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DECLARATION OF RESTRICTIONS CONCERNING OCCUPANCY AND RESALE

3/7/00

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MAIL TO AND PREPARED BY:

THE RESURRECTION PROJECT
1818 SOUTH PAULINA
CHICAGO, IL 60608
ATTENTION: HOUSING SERVICES DIRECTOR

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DECLARATION OF RESTRICTIONS CONCERNING OCCUPANCY AND RESALE

This Declaration of Restrictions Concerning Occupancy and Resale (this "Declaration") is hereby attached to and made a part of that certain Deed dated JUNE 19, 1997, naming the Pilsen Joint Venture, an Illinois Joint Venture, as grantor ("Grantor"), and Severio & Martha Salcedo, as grantee ("Grantee"), and concerning that certain single family residence commonly known as 1926 W. Belmont, Chicago, Illinois (the "Property"). The provisions contained in this Declaration are subject to the rights of the City of Chicago with respect to the Property, as evidenced by the Covenant of Residency, and the Mortgage, Security and Recapture Agreement, executed by Grantee in favor of the City of Chicago.

WITNESSETH:

WHEREAS, the housing unit which is a part of the Property was constructed by the Grantor pursuant to the City of Chicago New Homes for Chicago Program (the "Program"), the purpose of which Program is, in part, to provide affordable, quality, single-family housing to moderate income families in the City of Chicago; and

WHEREAS, in connection with the Program, and in accordance with the terms of a certain Redevelopment Agreement between Grantor and the City of Chicago dated as of September 27, 1991, Grantor's cost of acquiring the land and constructing the improvements thereon, which collectively comprise the Property, was partially subsidized by public funds and waivers of certain City of Chicago fees and deposits made available to Grantor through the Program; and

WHEREAS, Grantee has directly benefitted from the public funds made available to Grantor, at no cost, through the Program, because Grantor has, therefore, been able to sell the Property to Grantee for a price which is significantly below its fair market value, thereby furthering the purposes of the Program; and

WHEREAS, Grantee has received an additional benefit in the form of government subsidized below market mortgage financing that has enabled Grantee to purchase the Property from Grantor; and

WHEREAS, The Resurrection Project, an Illinois not-for-profit corporation and a member of Grantor ("TRP"), has individually assisted with obtaining the above-mentioned public funds and below market mortgage financing, and has otherwise provided services to, and has assisted Grantee at no cost to Grantee, including the obtaining of services for Grantee from third parties, all to make it possible for Grantee to purchase the Property from Grantor at a price which is significantly below its fair market value; and

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WHEREAS, the objectives the Program was designed to accomplish would not be achieved if Grantee or someone of Grantee's income level were not occupying the Property as his or her primary residence.

NOW, THEREFORE, to accomplish and further the purpose of the Program which is in part to make affordable, quality housing available to moderate income families such as Grantee in the Pilsen neighborhood of the City of Chicago, and in consideration of the below market price of the Property paid by Grantee, the below market financing that has been made available to Grantee to purchase the Property and other benefits received by Grantee pursuant to the Program, Grantor hereby declares as follows:

Section 1. Restrictions on Resale

1.1 By accepting delivery of the deed of which this Declaration is a part, Grantee acknowledges that Grantee intends to occupy the Property as Grantee's principal personal residence for a period of six (6) years following the date of the recording of this Declaration (the "Occupation Period").

1.2 If Grantee desires to sell the Property at any time during the Occupation Period, then, as a condition precedent to Grantee's right to sell the Property during such period, Grantee shall, prior to making any effort to market or sell the Property, give written notice of such desire (the "Grantee Notice") to TRP at its place of address noted in Section 5.7 below by United States Registered or Certified Mail, Return Receipt Requested, proper postage prepaid. The Grantee Notice shall set forth Grantee's name, the address of the Property and shall state Grantee's desire to sell the Property.

1.3 (a) Upon TRP's receipt of the Grantee Notice, as receipt of such notice is determined pursuant to Section 5.7 below, both TRP and Grantee may attempt to locate a potential buyer (a "Prospective Buyer") who is ready and willing to purchase the Property at a price that is no greater than the "Resale Price" (as defined in Section 3 below) and who is willing to have TRP examine a true and complete copy of such Prospective Buyer's United States or other applicable country's federal income tax returns for the two calendar years immediately preceding the then current calendar year, including W-2 or similar forms and such other data attached or related to the said tax returns as may be reasonably requested by TRP (collectively, the "Tax Returns"), to determine whether such Prospective Buyer satisfies the "Eligibility Requirements of the New Homes Program" (as defined in Section 4 below)

(b) (i) Upon identification of a Prospective Buyer by either Grantee or TRP, the party identifying the Prospective Buyer (Grantee or TRP, as applicable) shall cause the Prospective Buyer to execute a "Resale Contract" (as defined below in this subparagraph (b)) and send a copy of its Tax Returns and the signed Resale Contract by United States Registered or Certified Mail, Return Receipt Requested, proper postage prepaid, to TRP at its address specified in Section 5.7 below. Under no circumstances shall personal delivery, or delivery by any other means, satisfy the

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requirement of this provision. If TRP shall receive a signed Resale Contract and Tax Returns from more than one Prospective Buyer, then TRP shall compile a list of all such Prospective Buyers and shall maintain such list in chronological order according to the postmarks on the various envelopes received by TRP containing the signed Resale Contracts and Tax Returns (the "Prospective Buyer List"). In the event that two or more Prospective Buyers appear on the Prospective Buyer List as of the same date by virtue of the postmarks on the envelopes in which the applicable Resale Contract and Tax Returns were sent, then TRP shall hold a drawing, in a manner chosen by TRP in its sole discretion, to determine the order of the names of such Prospective Buyers on the Prospective Buyer list.

(ii) For purposes of this Declaration, the term "Resale Contract" means a real estate purchase and sales agreement substantially in the form and substance of the agreement attached hereto and made a part hereof as Exhibit A, providing for the sale of the Property, together with not less than all of the personal property which was originally purchased by Grantee pursuant to the Program, to the Prospective Buyer. The Resale Contract shall expressly provide, among other things, that the Resale Contract is subject to the terms and provisions of this Declaration, that the Prospective Buyer's obligations thereunder are contingent upon it being found or deemed by operation of this Declaration to be an "Eligible Buyer" (as defined in Section 1.4(b) below) pursuant to this Section 1, that the Resale Contract may not be assigned by either party and that it shall not be binding on, nor inure to the benefit of, a Prospective Buyer's heirs, successors, executors, legal administrators or representatives. In addition, the Resale Contract shall include, if at all, a finance contingency clause for a fixed or adjustable rate mortgage loan having an amortization period of not more than thirty (30) years and interest rate and closing points provisions which are substantially in accordance with the interest rate and closing points provisions then being charged by institutional lenders for similar unsubsidized mortgage loans on property located in areas with real estate values generally similar to the real estate values in the Pilsen neighborhood of Chicago.

1.4 (a) Upon receipt of a signed Resale Contract and accompanying Tax Returns (which TRP shall review in the order in which they are received, as set forth on the Prospective Buyer List prepared in accordance with Section 1.3(b)(i) above), TRP shall have a fifteen (15) day period (the "TRP Review Period") within which to review greater than the "Resale Price" (as defined at Section 3 below) and that the Resale Contract is otherwise in conformity with Section 1.3 above, and (ii) the Tax Returns to determine whether the Prospective Buyer meets the "Eligibility Requirements of the New Homes Program."

(b) If TRP determines that (i) the Resale Contract is in accordance with the provisions of Section 1.3 above and Section 3 below and (ii) the particular Prospective Buyer satisfies the "Eligibility Requirements of the New Homes Program" (a Prospective Buyer who satisfies the conditions of the preceding items (i) and (ii) being hereinafter referred to as an "Eligible Buyer"), then TRP shall so notify Grantee in writing by notice (the "TRP Eligibility Notice") mailed within the TRP Review Period, such notice to be accompanied by the Resale Contract, as signed by the Eligible Buyer. TRP's obligations with respect to all other Prospective Buyers shall end on the

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date the TRP Eligibility Notice is mailed. Grantee shall then promptly execute and deliver the Resale Contract to the Eligible Buyer and the sale of the Property to the Eligible Buyer shall proceed in accordance with the terms and provisions of the Resale Contract. If TRP fails to give a TRP Eligibility Notice within the time period and in the form provided for in this Section 1.4 with respect to a particular Prospective Buyer, then the Grantee may sell the Property to any buyer, at any price, and pursuant to any form of real estate sales contract agreeable to the parties, regardless of whether such buyer meets the Eligibility Requirements of the New Homes Program.

(c) If TRP determines that the particular Prospective Buyer satisfies the "Eligibility Requirements for the New Homes Program" but that the signed Resale Contract is not in conformity with this Declaration, as aforesaid, then TRP shall so notify the particular Prospective Buyer in writing by notice mailed within the TRP Review Period specifying in detail how the Resale Contract does not conform to the requirements of Section 1.3 above or Section 3 below, and shall permit such Prospective Buyer ten (10) days (the "Cure Period") from its receipt of such notification within which to submit a new Resale Contract complying with the provisions of Section 1.3 above and Section 3 below. TRP may utilize the injunctive relief, and other remedies, provided for in Section 5.2 hereof to prevent a sale of the Property pursuant to such a non-complying Resale Contract. If a new Resale Contract complying with the provisions of Section 1.3 above and Section 3 below is submitted to TRP within the Cure Period, then TRP shall so notify Grantee in Writing sent within seven (7) days of the last day of the Cure Period, such notice to be accompanied by the new Resale Contract as signed by the Eligible Buyer. TRP's obligations with respect to all other Prospective Buyers shall end on the date such notice is sent. Grantee shall promptly execute and deliver the new Resale Contract to the Eligible Buyer and the sale of the Property to the Eligible Buyer shall proceed in accordance with the terms and provisions of such new Resale Contract. If a new Resale Contract complying with the provisions of Section 1.3 above and Section 3 below is not submitted to TRP, as signed by the particular Prospective Buyer, within the Cure Period, then Grantee and the particular Prospective Buyer shall be so notified by written notice (the "TRP Disapproval Notice") sent by TRP to each of them within the seven-days of the last day of the Cure Period. If TRP determines that the particular Prospective Buyer does not satisfy the Eligibility Requirements of the New Homes Program, regardless of whether the Resale Contract is in conformity with Section 1.3 above and Section 3 below, then TRP shall so notify Grantee and the particular Prospective Buyer (the "TRP Ineligibility Notice") sent by TRP to each of them within the aforesaid TRP Review Period. If TRP fails to give a TRP disapproval Notice or a TRP Ineligibility Notice, as applicable, within the time periods, and in the form, provided for in this Section 1.4 with respect to a particular Prospective Buyer, then the Grantee may sell the Property to that Prospective Buyer at any price, and pursuant to any form of real estate sales contract agreeable to the parties, regardless of whether such Prospective Buyer meets the Eligibility Requirements of the New Homes Program. The TRP Disapproval Notice and the TRP Ineligibility Notice, as applicable, shall be accompanied by the Resale Contract which shall be marked on the face thereof "Void." If there are other Prospective Buyers identified on the Prospective

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Buyer List, then TRP shall evaluate the next listed Prospective Buyer (or, if no other Prospective Buyers are identified on the Prospective Buyers List but a Prospective Buyer is thereafter identified by or to TRP during the Occupation Period, then TRP shall evaluate such Prospective Buyer) and TRP shall comply with the procedures outlined in Sections 1.3(b) above and this Section 1.4 until the first to occur of (i) identification and approval as aforesaid of an Eligible Buyer or (ii) expiration of the Occupation Period.

1.5 If the sale of the Property to the Eligible Buyer shall not close for whatever reason and the Resale contract shall be terminated, then before the Property can be sold during the Occupation Period, Grantee and TRP shall once again comply with the provisions of this Section 1.

1.6 If the Property shall be sold at any time during the Occupation Period, then, during the remainder of the Occupation Period, all subsequent owners of the Property shall similarly comply with all of the provisions of this Section 1 prior to attempting and, as a condition of their right, to market and sell the Property during such period.

1.7 TRP shall not discriminate based on color, race, religion, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military status, parental status or source of income, in selecting, or in making income eligibility determinations with respect to, prospective Eligible Resale Buyers, and TRP shall comply with any and all federal, state and local laws, statutes, ordinances or regulations with regard to non-discrimination in the sale and marketing of housing, including, without limitation, the Fair Housing Act, 42 U.S.C. sec. 3601 et seq. (1988), and 42 U.S.C. sec. 1982 (1988), and sections 17-19 of Article I of the Constitution of the State of Illinois.

1.8 Notwithstanding any of the foregoing provisions, no Prospective Buyer who becomes an Eligible Buyer shall be entitled to purchase the Property if TRP determines prior to the closing of a planned sale of the Property that another Prospective Buyer who also became an Eligible Buyer appears earlier in the chronological order of the Prospective Buyers List.

Section 2. Restriction on Occupancy

2.1 During the Occupation Period, the Property shall be used only as the primary personal residence of the owner(s) of the Property; provided, however, that, as long as the Property is occupied by the owner(s) of the Property as their primary personal residence, then, except to the extent otherwise provided in Section 2.2 below, such owner(s) may permit the Property to be occupied, as well, by other persons, including those related to such owners(s) by blood or marriage.

2.2 In order to ensure that the objectives of the Program (i.e. the provision of affordable, quality housing to moderate income families in the City of Chicago) are achieved and maintained throughout the Occupation Period, and notwithstanding any term or provision of this Declaration to the contrary, during the Occupation Period,

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neither Grantee nor any other owner(s) of the Property may lease, permit to be leased (or otherwise grant or permit to be granted a right to occupy) the Property or any part thereof to any person or entity where consideration is paid for such occupancy right.

Section 3. Resale Price

The "Resale Price" is that price which is equal to the purchase price for the Property (as indicated on the real estate sales contract between Grantee and Grantor (the "Original Contract")) plus 5% of such purchase price for each full year since the date of the closing of the sale of the Property pursuant to the Original Contract, plus the cost of any permanent improvements to the Property made by Grantee subsequent to the date hereof (not including the cost of permanent improvements made to repair damage to the Property which is not the result of ordinary wear and tear), less the estimated cost of repairing any unrepaired damage to the Property which is not the result of ordinary wear and tear. Notwithstanding the foregoing, the Grantee may sell or attempt to sell the Property for less than the amount above, if Grantee notifies TRP in writing prior to offering or attempting to sell the Property at such lower Resale Price.

Section 4. Eligibility Requirements

The "Eligibility Requirements of the New Homes Program" are that the individual purchasing the Property can not have an income which exceeds 120% of the "Median Income" as determined in accordance with the "United States Department of Housing and Urban Development Maximum Income By Family Size Guidelines on Chicago PMSA." In the event that such guidelines are no longer promulgated by the United States Department of Housing and Urban Development ("HUD"), TRP shall utilize, in determining satisfaction of the Eligibility Requirements of the New Homes Program described in this Section 4, any other comparable standard that may be promulgated by HUD, or its successor agency, pursuant to the United States Housing Act of 1937, as amended.

Section 5. General Matters

5.1 All of the covenants, conditions, and restrictions contained herein shall run with the land but shall terminate and shall have no further force or effect upon the expiration of the Occupation Period.

5.2 All covenants, conditions and restriction contained herein may be enforced by Grantor or TRP (to whom Grantor has delegated the authority, on behalf of Grantor, to enforce such covenants, conditions and restrictions) by action at law or in equity, including, without limitation, an action seeking injunctive or other relief restraining the violation of such covenants, conditions and restrictions.

5.3 In the event any provision hereof shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

5.4 The headings provided herein are for convenience only and shall not

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define or limit the provisions of these Resale and Occupancy Restrictions.

5.5 Where the context so requires, words used in the singular shall include the plural and vice versa, and words of one gender shall include all other genders.

5.6 The provisions hereof shall be governed exclusively by and construed in accordance with the applicable laws of the State of Illinois.

5.7 All notices, demands and communications required or permitted by this Declaration ("Notices") shall be in writing and, except as otherwise specified to the contrary herein, shall be personally delivered or sent by United States Mail, Registered or Certified Mail, Return Receipt Requested, proper postage prepaid, and addressed as follows:

If to Grantee, or if to Grantee's successors and assigns:

To the address of the Property.

If to TRP:

The Resurrection Project
1818 South Paulina
Chicago, Illinois 60607

Attention: Housing Services Director

or to such other address of TRP contained in a notice sent to Grantee in accordance with the foregoing notice provisions and recorded by TRP against legal title to the Property. Notices which are personally delivered shall be deemed received upon delivery to (or upon refusal to accept delivery by) the addressee on Monday through Fridays between the hours of 9:00 a.m. and 5:00 p.m. Notices which are mailed in accordance with this Section 5.7 shall be deemed received two (2) business days after posting in the United States mails.

5.8 The term "owner(s) of the Property", as used herein, shall mean Grantee and any other holder of legal title to the Property, including the holder of the beneficial interest in such legal title.

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