable amount. The Title Policy shall insure title in MPS LLC free and clear of any such liens.

MPS LLC shall also (in arriving at the NSP Acquisition Price paid to the REO Lender, or otherwise) pay or cause to be paid all general real estate taxes due and payable as of the Closing Date (as defined below). MPS LLC shall also pay all general real estate taxes that become due and payable during the period in which MPS LLC is in title to the NSP Property (including any taxes attributable to the period prior to the Closing Date, but which become due and payable during the period in which MPS LLC is in title). Upon any assignment by MPS LLC to the Participating Entity of its rights and obligations under this Agreement, such Participating Entity shall assume such payment obligation. Such Participating Entity shall also provide any purchaser of the NSP Property with a customary credit or pro ration for general real estate taxes attributable to the period prior to the conveyance date to such purchaser that become due and payable after such conveyance date.

SECTION 5. CLOSING DATE.

Provided that the conditions precedent set forth in Section 6 below have been satisfied, MPS LLC shall acquire the NSP Property on the closing date established under the REO Purchase Agreement at such location as MPS LLC and the REO Lender may designate. If such conditions precedent have not been satisfied by such closing date, the closing date shall occur upon MPS LLC's satisfaction of such conditions, provided the REO Lender agrees to extend the closing date. One or more closings may occur under this Agreement. The date on which any such closing occurs, as determined pursuant to this Section 5, is referred to herein as a "**Closing Date**".

SECTION 6. CONDITIONS PRECEDENT TO CLOSING.

Prior to the Closing Date, MPS LLC shall have prepared or obtained, and, at the City's request, delivered to the City, each of the following, unless the City, in its sole discretion, elects to waive such a closing condition.

A. Insurance. Evidence of insurance satisfying the requirements of **Exhibit C** attached hereto.

B. Project Budget and Cash Flow Statements. A project budget and cash flow statement, for the NSP Property, setting forth: (i) the cost of the Required Work for such NSP Property, including any emergency repairs needed to address immediate health and safety issues, necessary to bring such NSP Property into compliance with the NSP Legal Requirements and applicable Laws (as defined in Section 8 hereof) and in a condition suitable for resale; (ii) any initial operating losses (i.e., negative cash flow prior to the time that the Developer's rehabilitation work is complete and the Disposition of such NSP Property), including all real estate taxes for the period of the ownership of

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such NSP Property by MPS LLC and any Participating Entity prior to the disposition of such NSP Property (both real estate taxes payable during such period, and any accruing real estate taxes that may become payable after such period of ownership) ("**Initial Operating Losses**"), and (iii) a reasonable developer's fee permitted under the Regulations and approved by the City (the "**Permitted Developer's Fee**"), or such other project budget and cash flow statement for such NSP Property as shall be acceptable to the City (collectively, the "**Approved Budget**").

C. Organizational and Authority Documents. With respect to MPS LLC, copies of its good standing certificate or certificate of existence; certified copies of its articles of organization and operating agreement; and an officer's certificate identifying the persons authorized to act on behalf of MPS LLC and including specimen signatures.

D. Reconveyance Deed. A deed from MPS LLC for the NSP Property conveying such NSP Property to the City, which the City shall hold in trust as security for MPS LLC's performance of its obligations under this Agreement. Such deed shall be cancelled by the City and returned to MPS LLC concurrently with the conveyance of such property by MPS LLC to the Participating Entity. If an NSP Property is conveyed to a Participating Entity for rehabilitation, such Participating Entity shall, concurrently with such conveyance, execute and deliver to the City separate reconveyance deeds for the NSP Property conveying such NSP Property both (i) to the City, and, in the alternative, (ii) to MPS LLC. The City shall hold such deeds in trust as security for such Participating Entity's obligations under this Agreement and shall not record them unless a default occurs under this Agreement or the City exercises its repurchase rights under Section 8 of this Agreement (subject to the City's payment of the amounts due thereunder).

E. Preliminary Site Drawings or Plans and Specifications. Preliminary site drawings and plans and specifications ("**Preliminary Drawings**") for the Required Work for the NSP Property.

F. General Contract. The general contract for the Required Work for the NSP Property, to the extent that MPS LLC or the Developer engages a general contractor for the Required Work.

G. Sworn Statements. An owner's sworn statement from MPS LLC and a general contractor's sworn statement from the general contractor for the Required Work for the NSP Property.

H. Financing. Evidence of financing under the Rehabilitation Loan Agreement or other financing acceptable to the City, and evidence of developer equity for the NSP Property, if any, not less than the sum of the NSP Acquisition Price, the cost of the Required Work, any Initial Operating Losses and the Permitted Developer's Fee, or such other amount as City, in its sole discretion, may deem necessary or appropriate.

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I. Performance Deposit. If MPS LLC is to be the Developer, in lieu of a payment or performance bond, MPS LLC shall provide to the City a performance deposit ("**Performance Deposit**") that shall be held as security under this agreement to secure the completion of the Required Work. Such Performance Deposit shall be funded in an amount equal to three (3) months of holding costs (e.g., real estate taxes, insurance costs, financing costs and property management costs), as reasonably estimated by the City. If it is anticipated that the Participating Entity shall act as Developer, such Performance Deposit shall be made at the time of the conveyance of the NSP Property by MPS LLC to such Participating Entity. Such Performance Deposit shall be further subject to the provisions of Section 9 and Section 15.5 below.

J. City Mortgage; Other Documents. A mortgage encumbering the NSP Property in favor of the City and such other documents as may be required under the NSP Legal Requirements or which the City may reasonably require.

If any closing conditions in this Section 6 have not been satisfied to the reasonable satisfaction of the City with respect to the NSP Property within forty-five (45) days of the date of this Agreement, the City may, at its option, terminate this Agreement as to the NSP Property, in which event, except as otherwise specifically provided, neither party shall have any further right, duty or obligation hereunder with respect to the NSP Property. Alternatively, at its option, the City may opt to delay the Closing until such time as any unsatisfied closing conditions have been satisfied as to the NSP Property.

As a condition to the conveyance of the NSP Property by MPS LLC to the Participating Entity, MPS LLC and the City shall obtain the deliveries required under Sections 6.A, C, D, E (except that such Preliminary Drawings shall have been finalized into permit-ready final drawings ("**Final Drawings**"), F, G, H, I and J above, as applicable to the Participating Entity and its general contractor.

SECTION 7. LIMITED APPLICABILITY.

The approval of any Preliminary Drawings or Final Drawings by the City is for the purposes of this Agreement only and does not constitute the approval required by the City's Department of Buildings or any other City department; nor does any approval by the City pursuant to this Agreement constitute an approval by the City of the quality, structural soundness or safety of any improvements located on the NSP Property, or their compliance with the NSP Legal Requirements, any Laws (as defined in Section 8 below), or any covenants, conditions or restrictions of record.

The submission of any Preliminary Drawings by MPS LLC for the purposes of satisfying condition precedent Section 6.E. does not constitute a representation or warranty by the MPS LLC of such preliminary drawings' compliance with the NSP Legal Requirements, any Laws (as defined in Section 8 below), or any covenants, conditions or restrictions of record. Final Drawings shall comply with the NSP Legal Requirements, any applicable Laws, and any applicable covenants, conditions and

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restrictions.

SECTION 8. REHABILITATION AND RESALE OF IMPROVEMENTS.

The Developer shall: (a) commence the Required Work for the NSP Property promptly upon acquiring title to such property and shall thereafter diligently proceed to complete such Required Work within six (6) months of such acquisition date (this requirement shall not apply to MPS LLC with respect to the NSP Property that is to be conveyed to a Participating Entity for rehabilitation); and (b) use commercially reasonable efforts to resell the NSP Property (i.e., actually close on the resale) within six (6) months after the date that such rehabilitation is complete. If, despite such commercially reasonable efforts, the Developer has failed to resell such NSP Property within such second six (6) month period, such failure shall not be deemed a default under this Agreement. However, such failure shall entitle the City to elect, at its sole option, to repurchase such NSP Property from the Developer for an amount equal to the sum of (i) the NSP Acquisition Price, (ii) the costs reasonably incurred by the Developer in performing the Required Work on such property (not to exceed the amount thereof included in the Approved Budget), (iii) any Initial Operating Losses to date, and (iv) one-half of the Permitted Developer's Fee. The City may offset against such purchase price an amount equal to any subsidies from Program Funds provided by the City with respect to such NSP Property (or pledged to any lender providing acquisition or rehabilitation financing in repayment of any such financing), and may also offset any other amounts owed by the Developer under this Agreement. The City may cause the reconveyance deed(s) deposited pursuant to Section 6.D to be recorded in order to consummate such repurchase in accordance with Section 8 below. If the reconveyance deed runs to MPS LLC, upon the City's written request, MPS LLC shall thereafter convey such NSP Property to the City. The Developer shall cooperate in executing any additional documents required in connection therewith.

The Required Work for the NSP Property shall be completed in accordance with the NSP Legal Requirements, this Agreement, the Drawings and all applicable Laws. "Laws" shall mean and include all federal, state and local laws, statutes, ordinances, rules, regulations, OMB Circulars, and executive orders as are now or may be in effect during the term of the Agreement, which may be applicable to the Developer, such Required Work, and the Developer's obligations under this Agreement, including but not limited to: (i) the Lead-Based Paint Poisoning Prevention Act, 42 U.S.C. Section 4831(b); (ii) the Contract Work Hours and Safety Standards Act, 40 U.S.C. Section 327 et seq., as supplemented by U.S. Department of Labor regulations at 29 C.F.R. Part 5; (iii) the Copeland "Anti-kickback" Act, 18 U.S.C. Section 874, as supplemented by U.S. Department of Labor regulations at 29 C.F.R. Part 3; (iv) Section 104(g) of the Housing and Community Development Act of 1974, 42 U.S.C. Section 5301 et seq., and 24 C.F.R. Part 58; (v) Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. Section 794 and implementing regulations at 24 C.F.R. Part 8, Subpart C; (vi) 24 C.F.R. Part 24; (vii) the Americans with Disabilities Act of 1990, Public Law 101-336 dated July 26, 1990; (viii) the Fair Housing Amendments Act of 1988, Public Law 100-430 dated September

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13, 1988; (ix) the Davis-Bacon Act (unless determined by HUD to be inapplicable); (x) the City of Chicago Landlord - Tenant Ordinance, Municipal Code of Chicago, Chapter 5-12; (xi) Title I of the Housing and Community Development Act of 1974, as amended and as applicable, and the Community Development Block Grant Regulations promulgated pursuant thereto at 24 CFR Part 570; and (xii) all environmental laws, including but not limited to the Municipal Code of Chicago, Section 7-28-390, 7-28-440, 11-4-1410, 11-4-1420, 11-4-1450, 11-4-1500, 11-4-1530, 11-4-1550, or 11-4-1560, whether or not in the performance of this Agreement.

SECTION 9. CERTIFICATE OF COMPLETION.

Upon the completion of the Required Work for the NSP Property, the Developer may request from MPS a certificate of completion ("Certificate of Completion") for such property. The Developer may execute a contract to sell the NSP Property, but may not close under such contract prior to the issuance of a Certificate of Completion for such property. If, at the time that MPS receives such a request from the Developer with respect to the NSP Property, the Developer has not completed the Required Work for such property satisfactorily, as reasonably determined by the NSP Parties, or has otherwise failed to perform its obligations under this Agreement, the NSP Parties shall so advise the Developer. The Developer shall have the right to satisfactorily complete any Required Work for such property and perform any unperformed obligation and to re-request the issuance of a Certificate of Completion for such property. Upon issuance of the Certificate of Completion, the Performance Deposit shall be refunded to the Developer, provided no amounts are owed by the Developer to the City under this Agreement. The Reconveyance Deeds delivered to the City and MPS LLC shall be cancelled by the City and MPS LLC and returned to such Developer concurrently with the sale of the NSP Property to an income-qualified household, in accordance with the NSP Legal Requirements and as provided in Sections 10 and 11 of this Agreement.

SECTION 10. RESTRICTIONS ON USE.

The Developer agrees that it:

10.1 Shall not discriminate based upon race, color, religion, sex, gender identity, disability, marital status, parental status, national origin or ancestry, military discharge status, sexual orientation, source of income, age or handicap, in the sale, lease, rental, use or occupancy of the NSP Property; and

10.2 Shall rehabilitate the NSP Property acquired by the Developer by performing the Required Work for such NSP Property and, upon completion of the Required Work for such NSP Property, resell such rehabilitated NSP Property only (a) to an income-qualified household in accordance with the NSP Legal Requirements (as determined under the City Junior Mortgage, as defined below), and (b) pursuant to a sale contract in form and substance reasonably acceptable to MPS and the City but which, at a minimum, shall (i) include a one year warranty with respect to the Required Work performed by the Developer, and (ii) attach as an exhibit the Mortgage, Security

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and Recapture Agreement, Including Residency, Transfer, Resale, Financing and Refinancing Covenants and Due on Sale Provision in the form of **Exhibit D** to this Agreement (the "**City Junior Mortgage**"); and

10.3 Shall, in connection with the closing of the sale of such NSP Property, cause the homebuyer to execute a City Junior Mortgage encumbering such property and cause such instrument to be recorded in the Recorder's Office concurrently with the recording of the deed conveying such NSP Property to such homebuyer.

SECTION 11. PROHIBITION AGAINST TRANSFER OF NSP PROPERTY.

Prior to the issuance of the Certificate of Completion for an NSP Property, the Developer may not, without the prior written consent of MPS and the City, which consent shall be in the sole discretion of MPS and the City: (a) directly or indirectly sell or convey such NSP Property or any part thereof or any interest therein or the Developer's controlling interests therein (except the conveyance by MPS LLC to a Participating Entity); or (b) directly or indirectly assign this Agreement (except in connection with an assignment of this Agreement by MPS LLC to a Participating Entity). If the Developer is a business entity, no principal party of the Developer (e.g., a general partner, member, manager or shareholder) may sell, transfer or assign any of its interest in the Developer prior to the issuance of the Certificate of Completion for all NSP Properties acquired by the Developer to anyone other than another principal party of the Developer without the prior written consent of MPS and the City, which consent shall be in the sole discretion of MPS and the City. In the event of a proposed sale of an NSP Property, the Developer shall provide MPS and the City with copies of any and all sale contracts and such other information as MPS and the City may reasonably request. The proposed buyer must be qualified to do business with the City (including, without limitation, the anti-scofflaw requirement). Any transfer of an NSP Property shall be subject to the NSP Legal Requirements and this Agreement.

SECTION 12. LIMITATION UPON ENCUMBRANCE OF NSP PROPERTY.

Prior to the issuance of the Certificate of Completion for an NSP Property, the Developer shall not, without the prior written consent of MPS and the City, which consent shall be in the sole discretion of MPS and the City, engage in any financing or other transaction which creates an encumbrance or lien on such NSP Property, except for the financing provided under the Acquisition Loan Agreement and the Rehabilitation Loan Agreement.

SECTION 13. MORTGAGEES NOT OBLIGATED TO CONSTRUCT.

The holder of any mortgage on an NSP Property approved pursuant to Section 6.H hereof shall not itself be obligated to construct or complete the Required Work for such NSP Property, but shall be bound by the covenants running with the land specified in Section 14. If any such mortgagee succeeds to the Developer's interest in an NSP Property prior to issuance of a Certificate of Completion for such property, whether by

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foreclosure, deed-in-lieu of foreclosure or otherwise, and thereafter transfers its interest in such NSP Property to another party, such transferee shall be obligated to complete the Required Work for such property, and shall also be bound by all other obligations of the Developer under this Agreement with respect to such property.

SECTION 14. COVENANTS RUNNING WITH THE LAND.

The parties agree that, in addition to the NSP Legal Requirements, the covenants provided in Sections 8 (Rehabilitation and Resale of Improvements), 10 (Restrictions on Use), 11 (Prohibition Against Transfer of NSP Property) and 12 (Limitation Upon Encumbrance of NSP Property) will be covenants running with the land, binding on the Developer and its successors and assigns (subject to the limitation set forth in Section 13 above as to any permitted mortgagee) to the fullest extent permitted by law and equity, for the benefit and in favor of the NSP Parties, and shall be enforceable by either of the NSP Parties. The covenant contained in Section 10.1 shall have no limitation as to time. The covenants provided in Sections 8, 10.2, 10.3, 11 and 12 shall terminate as to an NSP Property upon the sale of such NSP Property in accordance with Section 10.2 and the recording of the City Junior Mortgage in accordance with Section 10.3.

SECTION 15. PERFORMANCE AND BREACH.

15.1 Time of the Essence. Time is of the essence in the Developer's performance of its obligations under this Agreement.

15.2 Permitted Delays. The Developer shall not be considered in breach of its obligations under this Agreement in the event of "force majeure" delays due to unforeseeable causes beyond the Developer's control and without the Developer's fault or negligence. The time for the performance of the obligations shall be extended only for the period of the delay. This Section 15.2 shall not operate to excuse the performance of any action required under the NSP Legal Requirements.

15.3 Cure. If the Developer defaults in the performance of its obligations under this Agreement, including any obligation under the NSP Legal Requirements incorporated herein by reference, the Developer shall have thirty (30) days after written notice of default from the NSP Parties to cure the default. Notwithstanding the foregoing, no notice or cure period shall apply to defaults under Sections 15.4 (d) or (f).

15.4 Event of Default. The occurrence of any one or more of the following, which is not cured within the cure period provided for in Section 15.3, shall constitute an "Event of Default" under this Agreement:

- (a) The Developer fails to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations under this Agreement, including any obligation under the NSP Legal Requirements; or

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- (b) The Developer makes or furnishes a warranty, representation, statement or certification to any of the NSP Parties (whether in this Agreement, an Economic Disclosure Statement, or another document) that is not true and correct; or
- (c) A petition is filed by or against the Developer under the Federal Bankruptcy Code or any similar state or federal law, whether now or hereafter existing, which is not vacated, stayed or set aside; or
- (d) The Developer abandons or substantially suspends completion of the Required Work with respect to the NSP Property acquired by the Developer; or
- (e) The Developer fails to timely pay real estate taxes or permits any levy or attachment, lien, or any other encumbrance unauthorized by this Agreement to attach to the NSP Property acquired by the Developer; or
- (f) The Developer makes an assignment, pledge, unpermitted financing, encumbrance, transfer or other disposition in violation of this Agreement; or
- (g) There is a change in the Developer's financial condition or operations that would materially affect the Developer's ability to complete any Required Work for the NSP Property acquired by the Developer.

15.5. Remedies. If an Event of Default occurs prior to the issuance of the Certificate of Completion for the NSP Property, and the default is not cured in the time period provided for herein, either of the NSP Parties may exercise any and all remedies available at law or in equity, including, without limitation, the right to record the reconveyance deed, re-enter and take possession of such NSP Property, terminate the Developer's estate in such NSP Property, and vest title to such NSP Property in the City or MPS LLC; provided, however, the vesting of title in the City or MPS LLC shall be limited by, and shall not defeat, render invalid, or limit in any way, the lien of any mortgage authorized by Section 6.H of this Agreement. In addition, the NSP Parties shall be entitled to recover from the Developer any costs incurred in enforcing the remedies of the NSP Parties or in curing the Event of Default, shall be entitled to retain the Performance Deposit, and shall be entitled to exercise any other rights and remedies available under this Agreement. The terms of this Section 15.5 shall in no way limit the rights of the NSP Parties under Section 8 hereof.

15.6 Reimbursement of City from Transfer Proceeds. If, as a result of the exercise of the remedies provided for under this Section 15, the City or MPS LLC reacquires title to the NSP Property, or causes title to the NSP Property to be conveyed to a new developer, the net transfer proceeds from any such transfer of such NSP Property shall be utilized to reimburse the NSP Parties for:

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- (a) costs and expenses incurred (including, without limitation, salaries of personnel) in connection with the reacquisition of title, management and resale of such NSP Property (less any income derived from such NSP Property in connection with such management); and
- (b) all unpaid taxes, assessments, and water and sewer charges assessed against such NSP Property; and
- (c) any payments made (including, without limitation, reasonable attorneys' fees and court costs) to release or discharge encumbrances or liens due to obligations, defaults or acts of the Developer; and
- (d) any expenditures made or obligations incurred with respect to the Required Work for such NSP Property; and
- (e) any other amounts owed to the NSP Parties, or either of them, by the Developer; and
- (f) any reserves that MPS LLC or the City, in its sole discretion, determines should be established to assure the continued maintenance of such NSP Property in accordance with the NSP Legal Requirements and this Agreement prior to its resale.

The Developer shall be entitled to receive any remaining proceeds, if any, up to the amount of one-half of the Developer's permitted Developer's Fee (or, if MPS LLC is the Developer, MPS shall be entitled to receive any such remaining proceeds up to the amount of the permitted project services fee payable under the Management Agreement dated June 30, 2009 between the City and MPS).

15.7 Waiver and Estoppel. Any delay by the NSP Parties in instituting or prosecuting any actions or proceedings or otherwise asserting their rights shall not operate as a waiver of such rights or operate to deprive the NSP Parties of or limit such rights in any way. No waiver made by the NSP Parties with respect to any specific default by the Developer shall be construed, considered or treated as a waiver of the rights of the NSP Parties with respect to any other defaults of the Developer.

15.8 Direct Enforcement By City or MPS. If, after the date hereof, the City elects to directly enforce the rights of the NSP Parties under this Agreement, and delivers written notice of such election to the Developer, then the City, and not MPS, shall be entitled to exercise the rights afforded and the remedies provided for herein. The Developer acknowledges that, in such event, it shall continue to be subject to the enforcement of such rights and remedies. Without limiting the generality of the foregoing, in such event, the reconveyance deed(s) to MPS LLC deposited pursuant to Section 6.H. shall be cancelled and destroyed and the City shall be entitled to record the reconveyance deed(s) to the City conveying the NSP Property held by the Developer (other than an NSP Property for which a Certificate of Completion has been

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issued). In the alternative, MPS, with the written consent of the City, shall be entitled to exercise the rights afforded and the remedies provided for herein. The Developer acknowledges that in such event, the reconveyance deed(s) to the City deposited pursuant to Section 6.D shall be cancelled and destroyed and MPS shall be entitled to record the reconveyance deeds to MPS LLC conveying the NSP Property held by the Developer (other than an NSP Property for which a Certificate of Completion has been issued).

SECTION 16. CONFLICT OF INTEREST; CITY'S REPRESENTATIVES NOT INDIVIDUALLY LIABLE.

The Developer warrants that no agent, official or employee of the City shall have any personal interest, direct or indirect, in this Agreement or the NSP Property, nor shall any such agent, official or employee participate in any decision relating to this Agreement which affects his or her personal interests or the interests of any entity or association in which he or she is directly or indirectly interested. No agent, official or employee of the City shall be personally liable to the Developer or any successor in interest in the event of any default or breach by the City or for any amount which may become due to the Developer or successor or on any obligation under the terms of this Agreement.

SECTION 17. INDEMNIFICATION.

The Developer agrees to indemnify, defend and hold the NSP Parties harmless from and against any losses, costs, damages, liabilities, claims, suits, actions, causes of action and expenses (including, without limitation, reasonable attorneys' fees and court costs) suffered or incurred by any NSP Party arising from or in connection with: (a) the failure of such Developer to perform its obligations under the NSP Legal Requirements or under this Agreement; (b) the failure of such Developer or any contractor to pay contractors, subcontractors or material suppliers in connection with the construction of the Required Work for the NSP Property acquired by such Developer; (c) any misrepresentation or omission made by such Developer or agents, employees, contractors or other persons acting under the control or at the request of such Developer; (d) the failure of such Developer to redress any misrepresentations or omissions in this Agreement or any other agreement relating hereto; and (e) any activity undertaken by such Developer on the NSP Property prior to or after the Closing. This indemnification shall survive the Closing or any termination of this Agreement (regardless of the reason for such termination).

SECTION 18. ENVIRONMENTAL MATTERS.

The NSP Parties make no covenant, representation or warranty as to the environmental condition of the NSP Property or the suitability of the NSP Property for any purpose whatsoever, and the Developer agrees to accept the NSP Property "as is."

If the environmental condition of the NSP Property is not in all respects entirely

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suitable for its intended use, it shall be the Developer's sole responsibility and obligation to take such action as is necessary to put such NSP Property in a condition which is suitable for its intended use. The Developer hereby waives, releases and indemnifies the NSP Parties from any claims and liabilities relating to or arising from the environmental condition of the NSP Property, including, without limitation, claims arising under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA"), and shall undertake and discharge all liabilities of the NSP Parties arising from any environmental condition which existed on the NSP Property prior to the Closing, including, without limitation, liabilities arising under CERCLA. The provisions of this paragraph shall survive the Closing or any termination of this Agreement (regardless of the reason for such termination).

SECTION 19. DEVELOPER'S EMPLOYMENT OBLIGATIONS.

19.1 Employment Opportunity. The Developer agrees, and shall contractually obligate its various contractors, subcontractors and any affiliate of the Developer operating on the NSP Property (collectively, the "Employers" and individually, an "Employer") to agree that with respect to the provision of services in connection with the construction of the Required Work or occupation of such NSP Property:

(a) Neither the Developer nor any Employer shall discriminate against any employee or applicant for employment based upon race, religion, color, sex, gender identity, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income as defined in the City of Chicago Human Rights Ordinance, Section 2-160-010 et seq. of the Municipal Code of Chicago, as amended from time to time (the "Human Rights Ordinance"). The Developer and each Employer shall take affirmative action to ensure that applicants are hired and employed without discrimination based upon the foregoing grounds, and are treated in a non-discriminatory manner with regard to all job-related matters, including, without limitation: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Developer and each Employer agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the City setting forth the provisions of this nondiscrimination clause. In addition, the Developer and each Employer, in all solicitations or advertisements for employees, shall state that all qualified applicants shall receive consideration for employment without discrimination based upon the foregoing grounds.

(b) To the greatest extent feasible, the Developer and each Employer shall present opportunities for training and employment of low and moderate income residents of the City, and provide that contracts for work in connection with the construction of the Required Work for the NSP Property acquired by the Developer be awarded to business concerns which are located in, or owned in substantial part by persons residing in, the City.

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(c) The Developer and each Employer shall comply with all federal, state and local equal employment and affirmative action statutes, rules and regulations, including, without limitation, the Human Rights Ordinance, and the Illinois Human Rights Act, 775 ILCS 5/1-101 et seq. (1993), and any subsequent amendments and regulations promulgated thereto.

(d) The Developer, in order to demonstrate compliance with the terms of this Section, shall cooperate with and promptly and accurately respond to inquiries by the City, which has the responsibility to observe and report compliance with equal employment opportunity regulations of federal, state and municipal agencies.

(e) The Developer and each Employer shall include the foregoing provisions of subparagraphs (a) through (d) in every contract entered into in connection with the construction of the Required Work for the NSP Property acquired by the Developer, and shall require inclusion of these provisions in every subcontract entered into by any subcontractors, and every agreement with any affiliate operating on such NSP Property, so that each such provision shall be binding upon each contractor, subcontractor or affiliate, as the case may be.

(f) Failure to comply with the employment obligations described in this Section 19.1 shall be a basis for the City to pursue remedies under the provisions of Section 15.

19.2 City Resident Employment Requirement.

(a) The Developer agrees, and shall contractually obligate each Employer to agree, that during the construction of the Required Work for the NSP Property acquired by the Developer, it and they shall comply with the minimum percentage of total worker hours performed by actual residents of the City of Chicago as specified in Section 2-92-330 of the Municipal Code of Chicago (at least fifty percent of the total worker hours worked by persons on the construction of the Required Work for such NSP Property shall be performed by actual residents of the City of Chicago); provided, however, that in addition to complying with this percentage, the Developer and each Employer shall be required to make good faith efforts to utilize qualified residents of the City of Chicago in both unskilled and skilled labor positions.

(b) The Developer and the Employers may request a reduction or waiver of this minimum percentage level of actual residents of the City of Chicago as provided for in Section 2-92-330 of the Municipal Code of Chicago in accordance with standards and procedures developed by the Chief Procurement Officer of the City of Chicago.

(c) **"Actual residents of the City of Chicago"** shall mean persons

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domiciled within the City of Chicago. The domicile is an individual's one and only true, fixed and permanent home and principal establishment.

(d) The Developer and the Employers shall provide for the maintenance of adequate employee residency records to ensure that actual residents of the City of Chicago are employed on the construction of the Required Work for the NSP Property acquired by the Developer. The Developer and the Employers shall maintain copies of personal documents supportive of every Chicago employee's actual record of residence.

(e) The Developer and the Employers shall submit weekly certified payroll reports (U.S. Department of Labor Form WH-347 or equivalent) to the Department of Community Development of the City in triplicate, which shall identify clearly the actual residence of every employee on each submitted certified payroll. The first time that an employee's name appears on a payroll, the date that the Developer or Employer hired the employee should be written in after the employee's name.

(f) The Developer and the Employers shall provide full access to their employment records to the Chief Procurement Officer, DCD, the Superintendent of the Chicago Police Department, the Inspector General, or any duly authorized representative thereof. The Developer and the Employers shall maintain all relevant personnel data and records for a period of at least three (3) years from and after the issuance of the Certificate of Completion.

(g) At the direction of DCD, the Developer and the Employers shall provide affidavits and other supporting documentation to verify or clarify an employee's actual address when doubt or lack of clarity has arisen.

(h) Good faith efforts on the part of the Developer and the Employers to provide work for actual residents of the City of Chicago (but not sufficient for the granting of a waiver request as provided for in the standards and procedures developed by the Chief Procurement Officer) shall not suffice to replace the actual, verified achievement of the requirements of this Section concerning the worker hours performed by actual residents of the City of Chicago.

(i) If the City determines that the Developer or an Employer failed to ensure the fulfillment of the requirements of this Section concerning the worker hours performed by actual residents of the City of Chicago or failed to report in the manner as indicated above, the City will thereby be damaged in the failure to provide the benefit of demonstrable employment to actual residents of the City of Chicago to the degree stipulated in this Section. If such non-compliance is not remedied in accordance with the breach and cure provisions of Section 15.3, the parties agree that 1/20 of 1 percent (.05%) of the aggregate hard construction costs set forth in the Budget shall be surrendered by the Developer and for the Employers to the City in payment for each percentage of shortfall toward the

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stipulated residency requirement. Failure to report the residency of employees entirely and correctly shall result in the surrender of the entire liquidated damages as if no actual residents of the City of Chicago were employed in either of the categories. The willful falsification of statements and the certification of payroll data may subject the Developer and/or the other Employers or employees to prosecution.

(j) Nothing herein provided shall be construed to be a limitation upon the "Notice of Requirements for Affirmative Action to Ensure Equal Employment Opportunity, Executive Order 11246" and "Standard Federal Equal Employment Opportunity, Executive Order 11246," or other affirmative action required for equal opportunity under the provisions of this Agreement.

(k) The Developer shall cause or require the provisions of this Section 19.2 to be included in all construction contracts and subcontracts related to the construction of the Required Work for the NSP Property acquired by the Developer.

19.3 Developer's MBE/WBE Commitment. The Developer agrees for itself and its successors and assigns, and, if necessary to meet the requirements set forth herein, shall contractually obligate the general contractor to agree that during the construction of the Required Work for the NSP Property acquired by the Developer:

(a) Consistent with the findings which support, as applicable, (i) the Minority-Owned and Women-Owned Business Enterprise Procurement Program, Section 2-92-420 et seq., Municipal Code of Chicago (the "Procurement Program"), and (ii) the Minority- and Women-Owned Business Enterprise Construction Program, Section 2-92-650 et seq., Municipal Code of Chicago (the "Construction Program," and collectively with the Procurement Program, the "MBE/WBE Program"), and in reliance upon the provisions of the MBE/WBE Program to the extent contained in, and as qualified by, the provisions of this Section 19.3, during the course of construction of the Required Work for such NSP Property, at least 24% of the aggregate hard construction costs shall be expended for contract participation by minority-owned businesses ("MBEs") and at least 4% of the aggregate hard construction costs shall be expended for contract participation by women-owned businesses ("WBEs").

(b) For purposes of this Section 19.3 only:

(i) The Developer (and any party to whom a contract is let by the Developer in connection with the Required Work) shall be deemed a "contractor" and this Agreement (and any contract let by the Developer in connection with the Required Work for such NSP Property) shall be deemed a "contract" or a "construction contract" as such terms are defined in Sections 2-92-420 and 2-92-670, Municipal Code of Chicago, as applicable.

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(ii) The term "minority-owned business" or "MBE" shall mean a business identified in the Directory of Certified Minority Business Enterprises published by the City's Department of Procurement Services, or otherwise certified by the City's Department of Procurement Services as a minority-owned business enterprise, related to the Procurement Program or the Construction Program, as applicable.

(iii) The term "women-owned business" or "WBE" shall mean a business identified in the Directory of Certified Women Business Enterprises published by the City's Department of Procurement Services, or otherwise certified by the City's Department of Procurement Services as a women-owned business enterprise, related to the Procurement Program or the Construction Program, as applicable.

(c) Consistent with Sections 2-92-440 and 2-92-720, Municipal Code of Chicago, the Developer's MBE/WBE commitment may be achieved in part by the Developer's status as an MBE or WBE (but only to the extent of any actual work performed by the Developer on the Required Work for the NSP Property acquired by the Developer) or by a joint venture with one or more MBEs or WBEs (but only to the extent of the lesser of (i) the MBE or WBE participation in such joint venture, or (ii) the amount of any actual work performed on the Required Work for such NSP Property by the MBE or WBE); by the Developer utilizing a MBE or a WBE as the general contractor (but only to the extent of any actual work performed on the Required Work for such NSP Property by the general contractor); by subcontracting or causing the general contractor to subcontract a portion of the construction of the Required Work for such NSP Property to one or more MBEs or WBEs; by the purchase of materials or services used in the construction of the Required Work for such NSP Property from one or more MBEs or WBEs; or by any combination of the foregoing. Those entities which constitute both a MBE and a WBE shall not be credited more than once with regard to the Developer's MBE/WBE commitment as described in this Section 19.3. In accordance with Section 2-92-730, Municipal Code of Chicago, the Developer shall not substitute any MBE or WBE general contractor or subcontractor without the prior written approval of DCD.

(d) The Developer shall deliver quarterly reports to the City's monitoring staff and MPS during the construction of the Required Work for the NSP Property acquired by the Developer describing its efforts to achieve compliance with this MBE/WBE commitment. Such reports shall include, inter alia, the name and business address of each MBE and WBE solicited by the Developer or the general contractor to work on the Required Work for such NSP Property, and the responses received from such solicitation, the name and business address of each MBE or WBE actually involved in the construction of the Required Work for such NSP Property, a description of the work performed or products or services supplied, the date and amount of such work, product or

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service, and such other information as may assist the City's monitoring staff in determining the Developer's compliance with this MBE/WBE commitment. The Developer shall maintain records of all relevant data with respect to the utilization of MBEs and WBEs in connection with the construction of the Required Work for such NSP Property for at least five years after completion of the Required Work for such NSP Property, and the City's monitoring staff and MPS shall have access to all such records maintained by the Developer, on prior notice of at least five business days, to allow the City to review the Developer's compliance with its commitment to MBE/WBE participation and the status of any MBE or WBE performing any portion of the construction of the Required Work for such NSP Property.

(e) Upon the disqualification of any MBE or WBE general contractor or subcontractor, if the disqualified party misrepresented such status, the Developer shall be obligated to discharge or cause to be discharged the disqualified general contractor or subcontractor, and, if possible, identify and engage a qualified MBE or WBE as a replacement. For purposes of this subsection (e), the disqualification procedures are further described in Sections 2-92-540 and 2-92-730, Municipal Code of Chicago, as applicable.

(f) Any reduction or waiver of the Developer's MBE/WBE commitment as described in this Section 19.3 shall be undertaken in accordance with Sections 2-92-450 and 2-92-730, Municipal Code of Chicago, as applicable. Evidence of any such reduction or waiver shall be delivered to MPS and the City.

(g) Prior to the commencement of the construction of the Required Work for the NSP Property acquired by the Developer, the Developer shall meet with the City's monitoring staff with regard to the Developer's compliance with its obligations under this Section 19.3. The general contractor and all major subcontractors shall be required to attend this pre-construction meeting. During said meeting, the Developer shall demonstrate to the City's monitoring staff and MPS its plan to achieve its obligations under this Section 19.3, the sufficiency of which shall be approved by the City's monitoring staff. During the construction of the Required Work for such NSP Property, the Developer shall submit the documentation required by this Section 19.3 to the City's monitoring staff and MPS LLC, including the following: (i) subcontractor's activity report; (ii) contractor's certification concerning labor standards and prevailing wage requirements (unless such prevailing wage requirements are determined by the Corporation Counsel of the City to be inapplicable to the Required Work for such NSP Property); (iii) contractor letter of understanding; (iv) monthly utilization report; (v) authorization for payroll agent; (vi) certified payroll; and (vii) evidence that MBE/WBE contractor associations have been informed of the Required Work for such NSP Property via written notice and hearings. Failure to submit such documentation on a timely basis, or a determination by the City's monitoring staff, upon analysis of the documentation, that the Developer is not complying with its obligations under this Section 19.3, shall, upon the delivery of written

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notice to the Developer, be deemed an Event of Default. Upon the occurrence of any such Event of Default, in addition to any other remedies provided in this Agreement, the City may: (1) issue a written demand to the Developer to halt the Required Work for such NSP Property, (2) withhold any further payment of any City funds to the Developer or the general contractor, or (3) seek any other remedies against the Developer available at law or in equity.

(h) Notwithstanding anything to the contrary in Section 19, any obligation of MPS LLC in its capacity as a Developer under this Section 19, shall be tested on an aggregate basis, with respect to all of the NSP Properties rehabilitated by MPS LLC (including NSP Properties that may be rehabilitated by MPS LLC pursuant to a separate redevelopment agreement), and not for each individual NSP Property.

SECTION 20. HEADINGS.

The headings of the various sections of this Agreement have been inserted for convenience of reference only and shall not in any manner be construed as modifying, amending, or affecting in any way the express terms and provisions hereof.

SECTION 21. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the parties and supersedes and replaces completely any prior agreements between the parties with respect to the subject matter hereof. This Agreement may not be modified or amended in any manner other than by supplemental written agreement executed by the parties. The Commissioner of DCD, without further action of the City Council, but subject to the approval of the Corporation Counsel, shall have the right to execute such amendments to this Agreement as may be necessary, appropriate or desirable to implement the purposes and objectives of this Agreement, including amendments in connection with a "work-out" of this Agreement and transfer of any NSP Property (or a portion thereof) to a new developer.

SECTION 22. SEVERABILITY.

If any provision of this Agreement, or any paragraph, sentence, clause, phrase or word, or the application thereof, is held invalid, the remainder of this Agreement shall be construed as if such invalid part were never included and this Agreement shall be and remain valid and enforceable to the fullest extent permitted by law.

SECTION 23. NOTICES.

Any notice, demand or communication required or permitted to be given hereunder shall be given in writing at the addresses set forth below by any of the following means: (a) personal service; (b) facsimile; (c) overnight courier; or (d) registered or certified first class mail, postage prepaid, return receipt requested:

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If to the City: City of Chicago
 Department of Community Development
 121 North LaSalle Street
 Chicago, Illinois 60602
 Attention: Commissioner

With copies to: City of Chicago
 Department of Law
 121 North LaSalle Street, Room 600
 Chicago, Illinois 60602
 Attn: Real Estate and Land Use Division

And to: City of Chicago
 Department of Law
 121 N. LaSalle Street, Room 600
 Chicago, Illinois 60602
 Attn: Finance Division

If to MPS LLC or MPS: Mercy Portfolio Services
 120 South LaSalle Street, Suite 1850
 Chicago, Illinois 60603
 Attn: William L. Goldsmith

Any notice, demand or communication given pursuant to either clause (a) or (b) hereof shall be deemed received upon such personal service or upon confirmed transmission by facsimile, respectively, provided that such facsimile transmission is confirmed as having occurred prior to 5:00 p.m. on a business day. If such transmission occurred after 5:00 p.m. on a business day or on a non-business day, it shall be deemed to have been given on the next business day. Any notice, demand or communication given pursuant to clause (c) shall be deemed received on the business day immediately following deposit with the overnight courier. Any notice, demand or communication sent pursuant to clause (d) shall be deemed received three (3) business days after mailing. The parties, by notice given hereunder, may designate any further or different addresses to which subsequent notices, demands or communications shall be given.

SECTION 24. ORGANIZATION AND AUTHORITY.

The Developer represents and warrants that it is a duly organized and validly existing legal entity under the laws of the state of its organization and, to the extent applicable, qualified to transact business as a foreign entity in the State of Illinois, with full power and authority to acquire, own and redevelop the NSP Property acquired by the Developer, and that the person signing this Agreement on behalf of the Developer has the authority to do so.

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SECTION 25. SUCCESSORS AND ASSIGNS.

Except as otherwise provided in this Agreement, the terms and conditions of this Agreement shall apply to and bind the successors and assigns of the parties.

SECTION 26. RECORDATION OF AGREEMENT.

This Agreement shall be recorded at the Office of the Cook County Recorder of Deeds as part of the Closing.

SECTION 27. COUNTERPARTS.

This Agreement may be executed in counterparts, each of which shall constitute an original instrument.

SECTION 28. GOVERNING LAW.

This Agreement shall be governed by and construed in accordance with the law of the State of Illinois.

SECTION 29. PATRIOT ACT CERTIFICATION.

Neither the Developer nor any Affiliate thereof is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the Bureau of Industry and Security of the U.S. Department of Commerce or their successors, or on any other list of persons or entities with which the City may not do business under any applicable law, rule, regulation, order or judgment: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List

As used in the above paragraph, an "Affiliate" shall be deemed to be a person or entity related to the Developer that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with Developer, and a person or entity shall be deemed to be controlled by another person or entity, if controlled in any manner whatsoever that results in control in fact by that other person or entity (or that other person or entity and any persons or entities with whom that other person or entity is acting jointly or in concert), whether directly or indirectly and whether through share ownership, a trust, a contract or otherwise.

SECTION 30. CITY PAYMENT OF PROGRAM FUNDS.

Subject to the terms and conditions of the NSP Legal Requirements, the City has agreed to fund to MPS for payment to LISC and, if necessary, to the Acquisition Lender (or to fund directly to LISC and/or to the Acquisition Lender), Program Funds in an amount sufficient to repay the funds borrowed by MPS pursuant to the Acquisition Loan Agreement and the Rehabilitation Loan Agreement (or borrowed by a Participating

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Entity with respect to the Rehabilitation Loan Agreement). In connection with the disbursement of the Program Funds, the City may cause such funds to be disbursed through a construction escrow pursuant to an agreement in form and substance reasonably acceptable to the City, MPS, LISC (if LISC deems itself a necessary party) and the Rehabilitation Lender (and Participating Entity), as applicable. The City agrees to execute such documents as may be reasonably requested by LISC, the Rehabilitation Lender and other third parties to assure the City's payment of such Program Funds, provided such documents are consistent with the NSP Legal Requirements and this Agreement.

SECTION 31. MAINTENANCE OF RECORDS; RIGHT TO INSPECT.

The Developer shall keep and maintain such books, records and other documents as shall be required by the NSP Parties and HUD to reflect and disclose fully the amount and disposition of the total cost of activities paid for in whole or in part, with the Program Funds, and the nature of all activities of the Developer in connection with the NSP Property which are supplied or to be supplied by other sources. All such books, records and other documents shall be available at the offices of the Developer for inspection, copying (including excerpts and transcriptions), audit and examination at all reasonable times by any authorized representatives of any of the NSP Parties and HUD. Any authorized representative of the City or of HUD shall, at all reasonable times, have access to all portions of the NSP Property.

SECTION 32. NO BUSINESS RELATIONSHIP WITH CITY ELECTED OFFICIALS.

Pursuant to Section 2-156-030(b) of the Municipal Code of Chicago, it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with whom the elected official has a "Business Relationship" (as defined in Section 2-156-080 of the Municipal Code of Chicago), or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a Business Relationship. Violation of Section 2-156-030(b) by any elected official, or any person acting at the direction of such official, with respect to this Agreement or in connection with the transactions contemplated thereby, shall be grounds for termination of this Agreement and the transactions contemplated thereby. The Developer hereby represents and warrants that, to the best of its knowledge after due inquiry, no violation of Section 2-156-030(b) has occurred with respect to this Agreement or the transactions contemplated thereby.

SECTION 33. JOINT AND SEVERAL LIABILITY.

In the event that more than one person or entity has signed this Agreement on behalf of the Developer, the obligations of such signatories under this Agreement shall be joint and several.

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SECTION 34. NON-LIABILITY OF PUBLIC OFFICIALS.

The Developer and any assignee or contractor of the Developer must not charge any official, employee or agent of the City personally with any liability or expenses of defense or hold any official, employee or agent of the City personally liable to them under any term or provision of this Agreement or because of the City's execution or any breach of this Agreement.

SECTION 35. PROHIBITION ON CERTAIN CONTRIBUTIONS - MAYORAL EXECUTIVE ORDER NO. 05-1.

Consistent with the intent of Mayoral Executive Order No. 05-1, compliance with the substance of which is intended by this Section 35, the Developer hereby agrees that the Developer, any person or entity who directly or indirectly has an ownership or beneficial interest in the Developer of more than 7.5 percent, the General Partner or Managing Member, any person or entity who directly or indirectly has an ownership or beneficial interest in the General Partner or Managing Member of more than 7.5 percent, Owner, any person or entity who directly or indirectly has an ownership, beneficial or other controlling interest in Owner of more than 7.5 percent (collectively, "**Controlling Owners**"), spouses and domestic partners of such Controlling Owners, (collectively, all the preceding classes of persons and entities are hereinafter referred to as the "Ownership Parties") shall not make a contribution of any amount to the Mayor of the City ("**Mayor**") or to his political fundraising committee (i) after execution of this Agreement by the Developer, and (ii) while this Agreement or any Other Contract is executory, (iii) during the term of this Agreement or any Other Contract between the Developer and the City, or (iv) during any period while an extension of this Agreement or any Other Contract is being sought or negotiated.

The Developer hereby agrees to require that the General Contractor, any person or entity who directly or indirectly has an ownership or beneficial interest in the General Contractor of more than 7.5 percent, any Subcontractor, any person or entity who directly or indirectly has an ownership or beneficial interest in any Subcontractor of more than 7.5 percent (collectively, "**Interested Parties**"), and spouses and domestic partners of such Interested Parties (collectively, all the preceding classes of persons and entities are hereinafter referred to, together with the Ownership Parties, as the "**Identified Parties**") shall not make a contribution of any amount to the Mayor or to his political fundraising committee (i) after execution of this Agreement by the Developer, and (ii) while the Construction Contract or any Subcontract is executory, (iii) during the term of the Construction Contract or any Subcontract, or (iv) during any period while an extension of the Construction Contract or any Subcontract is being sought or negotiated.

The Developer represents and warrants that as of the later of (i) February 10, 2005, or (ii) the date that the City approached the Developer, or the Developer approached the City, as applicable, regarding the formulation of this Agreement, no

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Identified Parties have made a contribution of any amount to the Mayor or to his political fundraising committee.

The Developer agrees that it shall not and it shall require all other Identified Parties to not: (a) coerce, compel or intimidate its employees to make a contribution of any amount to the Mayor or to the Mayor's political fundraising committee; (b) reimburse its employees for a contribution of any amount made to the Mayor or to the Mayor's political fundraising committee; or (c) bundle or solicit others to bundle contributions to the Mayor or to his political fundraising committee.

The Developer agrees that it must not and it shall require all other Identified Parties to not engage in any conduct whatsoever designed to intentionally violate this provision or Mayoral Executive Order No. 05-1 or to entice, direct or solicit others to intentionally violate this provision or Mayoral Executive Order No. 05-1. The Developer shall impose the restrictions of this Section 32 in the Construction Contract and shall specifically require the General Contractor to impose the restrictions of this Section 32 in all Subcontracts.

The Developer agrees that a violation of, non-compliance with, misrepresentation with respect to, or breach of any covenant or warranty under this provision or violation of Mayoral Executive Order No. 05-1 constitutes a breach and default under this Agreement, and under any Other Contract for which no opportunity to cure will be granted. Such breach and default entitles the City to all remedies (including without limitation termination for default) under this Agreement, and under any Other Contract, at law and in equity. This provision amends any Other Contract and supersedes any inconsistent provision contained therein.

For purposes of this provision:

"Bundle" means to collect contributions from more than one source that are then delivered by one person to the Mayor or to his political fundraising committee.

"Other Contract" means any other agreement with the City to which the Developer is a party that is (i) formed under the authority of Chapter 2-92 of the Municipal Code of Chicago; (ii) entered into for the purchase or lease of real or personal NSP Property; or (iii) for materials, supplies, equipment or services which are approved or authorized by the City Council.

"Contribution" means a "political contribution" as defined in Chapter 2-156 of the Municipal Code of Chicago, as amended.

Individuals are **"Domestic Partners"** if they satisfy the following criteria:

- (A) they are each other's sole domestic partner, responsible for each other's common welfare; and

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- (B) neither party is married; and
- (C) the partners are not related by blood closer than would bar marriage in the State of Illinois; and
- (D) each partner is at least 18 years of age, and the partners are the same sex, and the partners reside at the same residence; and
- (E) two of the following four conditions exist for the partners:
 1. The partners have been residing together for at least 12 months.
 2. The partners have common or joint ownership of a residence.
 3. The partners have at least two of the following arrangements:
 - a. joint ownership of a motor vehicle;
 - b. a joint credit account;
 - c. a joint checking account;
 - d. a lease for a residence identifying both domestic partners as tenants.
 4. Each partner identifies the other partner as a primary beneficiary in a will.

"Political fundraising committee" means a "political fundraising committee" as defined in Chapter 2-156 of the Municipal Code of Chicago, as amended.

SECTION 36. MERCY PORTFOLIO SERVICES.

The parties acknowledge and agree that MPS is an express agent of MPS LLC and all obligations, responsibilities and rights of MPS LLC under this Agreement may be performed by MPS, as agent for MPS LLC.

SECTION 37. TERMINATION OF SUBGRANT AGREEMENT.

In the event that the Subgrant Agreement is terminated, and if at such time MPS LLC is in title to the NSP Property, the City may, at its election, either (a) allow MPS LLC to continue to serve as Developer under this Agreement, or (b) record the reconveyance deed previously deposited with the City. If the City elects option (b), then provided that MPS LLC is not otherwise in default under this Agreement at the time of such election and, after such election, reasonably cooperates with the City by assigning such contracts and taking such other actions as may be reasonably necessary for the City to complete the Required Work, MPS LLC shall be released from its obligations under this Agreement.

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SECTION 38. COOPERATION WITH OFFICE OF COMPLIANCE.

In accordance with Chapter 2-26-110 et seq. of the Municipal Code, the Developer acknowledges that every officer, employee, department and agency of the City shall be obligated to cooperate with the Executive Director of the Office of Compliance in connection with any activities undertaken by such office with respect to this Agreement, including, without limitation, making available to the Executive Director the NSP Properties and the Developer's equipment, personnel, books, records and papers. The Developer agrees to abide by the provisions of Chapter 2-26-110 et seq..

SECTION 39. SECTION 3 COMPLIANCE

The work to be performed under this Agreement is a project assisted under a program providing direct Federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701), as implemented by the regulations set forth at 24 CFR Part 135. Section 3 requires that to the greatest extent feasible opportunities for training and employment be given to low- and very low-income residents of the project area, and that contracts for work in connection with the project be awarded to business concerns that provide economic opportunities for low- and very low-income persons residing in the metropolitan area in which the project is located. The Developer agrees to comply with such Section 3 requirements.

SECTION 40. DEBARMENT CERTIFICATION. Failure by the Developer or any controlling person, as defined in Section 1-23-010 of the Municipal Code of Chicago (the "Municipal Code"), thereof to maintain eligibility to do business with the City as required by Section 1-23-030 of the Municipal Code of Chicago shall be grounds for termination of the Documents and the transactions contemplated hereby.

SECTION 41. INSPECTOR GENERAL AND LEGISLATIVE INSPECTOR GENERAL. It is the duty of any Subgrantee, bidder, proposer, contractor, subcontractor, and every applicant for certification of eligibility for a City contract or program, and all officers, directors, agents, partners, and employees of any such Subgrantee, bidder, proposer, contractor, subcontractor or such applicant to cooperate with the Inspector General in any investigation or hearing undertaken pursuant to Chapter 2-56 of the Municipal Code. The Developer represents that it understands and will abide by all provisions of Chapter 2-56 of the Municipal Code and that the Developer will inform subcontractors of this provision and require their compliance.

It is the duty of any Subgrantee, bidder, proposer, contractor, subcontractor, and every applicant for certification of eligibility for a City contract or program, and all officers, directors, agents, partners, and employees of any such Subgrantee, bidder, proposer, contractor, subcontractor or such applicant to cooperate with the Legislative Inspector General in any investigation undertaken pursuant to Chapter 2-55 of the Municipal Code. The Developer represents that it understands and will abide by all

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provisions of Chapter 2-55 of the Municipal Code and that the Developer will inform subcontractors of this provision and require their compliance.

[SIGNATURES APPEAR ON NEXT PAGE]

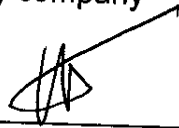
Property of Cook County Clerk's Office



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IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on or as of the date first above written.

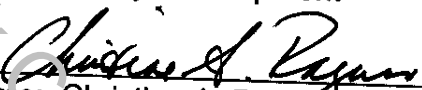
MPS COMMUNITY I, LLC, an Illinois limited liability company

By: 

Name: William W. Towns

Title: Vice President

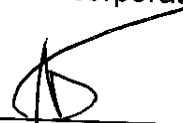
CITY OF CHICAGO, an Illinois municipal corporation, acting by and through its Department of Community Development

By: 

Name: Christine A. Ragusa

Title: Acting Commissioner

MERCY PORTFOLIO SERVICES, a Colorado non-profit corporation

By: 

Name: William W. Towns

Title: Vice President

Property of Cook County Clerk's Office

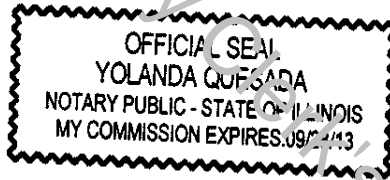
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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, Patricia Sulewski, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Christine A. Raguso, personally known to me to be the Acting Commissioner of the Department of Community Development of the City of Chicago, and 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, as the Acting Commissioner, she signed and delivered the foregoing instrument pursuant to authority given by the City of Chicago as her free and voluntary act and as the free and voluntary act and deed of the corporation, for the uses and purposes therein set forth.

GIVEN under my notarial seal this 8th day of November, 2010.

Patricia Sulewski
NOTARY PUBLIC



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STATE OF ILLINOIS)
) SS.
 COUNTY OF COOK)

I, Eva L. Garrett, a Notary Public in and for said County, in the State aforesaid, do hereby certify that William W. Towns, personally known to me to be the Vice President of MPS COMMUNITY I, LLC, an Illinois limited liability company, and 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 foregoing instrument pursuant to authority given by said company, as her free and voluntary act and as the free and voluntary act and deed of said company, for the uses and purposes therein set forth.

GIVEN under my notarial seal this 8th day of November, 2010.

Eva L. Garrett

 NOTARY PUBLIC



UNOFFICIAL COPY

STATE OF ILLINOIS)
) SS.
 COUNTY OF COOK)

I, Eva L. Garrett, a Notary Public in and for said County, in the State aforesaid, do hereby certify that William W. Towns, personally known to me to be the Vice President of MERCY PORTFOLIO SERVICES, a Colorado non-profit corporation, and 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 pursuant to authority given by said company, as his/her free and voluntary act and as the free and voluntary act and deed of said company, for the uses and purposes therein set forth.

GIVEN under my notarial seal this 8th day of November, 2010.

Eva L. Garrett
 NOTARY PUBLIC



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EXHIBIT A

NSP PROPERTY INFORMATION

Legal Description of Land: LOT 3 IN BLOCK 4 IN RUST AND GILCHRIST'S SUBDIVISION OF THE SOUTHEAST ¼ OF THE NORTHEAST ¼ OF THE NORTHEAST ¼ OF SECTION 11, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Common Address: 650 North Sawyer Avenue, Chicago, Illinois

PIN: 16-11-214-015-0000

Existing Improvements on the Land: 2 UNIT RESIDENTIAL BUILDING

NSP Acquisition Price: \$6,543

¹Estimated NSP Acquisition Loan Amount: \$10,143

²Estimated NSP Rehabilitation Loan Amount: \$336,656

³Estimated NSP Total Development Cost: \$343,299

¹As more particularly set forth in that certain Settlement Agreement dated as of even date herewith.

²As more particularly set forth in the final Rehabilitation Loan Agreement, upon transfer of the Property to the Participating Entity.

³As more particularly set forth in the Approved Budget.

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EXHIBIT B

REQUIRED WORK

The Required Work is set forth in that certain preliminary scope of work prepared by Celadon Consulting, LLC, dated September 9, 2010 (the "Scope of Work"). The Scope of Work shall be supplemented at such time that the Property is transferred to the Participating Entity.

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EXHIBIT C

INSURANCE REQUIREMENTS

[SEE ATTACHMENT]



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EXHIBIT C

INSURANCE REQUIREMENTS

The Developer shall provide and maintain at Developer's own expense or cause to be provided, during the term of this Agreement, the insurance coverage and requirements specified below, insuring all operations related to the Agreement.

1) Workers Compensation and Employers Liability

Workers Compensation Insurance, as prescribed by applicable law covering all employees who are to provide work under this Agreement and Employers Liability coverage with limits of not less than \$500,000 each accident, illness or disease.

2) Commercial General Liability (Primary and Umbrella)

Commercial General Liability Insurance or equivalent with limits of not less than \$1,000,000 per occurrence for bodily injury, personal injury, and property damage liability. Coverages must include the following: All premises and operations, products/completed operations, separation of insureds, defense, and contractual liability. The City of Chicago is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly from the work.

Construction contractors and subcontractors performing work for the Developer must maintain limits of not less than \$1,000,000 with the same terms herein.

3) Automobile Liability (Primary and Umbrella)

When any motor vehicles (owned, non-owned and hired) are used in connection with work to be performed, the Developer must provide or cause to be provided, Automobile Liability Insurance with limits of not less than \$1,000,000 per occurrence for bodily injury and property damage. The City of Chicago is to be named as an additional insured on a primary, non-contributory basis.

4) Railroad Protective Liability

When any work is to be done adjacent to or on railroad or transit property, Developer must provide or cause to be provided with respect to the operations that Developer or subcontractors perform, Railroad Protective Liability insurance in the name of railroad or transit entity. The policy must have limits of not less than the requirement of the operating railroad for losses arising out of injuries to or death of all persons, and for damage to or destruction of property, including the loss of use thereof.

5) Builders Risk/Installation

When Developer undertakes any construction, including improvements, betterments, and/or repairs, the Developer must provide or cause to be provided, All Risk Builders Risk/Installation Insurance at replacement cost for materials, supplies, equipment, machinery and fixtures that are or will be part of the

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relieve Developer of the obligation to provide insurance as specified herein. Nonfulfillment of the insurance conditions may constitute a violation of the Agreement, and the City retains the right to stop work until proper evidence of insurance is provided, or the Agreement may be terminated.

The insurance must provide for 30 days prior written notice to be given to the City in the event coverage is substantially changed, canceled, or non-renewed.

Any deductibles or self insured retentions on referenced insurance coverages must be borne by Developer.

The Developer hereby waives and agrees to require their insurers to waive their rights of subrogation against the City of Chicago, its employees, elected officials, agents, or representatives.

The coverages and limits furnished by Developer in no way limit the Developer's liabilities and responsibilities specified within the Agreement or by law.

Any insurance or self insurance programs maintained by the City of Chicago do not contribute with insurance provided by the Developer under the Agreement.

The required insurance to be carried is not limited by any limitations expressed in the indemnification language in this Agreement or any limitation placed on the indemnity in this Agreement given as a matter of law.

If Developer is a joint venture or limited liability company, the insurance policies must name the joint venture or limited liability company as a named insured.

The Developer must require all contractors and subcontractors to provide the insurance required herein, or Developer may provide the coverages for contractor and subcontractors. All contractors and subcontractors are subject to the same insurance requirements of Developer unless otherwise specified in this Agreement.

If Developer, contractors or subcontractors desire additional coverages, the party desiring the additional coverages is responsible for the acquisition and cost.

Notwithstanding any provision in the Agreement to the contrary, the City of Chicago Risk Management Department maintains the right to modify, delete, alter or change these requirements.

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permanent facility/project. The City of Chicago is to be named as an additional insured and loss payee/mortgagee if applicable.

6) Professional Liability

When any architects, engineers, construction managers, project managers or other professional consultants perform work in connection with this Contract, Professional Liability Insurance covering acts, errors, or omissions must be maintained with limits of not less than \$1,000,000. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of work on the Agreement. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years.

7) Valuable Papers

When any plans, designs, drawings, specifications and documents are produced or used under this Agreement, Valuable Papers Insurance must be maintained in an amount to insure against any loss whatsoever, and must have limits sufficient to pay for the re-creation and reconstruction of such records.

8) Contractors Pollution Liability

When any environmental remediation work is performed which may cause a pollution exposure, Contractors Pollution Liability must be provided or cause to be provided covering bodily injury, property damage and other losses caused by pollution conditions that arise from the Contract scope of services with limits of not less than \$1,000,000 per occurrence. Coverage must include completed operations, contractual liability, defense, excavation, environmental cleanup, remediation and disposal. When policies are renewed or replaced, the policy retroactive date must coincide with or precede, start of work on the Contract. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years. The City of Chicago is to be named as an additional insured on a primary, non-contributory basis.

ADDITIONAL REQUIREMENTS:

The Developer must furnish the City of Chicago, Department of Community Development, 121 North LaSalle Street, Room 1000, Chicago, 60602 and Comptroller Office, Special Accounting Division, 33 North LaSalle, Suite 800, Chicago, 60602, original Certificates of Insurance, or such similar evidence, to be in force on the date of this Agreement, and Renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of this Agreement. The Developer must submit evidence of insurance on the ~~City of Chicago Insurance Certificate Form~~ (copy attached) or equivalent prior to closing. The receipt of any certificate does not constitute agreement by the City that the insurance requirements in the Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with all requirements of Agreement. The failure of the City to obtain certificates or other insurance evidence from Developer is not a waiver by the City of any requirements for the Developer to obtain and maintain the specified coverages. The Developer must advise all insurers of the Agreement provisions regarding insurance. Non-conforming insurance does not

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INSURANCE CERTIFICATE OF COVERAGE

Named Insured: _____
 Address: _____
 (Number and Street) _____ Project Description: _____
 (City) _____ (State) _____ (ZIP) _____

Description of Operation/Location:	
------------------------------------	--

The insurance policies and endorsements indicated below have been issued to the designated named insured with the policy limits as set forth herein covering the operation described within the Contract involving the named insured and the City of Chicago. The Certificate issuer agrees that in the event of cancellation, non-renewal or material change involving the indicated policies, the issuer will provide at least sixty (60) days prior written notice of such change to the City of Chicago at the address shown on this Certificate. This certificate is issued to the City of Chicago in consideration of the Contract entered into with the named insured, and it is mutually understood that the City of Chicago relies on this certificate as a basis for continuing such agreement with the named insured.

Type of Insurance	Insurer Name	Policy Number	Expiration Date	Limits of Liability All Limits in Thousands
General Liability <input type="checkbox"/> Claims made <input type="checkbox"/> Occurrence <input type="checkbox"/> Premises-Operations <input type="checkbox"/> Explosion/Collapse Unperformed <input type="checkbox"/> Products/Completed-Operations <input type="checkbox"/> Blanket Contractual <input type="checkbox"/> Broad Form Property Damage <input type="checkbox"/> Independent Contractors <input type="checkbox"/> Personal Injury <input type="checkbox"/> Pollution				GSL Per Occurrence \$ _____ General Aggregate \$ _____ Products/Completed Operations Aggregate \$ _____
Automobile Liability				GSL Per Occurrence \$ _____
<input type="checkbox"/> Excess Liability <input type="checkbox"/> Umbrella Liability				Each Occurrence \$ _____
Workers Compensation and Employer's Liability				Statutory/Illinois Employers Liability \$ _____
Builders Risk/Course of Construction				Amount of Contract
Professional Liability				\$ _____
Owner Contractors Protective				\$ _____
Other				\$ _____

a) Each insurance policy required by this agreement, excepting policies for worker's compensation and professional liability, will read: "The City of Chicago is an additional insured as respects operations and activities of, or on behalf of, the named insured, performed under contract with or permit from the City of Chicago."
 b) The General, Automobile and Excess/Umbrella Liability Policies described provide for severability of interest (cross liability) applicable to the named insured and the City.
 c) Workers Compensation and Property Insurers shall waive all rights of subrogation against the City of Chicago.
 d) The receipt of this certificate by the City does not constitute agreement by the City that the insurance policy requirements in the Contract have been fully met, or that the insurance policies indicated by this certificate are in compliance with all contract requirements.

Name and Address of Certificate Holder and Recipient of Notice	Signature of Authorized Rep. _____
Certificate Holder/Additional Insured	Agency/Company: _____
City of Chicago Department of _____ 121 N. LaSalle St., # _____ Chicago, IL 60602	Address: _____
	Telephone: _____

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EXHIBIT D

FORM OF CITY JUNIOR MORTGAGE

[SEE ATTACHMENT]

Property of Cook County Clerk's Office



UNOFFICIAL COPY**EXHIBIT D**

This Document Prepared by
and after Recording Return to:

City of Chicago
Department of Law
121 N. LaSalle Street, Room 600
Chicago, Illinois 60602
312/744-0200

Recorder's Use Only

Above Space For

**MORTGAGE, SECURITY AND RECAPTURE AGREEMENT,
INCLUDING RESIDENCY, TRANSFER, RESALE, FINANCING AND REFINANCING
COVENANTS AND DUE ON SALE PROVISION
(Neighborhood Stabilization Program - 15 Year Affordability Period)**

Common Address: _____
P.I.N.: _____

	NSP SUBSIDY AND RECAPTURE TABLE	AMOUNT	
A.	Total Development Costs¹	\$ _____	
B.	NSP Funds Invested²	\$ _____	
C.	Appraised Value³	\$ _____	
D.	Homebuyer Contract Sales Price⁴	\$ _____	
E.	Homebuyer First Mortgage⁵	\$ _____	
F.	Homebuyer Downpayment⁶	\$ _____	
G.	Homebuyer Non-NSP Purchase Price Assistance⁷	\$ _____	
H.	Homebuyer NSP Purchase Subsidy⁸	\$ _____	
I.	Homebuyer NSP Development Subsidy⁹	\$ _____	
J.	Homebuyer Recapture Amount¹⁰	\$ _____	

- 1 Enter the total development costs to date, including acquisition, rehabilitation, carrying and soft costs.
- 2 Enter the total NSP funds invested to date, which amount may equal the amount in Row A only if all such costs were NSP-eligible costs, but which will otherwise be less than such amount.
- 3 Enter the fair market appraised value, as set forth in the appraisal of the lender providing the first mortgage.
- 4 Enter the sales price listed in the homebuyer's purchase contract.
- 5 Enter the original principal amount of the homebuyer's first mortgage.
- 6 Enter the homebuyer's downpayment (equity provided from homebuyer's own funds), if any.
- 7 Enter the amount of any purchase price assistance provided, other than NSP purchase price assistance, if any.
- 8 Enter the difference between Row C and Row D (i.e., any homebuyer subsidy provided from NSP funds, if any).
- 9 Enter the difference between Row A and Row C, but in no event more than the amount in Row B.
- 10 If Homebuyer NSP Purchase Price Assistance was provided, enter the amount in Row H. If not, then enter an amount equal to [105% of the Appraised Value], minus the Homebuyer Contract Sales Price (i.e., 105% of the

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THIS MORTGAGE, SECURITY AND RECAPTURE AGREEMENT, INCLUDING RESIDENCY, TRANSFER, RESALE, FINANCING AND REFINANCING COVENANTS AND DUE ON SALE PROVISION ("**Mortgage**") is made as of this ____ day of _____, 20__ from _____, individually ("**Mortgagor**"), to the CITY OF CHICAGO, an Illinois municipal corporation and home rule unit of government, having its principal office at 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 has or will receive certain funds in the approximate amount of \$55,238,017 (the "**NSP-1 Program Funds**") from the United States Department of Housing and Urban Development ("**HUD**") pursuant to the provisions of the Housing and Economic Recovery Act of 2008, Public Law 110-289 – July 30, 2008, Title III – Emergency Assistance for the Redevelopment of Abandoned and Foreclosed Homes, Section 2301 *et seq.*, as the same may be hereafter amended, restated or supplemented from time to time ("**HERA**") and the Notice of Allocations, Application Procedures, Regulatory Waivers Granted to and Alternative Requirements for Emergency Assistance for Redevelopment of Abandoned and Foreclosed Homes Grantees under the Housing and Economic Recovery Act, 2008 issued by HUD and found at the Federal Register/Vol. 73, No. 194/Monday, October 6, 2008/Notices, as the same may be hereafter amended, restated or supplemented from time to time (the "**Regulations**"). The City has or will also receive certain funds in the approximate amount of \$98,008,384 (the "**NSP-2 Program Funds**") from HUD pursuant to the provisions of title XII of Division A of the American Recovery and Reinvestment Act of 2009 (Public Law 111-5) (February 17, 2009), as the same may be hereafter amended, restated or supplemented from time to time ("**ARRA**"). The NSP-1 Program Funds and NSP-2 Program Funds are collectively referred to herein as the "**Program Funds**." HERA and ARRA are collectively referred to herein as the "**Act**."

B. The City, acting by and through its Department of Community Development ("**DCD**"), has submitted to HUD, and HUD has approved, the City's applications to HUD governing the City's use of the Program Funds in a City neighborhood stabilization program (the "**Program**") in accordance with the Act and the Regulations to address the critical impact of increasing numbers of foreclosed properties within the City. Pursuant to such approval, the City and HUD have entered into that certain Grant Agreement dated March 27, 2009 (the "**NSP-1 Grant Agreement**") and that certain Grant Agreement dated February 11, 2010 (the "**NSP-2 Grant Agreement**," and collectively with the NSP-1 Grant Agreement, the "**Grant Agreements**." The Act, the Regulations, and the Grant Agreements are sometimes collectively referred to herein as the "**NSP Legal Requirements**")

C. The NSP Legal Requirements require the City to use the Program Funds for certain eligible activities, including, without limitation: (a) establishing financing mechanisms for the purchase and redevelopment of abandoned or foreclosed homes and residential properties; (b) acquisition and rehabilitation of homes and residential properties that have been abandoned or

amount in Row C, minus the amount in Row D).

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foreclosed upon in order to sell, rent, or redevelop such homes and properties; (c) establishing a land bank for homes that have been abandoned or foreclosed; (d) demolition of blighted structures; and (e) redevelopment of demolished or vacant properties (collectively, the "**Eligible Activities**").

D. The NSP Legal Requirements require that the City allocate 25% of the Program Funds to purchase and redevelop abandoned or foreclosed upon residential properties for housing individuals whose incomes do not exceed 50% of the area median income.

E. The NSP Legal Requirements further require that the City allocate 100% of the Program Funds to Eligible Activities benefiting communities and households whose incomes do not exceed 120% of the area median income.

F. Mercy Housing, Inc., a Colorado non-profit corporation ("**MHI**"), has formed Mercy Portfolio Services ("**MPS**"), a Colorado non-profit corporation for the purpose of assisting the City in expending Program Funds in connection with acquiring and redeveloping abandoned and foreclosed properties and otherwise carrying out Eligible Activities pursuant to the Program.

G. The City and MPS have entered into that certain Subgrant Agreement dated June [23], 2009 (the "**NSP-1 Subgrant Agreement**"), pursuant to which the City has agreed to make the NSP-1 Program Funds available to MPS for Eligible Activities subject to the terms and conditions of such NSP-1 Subgrant Agreement. The City and MPS have also entered into that certain Subgrant Agreement dated _____, 2010 (the "**NSP-2 Subgrant Agreement**"), pursuant to which the City has agreed to make the NSP-2 Program Funds available to MPS for Eligible Activities subject to the terms and conditions of such NSP-2 Subgrant Agreement. Each such subgrant agreement is sometime hereinafter referred to herein as a "**Subgrant Agreement**" and such subgrant agreements are sometime hereinafter referred to collectively as the "**Subgrant Agreements**").

H. In furtherance of the Program, MPS Community I, LLC, an Illinois limited liability company ("**MPS LLC**"), which is an affiliate of MPS, shall assist the City in implementing the Eligible Activities, including, without limitation, by taking title to the properties to be acquired pursuant to the Program or by causing title to such properties to be directly conveyed to housing redevelopers (such a redeveloper, a "**Participating Entity**") and by contracting with Participating Entities who shall participate in the Program by redeveloping such properties.

I. Pursuant to the [REO Purchase Agreement] dated _____, 20____ between [INSERT NAME OF REO LENDER] (the "**REO Lender**"), and MPS, LLC, MPS LLC has previously purchased the real property legally described on **Exhibit A** attached hereto (the "**Land**"), which is improved with the residential property described on **Exhibit A** (the "**Home**"), and together with the Land, the "**NSP Property**").

J. Prior to such acquisition, the City completed the environmental review required pursuant to 24 CFR Part 58, as evidenced by **Exhibit B** attached hereto.

L. At the time of such acquisition, the City, MPS and MPS LLC executed that certain Redevelopment dated _____, 20____ and recorded with the Office of the Recorder of

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Deeds of Cook County, Illinois on _____ as document # _____ (the "**Redevelopment Agreement**").

M. Pursuant to that certain Assignment and Assumption and Amendment of Redevelopment Agreement dated _____, 20____ and recorded with the Office of the Recorder of Deeds of Cook County on _____ as document # _____ (the "**Assignment and Assumption Agreement**"), MPS LLC conveyed the NSP Property to [INSERT NAME OF PARTICIPATING ENTITY] (the "**Developer**").

N. The Developer has completed the rehabilitation work required under the Redevelopment Agreement. The total development costs incurred to date, including acquisition, rehabilitation, carrying costs and soft costs incurred to date (the "**Total Development Costs**") are set forth in Row A of the NSP Subsidy and Recapture Table on the first page of this Mortgage (the "**Summary Table**"). The total NSP Program funds invested to date are set forth in Row B of the Summary Table (the "**NSP Funds Invested**").

O. The Developer is now selling the Home to the Mortgagor. The Senior Lender (as defined and identified in Section 2.04 below) has obtained an appraisal of the Home and determined that it has the fair market value set forth in Row C of the Summary Table (the "**Appraised Value**"). The Developer has contracted to sell the Home to the Mortgagor for the amount set forth in Row D of the Summary Table (the "**Homebuyer Contract Sales Price**"). The Senior Lender has agreed to make a first mortgage loan secured by the Home in the original principal amount set forth in Row E of the Summary Table (the "**Homebuyer First Mortgage**"). The Mortgagor is making a downpayment from the Mortgagor's own funds in the amount set forth in Row F of the Summary Table. The Mortgagor is receiving purchase price assistance (other than from Program Funds) from _____ [INSERT NAME OF GOVERNMENT OR OTHER SUBSIDY PROVIDER] in connection with Mortgagor's purchase of the Home in the amount set forth in Row G in the Summary Table (the "**Homebuyer Non-NSP Purchase Price Assistance**"). The City is making available to the Mortgagor a homebuyer subsidy from Program Funds in the amount set forth in Row H of the Summary Table (the "**Homebuyer NSP Purchase Subsidy**").

P. The Mortgagor will purchase the Home for the Homebuyer Contract Sales Price. The Mortgagor's ability to purchase the Home for the Homebuyer Contract Sales Price is due to the City's investment of Program Funds in the acquisition, rehabilitation and resale of the Home, including, without limitation, the Homebuyer NSP Purchase Subsidy set forth in Row H of the Summary Table and the Homebuyer NSP Development Subsidy set forth in Row I of the Summary Table.

Q. In the event that the Mortgagor sells, refinances or leases the Home prior to the date that is fifteen (15) years from Purchase Date (as hereinafter defined), unless as expressly permitted herein, then the Mortgagor shall be required to pay all or a portion of the Homebuyer Recapture Amount listed in Row J of the Summary Table, in order to return to the City a portion of the City's investment of Program Funds in the Home.

R. The Mortgagor has previously received at least eight (8) hours of homebuyer counseling as evidenced by **Exhibit C** attached hereto.

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S. The NSP Legal Requirements require the Mortgagor's execution of this Mortgage in favor of City, which secures certain performance and payment covenants intended to assure that the City and MPS comply with such legal requirements and achieve the affordable housing objectives of the Program.

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**");

(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 all recapture amounts described herein, (b) performance of the residency, transfer, resale, financing and refinancing covenants and due on sale provision described herein and in **Exhibit D** attached hereto, and (c) the payment and performance of all other obligations, covenants, conditions and agreements contained herein.

SECTION I

INCORPORATION OF RECITALS; DEFINITIONS

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

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agreements of the parties. In addition to the capitalized terms defined in the foregoing recitals, the following capitalized terms used in this Mortgage shall be defined as follows:

"Affordability Period" shall mean fifteen (15) years.

"Anniversary Date" shall mean each anniversary date of the Purchase Date during and including the last day of the Affordability Period. For example, if the Purchase Date was July 30, 2009, the first Anniversary Date would be July 30, 2010, and each July 30th after that (through the last day of the Affordability Period) would be a subsequent Anniversary Date.

"Commissioner" shall mean the Commissioner of DCD, or any successor department thereto, and, if there is no such Commissioner, the Acting Commissioner of DCD.

"HOME Affordability Requirements" shall mean the affordability requirements applicable to rental and for sale housing set forth in 24 CFR 92.252(a), (c), (e) and (f) and 24 CFR 92.254 of the Home Investment Partnership Program regulations, which, under the Program, may serve as a minimum "safe harbor" for certain affordability and enforcement purposes.

"Homebuyer Recapture Amount" shall mean an amount, determined as of any applicable determination date (i.e., as of the closing date for the homebuyer's sale or refinancing of the Mortgaged Property), which shall initially equal the Homebuyer Recapture Amount, but which shall reduce on a pro rata basis on each Anniversary Date based on the number of years in the Affordability Period and which, after the expiration of the Affordability Period, shall equal zero dollars (\$0.00). For example, if the Homebuyer Recapture Amount in Row J of the Summary Table was \$15,000, the Purchase Date was June 30, 2009, the Affordability Period was fifteen (15) years, and the applicable determination date was September 30, 2012, the Homebuyer Recapture Amount as of such determination date would be \$12,000 (i.e., three Anniversary Dates would have occurred prior to such determination date, with a \$1,000 reduction occurring on each such Anniversary Date, for a total reduction of \$3,000 in the Homebuyer Recapture Amount, leaving \$12,000 due and payable). In no event shall the Homebuyer Recapture Amount be greater than the Net Transfer Proceeds.

"Mortgagor's Total Purchase Price" shall mean the sum of (a) the Homebuyer Contract Sales Price, plus (b) the cost of extras and upgrades paid for by the Mortgagor using Mortgagor's own funds (including proceeds of the loan made by the Senior Lender, as hereinafter defined), plus (c) the cost of additional capital improvements made by the Mortgagor to the Mortgaged Property after the Purchase Date, provided reasonable evidence of the cost of such additional improvements is submitted to and approved by the City.

"Net Transfer Proceeds" shall mean the gross sales proceeds arising from a direct or indirect sale or transfer of the Mortgaged Property, minus (a) the amount of any permitted Senior Mortgage indebtedness or any permitted refinancing thereof repaid at the time of such sale or transfer, (b) any commercially reasonable, third party brokerage fee paid by Mortgagor with respect to such sale or transfer, (c) any transfer taxes which, pursuant to applicable law, are paid by the Mortgagor, (d) customary title, escrow and recording charges paid by the Mortgagor, (e) customary pro rations or credits made pursuant to the contract for such sale or

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transfer, and (f) such other amounts, if any, as the Commissioner, in the Commissioner's sole discretion, may agree is necessary, appropriate and equitable, but in no event an amount shall the Net Transfer Proceeds be greater than the Homebuyer Recapture Amount.

"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

GENERAL 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), but in no event less than the full replacement cost of the Home, 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 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.

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(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, 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 _____, 200 , between Mortgagor and _____ ("**Senior Lender**"), recorded with the Office of the Recorder of Deeds of Cook County, Illinois on _____ as document # _____ to secure indebtedness in the original principal amount not to exceed [____ percent (____%) of the NSP 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 in an original principal amount less than or equal to the original principal amount of the Senior Lender's loan, as specified below, unless the Commissioner, in the Commissioner's sole discretion, agrees to senior refinancing in a greater amount. **EXHIBIT D EXPLAINS IN GREATER DETAIL THE ADDITIONAL REFINANCING RESTRICTIONS THAT APPLY TO THE MORTGAGOR AND ANY LENDERS MAKING LOANS SECURED BY THE MORTGAGED PROPERTY.**

As evidenced by **Exhibit E** to this Mortgage, the Senior Lender is a lender who has agreed to comply with the bank regulators' guidance for non-traditional mortgages, as outlined in the Statement on Subprime Mortgage Lending issued by the Office of the Comptroller of the Currency, Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, Department of the Treasury, and National Credit Union Administration, available at <http://www.fdic.gov/regulations/laws/rules/5000-5160.html>).

The key terms of the Senior Lender's loan are as follows:

Original Principal Balance: _____
 Interest Rate: _____
 Fixed or Adjustable Interest Rate: _____
 Amortization Period: _____
 Term (Final Repayment Date) _____

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If Adjustable Interest Rate, the interest rate reset date(s) and interest rate reset formula is specified below.

2.05 Income Eligibility.

Mortgagor covenants to Mortgagee that it meets the homebuyer income eligibility requirements under the Program. Specifically, Mortgagor represents and warrants that its household includes _____ persons and that Mortgagor's household income is _____ and that based on the AMI schedule attached as **Exhibit F** to this Mortgage, Mortgagor's household is (check one):

50% or less of AMI _____
 51% to 80% of AMI _____
 81% to 120% of AMI _____

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, which eligibility requirements are set forth on **Exhibit G** to this Mortgage.

Prior to the commencement of the initial occupancy of the Rental Unit, the Mortgagor shall deliver to the City 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 City 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, Mortgagee acknowledges and agrees that the residency, transfer and financing covenants set forth in **Exhibit D** 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 New Homes Program shall be released and shall have no further force or effect; 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 (or any other prohibited person under the NSP Legal Requirements) 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 of the Senior Mortgage shall take title to the Mortgaged Property free and clear of such restrictions, but only if (a) such transfer of

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title pursuant to such foreclosure did not involve collusion between the Senior Lender and the Mortgagor for the purpose of avoiding low-income affordability restrictions pertaining to the Mortgaged Property or of avoiding payment of the recapture amounts due under this Mortgage, and (b) the City is paid the Homebuyer Recapture Amount (or such lesser portion thereof as may be due and payable under this Mortgage).

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; (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, and (iv) such acquisition of title by the Senior Lender did not involve collusion between the Senior Lender and the Mortgagor for the purpose of avoiding low-income affordability restrictions pertaining to the Mortgaged Property or of avoiding payment of the recapture amounts due under this Mortgage.

SECTION III

ELIGIBILITY, PRINCIPAL RESIDENCY, TRANSFER, RESALE, FINANCING, REFINANCING COVENANTS AND DUE ON SALE PROVISION

Mortgagor also covenants to comply with the residency, transfer, resale, financing and refinancing covenants and due on sale provision set forth in **Exhibit D**, which covenants are all materially related to the City's achievement of the affordable housing objectives of the Program and the City's compliance with the NSP Legal Requirements.

SECTION IV

ADDITIONAL PURCHASE PRICE RECAPTURE AMOUNT DUE UPON SALE

Mortgagor also covenants that upon any direct or indirect sale or transfer of the Home, or the Mortgagor's interest therein, regardless of whether such sale or transfer constitutes an **"Event of Default"** under this Mortgage, Mortgagor shall, at the time of such sale or transfer, repay the City the Homebuyer Recapture Amount from any available Net Transfer Proceeds, subject to any applicable limitations upon repayment set forth in the NSP Legal Requirements.

Notwithstanding the foregoing, a sale or transfer arising from the death of the Mortgagor, which operates to transfer the Mortgagor's interest in the Mortgaged Property to the Mortgagor's heirs or beneficiaries, whether by will, trust or a similar estate planning instrument, or by intestacy, shall not be subject to the foregoing due on sale provision, but the successor(s) in title to the Mortgagor's interest in the Mortgaged Property shall continue to hold such title subject to the terms of this Mortgage.

Notwithstanding the first paragraph of this Section IV, if a sale or other transfer giving

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rise to a repayment obligation under such first paragraph occurs and the gross sales proceeds are insufficient to repay an amount equal to the sum of (a) the Mortgagor's Total Purchase Price, plus (b) the then applicable Homebuyer Recapture Amount and any other amounts due and payable to Mortgagee under this Mortgage, Mortgagor shall pay Mortgagee an amount equal to the product of (i) the Net Transfer Proceeds, and (ii) a fraction, the numerator of which is the original Homebuyer Recapture Amount and the denominator of which is the sum of the original Homebuyer Recapture Amount plus Mortgagor's Total Purchase Price. For example, if Mortgagor's Total Purchase Price was \$185,000, the original Homebuyer Recapture Amount was \$15,000, the Net Transfer Proceeds was \$10,000, and the then applicable Homebuyer Recapture Amount was \$12,000, the repayment amount would be (a) \$10,000, times (b) \$15,000/\$200,000, or \$750.

SECTION V

DEFAULT

5.01 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, resale, financing or refinancing covenants or due on sale provision set forth in **Exhibit D**, 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 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 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.

5.02 Remedies.

(a) If an Event of Default arising from a breach of one or more of the covenants set forth in **Exhibits D** occurs (and unless the last paragraph of such Exhibit applies) (such a default, a "**Recapture Default**"), the Homebuyer Recapture Amount shall, at Mortgagee's sole option, become immediately due and payable and subject to recapture without further notice or demand.

(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

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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 any title, survey and closing costs. All expenditures and expenses of the nature in this section 5.02(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 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.

5.03 Mortgagor Waivers.

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 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.

5.04 Additional Mortgagee Rights.

Upon any other entering upon or taking of possession of the Mortgaged Property after the occurrence of an Event of Default, 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

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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 (including, without limitation, the entire outstanding principal balance under this Mortgage) shall be paid to Mortgagor.

5.05 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 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.

5.06 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.

5.07 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.

5.08 No Waiver By Mortgagee.

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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, 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.

SECTION VI

MISCELLANEOUS PROVISIONS

6.01 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 and any reference herein to the "Mortgage" or "Mortgagor" shall be deemed to include a reference to such legal representatives, successors and assigns.

6.02 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 or another document or instrument.

6.03 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.

6.04 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

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Code in addition to, but not in limitation of, the other rights afforded Mortgagee by the Mortgage or any other agreement.

6.05 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 Mortgagee.

6.06 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 release duly executed and recorded, the Mortgage and the lien hereof shall not merge in the fee simple title, to the end that this Mortgage may be foreclosed as if owned by a stranger to the fee simple title.

6.07 Applicable Law.

The Mortgage shall be governed by the laws of the State of Illinois.

6.08 Certificates of Compliance.

If no Event of Default exists and Mortgagor retains ownership of the Mortgaged Property, upon the expiration of the Affordability Period, Mortgagee, 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 the covenants set forth in **Exhibit D** applicable during such period, and confirming the termination of any applicable recapture amounts.

6.09 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 last applicable affordability period, or (b) Mortgagor conveys the Mortgaged Property, giving rise to an Event of Default, and Mortgagor pays Mortgagee the amount Mortgagee is entitled to receive pursuant to the provisions of Section 5.02 above, 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. Said release shall be in recordable form.

6.10 Further Assurances, Duty to Cooperate.

Mortgagor, on request of Mortgagee, from time to time, covenants and agrees to execute and deliver such additional documents, amendments, agreements and undertakings as

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may be necessary to: correct any scrivener's error contained herein or in any related document; to perfect or to maintain as perfected valid lien(s) upon the Mortgaged Property any lien granted to Mortgagee under this Mortgage or any under any other agreement or undertaking; or to more fully and accurately set forth and reflect the affordability requirements of the NSP Legal Requirements and the Program.

6.11 Conflict

This Mortgage is intended to be consistent with and to implement the requirements of the NSP Legal Requirements. In the event of a conflict between this Mortgage and the NSP Legal Requirements, the latter shall govern and control.

6.12 Discretionary Authority.

Depending on market conditions, interest rates and any other attendant facts and circumstances related to a given resale of the Home, the Commissioner of DCD, in the Commissioner's sole discretion, may determine that a lesser recapture amount shall be due and payable hereunder than as specified elsewhere in this Mortgage, but in no such event shall the recapture amount be less than the amount required under the NSP Legal Requirements.

If an Event of Default occurs hereunder, the Commissioner, in the Commissioner's sole discretion, but subject to the approval of the Corporation Counsel, and dependent upon market conditions, interest rates and any other attendant facts and circumstances, may settle any claims with respect to this Mortgage, including, without limitation, accepting payment of an amount less than the full amount that would otherwise be due and payable under this Mortgage, if equitable and necessary or appropriate, but in no event shall such amount be less than the amount required under the NSP Legal Requirements.

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

MORTGAGOR:

Name: _____

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STATE OF ILLINOIS)
)
COUNTY OF COOK)

I, _____, a Notary Public in and for said County, in the State aforesaid, do hereby certify that _____, individually, personally known to me as the same person(s) whose name(s) is/are 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 said instrument as his/her free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and notarial seal this ____ day of _____, 20__.

Notary Public

My commission expires _____

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EXHIBIT A

ATTACH LEGAL DESCRIPTION]

The Land is improved with a (check one):

Single Family Home

Two-Flat Building

Three Flat Building

Other (specify below) _____

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EXHIBIT B

[ATTACH 24 CFR PART 58 COMPLIANCE LETTER]

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EXHIBIT C

[ATTACH HOMEOWNER COUNSELING CERTIFICATE]

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EXHIBIT D

Eligibility, Principal Residency, Transfer, Resale, Financing and Refinancing Covenants and Due on Sale Provision

In consideration of the Homebuyer NSP Purchase Subsidy and the Homebuyer NSP Development Subsidy, as applicable, that have enabled the Mortgagor to purchase the Mortgaged Property for the reduced Homebuyer Contract Sales Price, and as a condition to the Mortgagee's provision of such subsidies and the sale of the Mortgaged Property to Mortgagor, Mortgagor covenants to Mortgagee that:

- (a) Mortgagor meets the income eligibility requirements under the Program.
- (b) Mortgagor shall own the Mortgaged Property, shall not lease the Mortgaged Property and shall utilize the Home as its primary residence.
- (c) Mortgagor shall not directly or indirectly sell or otherwise transfer the Mortgaged Property, or execute a deed in lieu of foreclosure (unless it complies with the requirements of Section 2.07, Article 4 and Article 5 of this Mortgage).
- (d) Mortgagor shall not refinance the Mortgaged Property, except to refinance the Senior Mortgage in an amount not greater than the original principal balance of the loan secured by the Senior Mortgage, as set forth in Section 2.04, or except as otherwise consented to by the Commissioner, in the Commissioner's sole discretion. **THIS REFINANCING RESTRICTION MEANS THAT THE HOMEOWNER IS RESTRICTED FROM USING THE MORTGAGED PROPERTY AS COLLATERAL FOR GETTING ADDITIONAL LOANS, INCLUDING, WITHOUT LIMITATION, LOANS TO REPAY CREDIT CARD DEBT, LOANS TO PURCHASE AUTOMOBILES, HOME EQUITY LOANS, DEBT CONSOLIDATION LOANS OR LOANS TO FINANCE THE PURCHASE OF OTHER PERSONAL OR REAL PROPERTY, UNLESS SUCH LOANS MEET THE REFINANCING REQUIREMENTS OF THE PREVIOUS SENTENCE. IF MORTGAGOR DESIRES TO GET A HOME IMPROVEMENT LOAN THAT WILL USE THE MORTGAGED PROPERTY AS COLLATERAL, AND IF THE COMMISSIONER CONSENTS TO SUCH LOAN, SUCH CONSENT MAY BE CONDITIONED UPON, AMONG OTHER THINGS, THE HOMEOWNER'S SUBMISSION TO THE COMMISSIONER, AND THE COMMISSIONER'S APPROVAL OF, CONSTRUCTION CONTRACTS, BUDGETS AND ESCROW OR OTHER FUNDING AGREEMENTS FOR SUCH HOME IMPROVEMENT PROJECT.**

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 (including any HOME Affordability Requirements adopted by the City for purposes of complying with the Program's "safe harbor" provisions) and who pays an affordable purchase price under the then applicable affordability requirements of the Program (and any such HOME Affordability Requirements), in each instance as determined by DCD (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.

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EXHIBIT E

Evidence of Senior Lender's Compliance With Bank Regulators' Guidance for Non-Traditional Mortgages

[ATTACH EVIDENCE]



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EXHIBIT F

[ATTACH CURRENT HUD CMSA AREA MEDIAN INCOME SCHEDULE]

[REDACTED]

[REDACTED]

[REDACTED]

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EXHIBIT G

[ATTACH CURRENT INCOME ELIGIBILITY REQUIREMENTS]

[REDACTED]

[REDACTED]

[REDACTED]

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EXHIBIT H

[ATTACH INCOME ELIGIBILITY CERTIFICATE]



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