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## Illinois Anti-Predatory Lending Database Program



Doc#: 1305922069 Fee: \$90.00  
Karen A. Yarbrough RHSP Fee: \$10.00  
Cook County Recorder of Deeds  
Date: 02/28/2013 11:08 AM Pg: 1 of 27

### Certificate of Exemption

02/28/2013  
89173881000  
AND  
89173881000

Report Mortgage Fraud  
800-532-8785

The property identified as: PIN: 13-14-225-014-0000

**Address:**

**Street:** 4419 N. KIMBALL AVENUE

**Street line 2:**

**City:** CHICAGO

**State:** IL

**ZIP Code:** 60625

**Lender:** CITY OF CHICAGO

**Borrower:** RAUL GARCIA AND ALBA GARCIA

**Loan / Mortgage Amount:** \$22,440.00

This property is located within the program area and the transaction is exempt from the requirements of 765 ILCS 77/70 et seq. because the application was taken by an exempt entity.

**Certificate number:** D8E528A4-8C6F-4B8A-BEF6-3BF87969096F

**Execution date:** 02/22/2013

Box 334

27

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This Document Prepared by  
 Mercy Portfolio Services  
 120 S. LaSalle, Suite 1850  
 Chicago, Illinois 60603

After Recording, please return to:  
 Karen Bielarz, Acting Deputy Corporation Counsel  
 Department of Law, City of Chicago  
 121 N. LaSalle Street, Room 600  
 Chicago, Illinois 60602  
 312/744-0200

Above Space For  
 Recorder's Use Only

**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: 4419 N. Kimball Avenue, Chicago, Illinois 60625**

**P.I.N.: 13-14-225-014-0000**

	<b>NSP SUBSIDY AND RECAPTURE TABLE</b>	<b>AMOUNT</b>	
<b>A.</b>	<b>Total Development Costs<sup>1</sup></b>	<b>\$490,988.20</b>	
<b>B.</b>	<b>NSP Funds Invested<sup>2</sup></b>	<b>\$490,988.20</b>	
<b>C.</b>	<b>Appraised Value<sup>3</sup></b>	<b>\$ 187,000</b>	
<b>D.</b>	<b>Homebuyer Contract Sales Price<sup>4</sup></b>	<b>\$ 187,000</b>	
<b>E.</b>	<b>Homebuyer First Mortgage<sup>5</sup></b>	<b>\$ 165,750</b>	
<b>F.</b>	<b>Homebuyer Downpayment<sup>6</sup></b>	<b>\$ 1,886</b>	
<b>G.</b>	<b>Homebuyer Non-NSP Purchase Price Assistance<sup>7</sup></b>	<b>\$ 0</b>	
<b>H.</b>	<b>Homebuyer NSP Purchase Subsidy<sup>8</sup></b>	<b>\$ 22,440</b>	
<b>I.</b>	<b>Homebuyer NSP Development Subsidy<sup>9</sup></b>	<b>\$303,988.20</b>	
<b>J.</b>	<b>Homebuyer Recapture Amount<sup>10</sup></b>	<b>\$22,440</b>	

- 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 amount of cash purchase price assistance provided at closing from NSP funds.
- 9 Enter the difference between Row A and Row D 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 amount in Row C, minus the amount in Row D).

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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 22<sup>nd</sup> day of February, 2013, from RAUL GARCIA and ALBA GARCIA, jointly ("**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 Notice of Fund Availability for the Neighborhood Stabilization Program 2 ("**NOFA**") under the Recovery Act (Docket No. FR-5321-N-01, May 4, 2009), the Notices of Fund Availability for Fiscal year 2009 NSP2 Program under the Recovery Act, Correction (Docket No. FR-5321-C-02, June 11, 2009; Docket No. FR-5321-C-03, November 9, 2009, Docket No. FR-5321-C-04, and Docket No. FR-5321-N-04); and the HUD regulations at 24 CFR Part 570 (as modified by the NOFA as now in effect and as may be amended from time to time) (collectively, 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 Housing and Economic Development ("**HED**"), 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 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**").

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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 30, 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 July 1, 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 Real Estate Purchase and Sale Agreement dated May 2, 2011 (the "**REO Purchase Agreement**") between OCWEN Loan Servicing, LLC (the "**TLO 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.

K. At the time of such acquisition, the City, MPS and MPS LLC executed that certain Redevelopment Agreement dated September 1, 2011, and recorded with the Office of the Recorder of Deeds of Cook County, Illinois on, September 14, 2011 as document #1125718039 (the "**Redevelopment Agreement**").

L. Pursuant to that certain Assignment and Assumption and Amendment of Redevelopment Agreement dated January 27, 2012 and recorded with the Office of the Recorder of Deeds of Cook County on February 3, 2012 as document # 1203410073 (the "**Assignment and Assumption Agreement**"), MPS LLC conveyed the NSP Property to PMG Chicago Group II, LLC (the "**Developer**").

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M. 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**").

N. 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 (or a first mortgage loan and a second mortgage loan) secured by the Home in the original principal amount (or aggregate 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 not receiving purchase price assistance (other than from Program Funds) from other source 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**").

O. The Mortgagor will purchase the Home for the Homebuyer Contract Sales Price. The Mortgagor's opportunity 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.

P. 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.

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

R. 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**"), said security interest being now and hereafter subordinate to the security interest of the Homebuyer First Mortgage:

(A) The Land;

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(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 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.

"**Affordability Requirements**" shall mean the affordability requirements applicable to for sale housing set forth in 24 CFR 92.252(e) and 24 CFR 92.254 of the Home Investment Partnership Program regulations (the "Home Regulations"), which, under the Program, may serve as a minimum "safe harbor" for certain affordability and enforcement purposes. Notwithstanding the income limits referenced in the Home Regulations, and in accordance with the NSP Legal Requirements, a family qualified to purchase the Mortgaged Property from the Mortgagor during the Affordability Period is a family whose annual gross income does not exceed 120 percent of the median family income for the area (adjusted for family size).

"**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 HED, or any successor department thereto, and, if there is no such Commissioner, the Acting Commissioner of HED.

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**"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 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, without giving effect to the last sentence thereof.

**"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.

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(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.

(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 loan dated as of Feb. 28, 2013, between Mortgagor and Key Mortgage Services, Inc. ("**Senior Lender**"), recorded with the Office of the Recorder of Deeds of Cook County, Illinois on Feb 25, 2013 as document # 1305922069 to secure indebtedness in the original principal amount not to exceed [ 105 percent (105%) 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 mortgage 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**



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## 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: \$165,750.75  
 Interest Rate: 3.5%  
 Fixed or Adjustable Interest Rate: Fixed  
 Amortization Period: 30 years  
 Term (Final Repayment Date) February 22, 2043

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 income, as reflected in sworn to documents, and as certified by Mortgagor, are in compliance with, and based on the HUD Area Median Income (AMI) schedule in force as of the date of this Mortgage and attached as **Exhibit F** to this Mortgage, in accordance with Mortgagor's current household size.

### 2.06 Income Eligibility of Households Which Rent the Rental Unit.

If the Home contains two housing units (a "**Two Flat**"), and was assisted in whole or in part with NSP-1 Program Funds, at least one unit must be occupied by a low, moderate or middle income household, which requirement is satisfied by the occupancy of the owner in the owner-occupied unit (the "**Mortgagor's Unit**").

Although Section 2301(f)(3)(A)(i) of HERA requires that appropriated funds be used with respect to individuals and families whose whole income does not exceed 120 percent of area median income, with respect to a Two Flat, HUD has interpreted the requirement under the Community Development Block Grant Program so that the occupancy of the assisted housing by a low, moderate or middle income household requirement is met by the Mortgagor's Unit. (See Community Development Block Grant Program, Guide to National Objectives and Eligible Activities for Entitlement Communities, Section 3-19, Page 124).

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As a result, with regard to the occupancy of the housing unit that is not occupied by the Mortgagor (the "**Rental Unit**"), the City will not monitor the rent obtained by the Mortgagor for the Rental Unit during the Affordability Period or the income-eligibility of the household occupying the Rental Unit, or the income-eligibility of the household occupying the Rental Unit.

## 2.07 Exercise of Senior Mortgage Rights.

In the event of a transfer of title of the Mortgaged Property through foreclosure, recording of deed in lieu of foreclosure to the Senior Lender pursuant to the Senior Mortgage, or transferring title to a third party in a short sale that is an arms-length transaction resulting in a release of 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 Neighborhood Stabilization 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 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

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## 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 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 greater of either the Senior Lender's lien amount or 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.

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## 5.02 Remedies.

(a) If an Event of Default arising from a breach of one or more of the covenants set forth in **Exhibit 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 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 appraisal, valuation, stay, extension or exemption laws, or any so-called "Moratorium Laws", now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of the Mortgage, but hereby waives the benefit of such laws. Mortgagor, for itself and all who may claim through or under it, waives any and all right to have the property and estates comprising the Mortgaged Property marshaled upon any foreclosure of the lien hereof, and agrees that any court having jurisdiction to foreclose such lien may order the Mortgaged Property sold as an entirety. Mortgagee reserves the right to request that Mortgagor take the following actions after the commencement of a foreclosure action, to the extent permitted by law: (i) waive in writing any and all rights of reinstatement and/or redemption from sale under any order or decree of foreclosure of the Mortgage on its behalf and on behalf of each and every person; and (ii) file such written consent to waiver with the clerk of the applicable court.

## 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,

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repairs, renewals, replacements, additions, betterments and improvements thereto and thereon and purchase or otherwise acquire additional fixtures, personalty and other property required in connection therewith; (ii) insure or keep the Mortgaged Property insured; (iii) manage the Mortgaged Property and exercise all the rights and powers of Mortgagor to the same extent as Mortgagor could in its own name or otherwise with respect to the same; and (iv) enter into any and all agreements with respect to the exercise by others of any of the powers herein granted to Mortgagee, all as Mortgagee from time to time may reasonably determine to be to its best advantage. Mortgagee may collect and receive all the rents, issues, profits and revenues of the same, including those past due as well as those accruing thereafter, and, after deducting to the extent reasonable: (aa) expenses of taking, holding and managing the Mortgaged Property (including compensation for the services of all persons employed for such purposes); (bb) the cost of all such maintenance, repairs, renewals, replacements, additions, betterments, improvements and purchases and acquisitions; (cc) the cost of such insurance; (dd) such taxes, assessments and other similar charges as Mortgagee may determine to pay; (ee) other proper charges upon the Mortgaged Property or any part thereof; and (ff) the reasonable compensation, expenses and disbursements of the attorneys and agents of Mortgagee, shall apply the remainder of the moneys 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.

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

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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 of 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 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.

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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, toward 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, 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 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 HED, 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

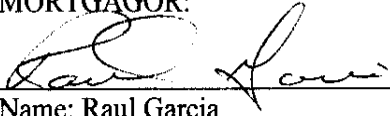
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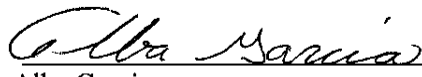
## NSP Legal Requirements.

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: Raul Garcia

  
Name: Alba Garcia



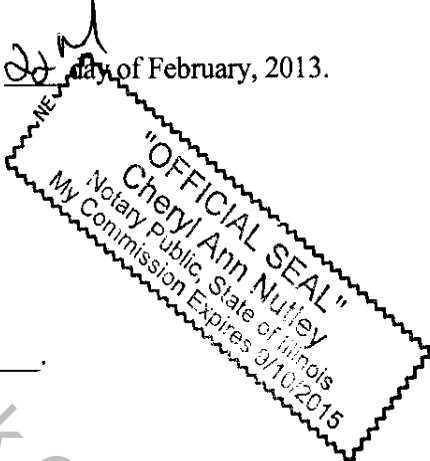
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STATE OF ILLINOIS       )  
  )  
COUNTY OF COOK        )

I, Cheryl Ann Nutley, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Raul Garcia and Alba Garcia, jointly, personally known to me as the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and being first duly sworn by me acknowledged that they signed and delivered the said instrument as their free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 27<sup>th</sup> day of February, 2013.

Cheryl Ann Nutley  
\_\_\_\_\_  
Notary Public  
  
My commission expires \_\_\_\_\_



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## EXHIBIT A

Legal Description: LOT 27 IN BLOCK 4 IN NORTHWEST LAND ASSOCIATION  
SUBDIVISION OF THE SOUTH 665.6 FEET OF THE EAST ½ OF THE NORTHEAST ¼ OF  
SECTION 14, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL  
MERIDIAN, IN COOK COUNTY, ILLINOIS.

The Land is improved with a (check one):

- Single Family Home  X
- Two-Flat Building
- Three Flat Building
- Other (specify below)

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## EXHIBIT B

[ATTACH 24 CFR PART 58 ENVIRONMENTAL COMPLIANCE LETTER]

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DEPARTMENT OF ENVIRONMENT  
CITY OF CHICAGO

MEMORANDUM

**TO:** Bill Eager  
Acting Managing Deputy Commissioner- Housing Bureau  
Department of Housing and Economic Development

**FROM:** Richard L. Rodriguez  
Commissioner

**RE:** Environmental Compliance Certification  
Neighborhood Stabilization Program (1 Site)

**DATE:** August 16, 2011

The Department of Environment (DOE) has completed the required federal environmental assessment review for the federally funded project listed below (the project), namely:

1. 4419 N. Kimball Ave.

DOE has determined that the project is in compliance with the environmental laws and authorities cited in the U.S. Department of Housing and Urban Development's (HUD's) "Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities," as set forth in 24 CFR Part 58.

Please note that this environmental clearance is conditional upon abating any environmental mold which may be present at the project.

In accordance with the federal grant conditions, DOE has prepared the applicable environmental review record file for the project. This record file documents the City's finding that the proposed project actions are part of a larger undertaking for which a Finding of No Significant Impact (FONSI) was made on April 6, 2009, and for which circumstances have not changed significantly. All documentation supporting the FONSI level of clearance determination for the project will be maintained by DOE.

Should you have any questions regarding this matter, please contact Kevin M. Laberge, of my staff, at (312) 742-0463.

cc: Roman Segal, DHED  
Katie Ludwig, DHED  
Jonah Hess, Mercy Portfolio Services  
Eva Garrett, Mercy Portfolio Services  
Allison Siebold, Mercy Portfolio Services  
Kimberly Worthington, DOE


RLR/UMBR:kml

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## EXHIBIT C

[ATTACH HOMEOWNER COUNSELING CERTIFICATE]

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NORTH SIDE COMMUNITY FEDERAL CREDIT UNION



# Certificate of Completion

Is Presented to

Raul and Alba Garcia

For Successfully Completing

# Realizing the American Dream

A Course in Homeownership Education and Counseling

Oct 27, 2012

Valid for One Year from Date Issued

Jennifer Pallas  
Director of Housing Counseling

North Side Community Federal Credit Union is a HUD-Approved Housing Counseling Agency under the  
National Federation of Community Development Credit Unions

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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 (including reasonable closing costs for the refinance transaction), 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.**

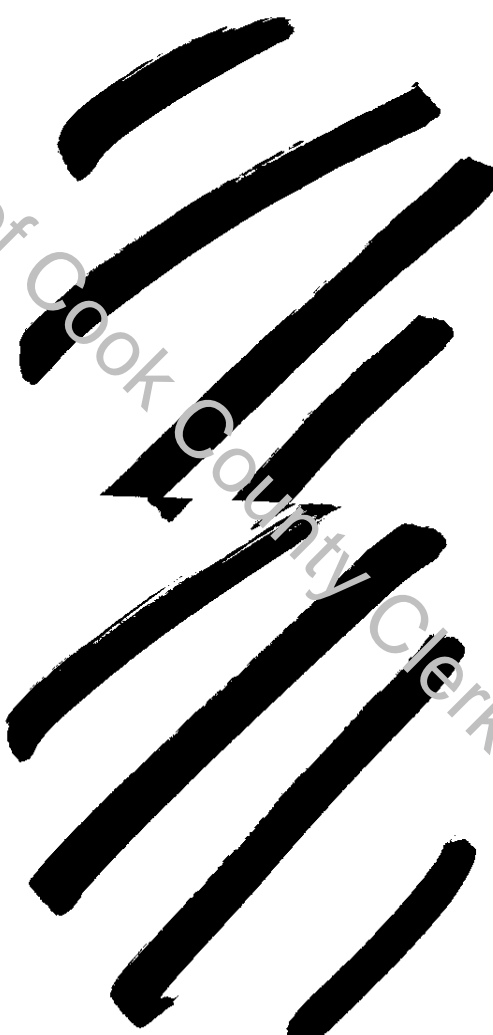
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## EXHIBIT E

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

[ATTACH EVIDENCE]

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City of Chicago

Neighborhood Stabilization Program (NSP)

## Senior Lender's Certification of Compliance

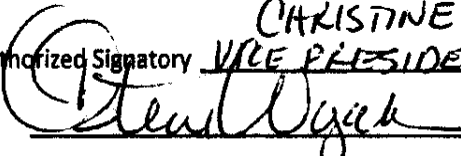
*This Certification of Compliance must be submitted with the senior lender's credit approval*

Key Mortgage Services, Inc.

Hereby certifies that the standards, policies and practices followed in evaluating and approving the mortgage granted in connection with the Homebuyer's purchase of the NSP property located at **4419 N. Kimball**, Chicago, Illinois complies with the Bank Regulators' guidance for non-traditional mortgages as noted in the Statement of Subprime Mortgage Lending Issues by the Office of the Comptroller of the Currency, Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, Department of Treasury and National Credit Union Administration which can be found at the following link:

[Http://www.fdic.gov/regulations/laws/rules/5000-5100.html](http://www.fdic.gov/regulations/laws/rules/5000-5100.html)

Name and Title of Authorized Signatory CHRISTINE WUJEL  
VICE PRESIDENT OPERATIONS

Authorized Signature  Date 2-22-13

Address 475 MARTINGALE Rd Suite 925

City Schaumburg State IL ZIP 60173

Telephone 847-493 5110

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## EXHIBIT F

[ATTACH CURRENT HUD CMSA AREA MEDIAN INCOME SCHEDULE]

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## TABLE OF INCOME LIMITS (Effective December 11, 2012)

Household Size	30% Area Median Income (HUD Extremely Low Income Limit)	50% Area Median Income (HUD Very Low Income Limit)	80% Area Median Income (HUD Low Income Limit)	120% Area Median Income
1 person	15,500	25,800	41,250	49,500
2 persons	17,700	29,450	47,150	56,580
3 persons	19,900	33,150	53,050	63,660
4 persons	22,100	36,800	58,900	70,680
5 persons	23,900	39,750	63,650	76,380
6 persons	25,650	42,700	68,350	82,020
7 persons	27,450	45,650	73,050	87,660
8 persons	29,200	48,600	77,750	93,300
9 persons	30,940	51,520	82,460	98,940
10 persons	32,708	54,464	87,172	104,584

Income limits are for the Chicago-Naperville-Joliet, IL HUD Metro FMR Area.  
Effective until superseded.

Income limits for 30%, 50%, 60%, 80% and 120% AMI as published by HUD.

Income limits for all other income levels calculated per HUD methodology, based

Income limits for 9-person household calculated at 140% of 4-person limits.