

EXHIBIT D

JUNIOR MORTGAGE

This Document Prepared by and
after Recording Return to:

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City of Chicago Department of Law
121 North LaSalle Street, Room 600
Chicago, IL 60602
(312) 744-6472

(Space Above This Line for Recording Data)

**MORTGAGE, SECURITY AND RECAPTURE AGREEMENT,
INCLUDING RESIDENCY, TRANSFER AND FINANCING COVENANTS
(City Lots For Working Families)**

	APPLICABLE SUBSIDIES (Enter Amount or "None")	
A.	Land Fair Market Value	\$ _____
B.	Recapture Amount (Up to \$50,000)	\$ _____
C.	Additional Recapture Agreement (Land Value in Excess of \$50,000)	None
D.	TOTAL RECAPTURE AMOUNT (B+C)	\$ _____

This Mortgage, Security and Recapture Agreement, Including Residency, Transfer and Financing Covenants ("Mortgage") is made as of _____, 202__ from _____ ("Mortgagor") to the City of Chicago, an Illinois municipal corporation, acting by and through its Department of Housing (together with any successor department thereto, ("DOH"), having its principal office at City Hall, 121 North LaSalle Street, Chicago, Illinois 60602 ("City" or "Mortgagee").

RECITALS

A. The City Council of the City, by ordinance adopted November 8, 2017, and published in the Journal of Proceedings of the City Council for such date at pages 59287-59295, established the City Lots for Working Families Program ("Program") in recognition of the shortage of decent housing affordable to working families within the City and to encourage the use of vacant, unused parcels of land located in various neighborhoods of the City for the development of new owner-occupied homes.

B. Pursuant to the objectives of the Program, the City and Claretian Associates Inc., an Illinois not-for-profit corporation ("Developer"), executed the Redevelopment Agreement, whereby Developer redeveloped that certain real property legally described on Exhibit 1 attached hereto ("Land") by constructing a single-family housing unit ("Home") improving the Land.

C. When the City sold and conveyed the Land to the Developer, the Land had a fair market value of approximately \$_____.

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

E. Pursuant to the Program and the Redevelopment Agreement, the fair market value of the land up to the first Fifty Thousand Dollars (\$50,000) constitutes and is referred to hereinafter as the "Recapture Amount" and the amount by which the Land's fair market value exceeds Fifty Thousand Dollars (\$50,000) (if at all) constitutes and is referred to hereinafter as the "Additional Recapture Amount." The Recapture Amount and the Additional Recapture Amount for this Home are more specifically defined in Section I below.

F. The City's agreement to sell the Land to the Developer for \$1.00 was conditioned upon the Developer's undertaking to construct the Home and then sell the Home to a Qualified Household for an Affordable Price for its Principal Residence, subject to Mortgagor's execution of this Mortgage, which secures certain performance and payment covenants intended to assure that the City achieves the affordable housing objectives of the Program.

G. As a result of the land value write-down described above, the Mortgagor has been given the opportunity to buy the Home for an Affordable Price for its Principal Residence (which Affordable Price does not include the Recapture Amount or, if applicable, the Additional Recapture Amount).

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

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

NOW, THEREFORE, to secure the performance and observance by Mortgagor of all the terms, covenants and conditions described herein, and in order to charge the properties, interests

and rights hereinafter described with such consideration, Mortgagor has executed and delivered the Mortgage and does hereby grant, convey, assign, mortgage, grant a security interest in, and confirm unto Mortgagee and its successors and assigns forever, all of the following described property (which is hereinafter sometimes referred to as "Mortgaged Property":

(A) The Land;

(B) All structures and improvements of every nature whatsoever now or hereafter situated on the Land, including, without limitation, the Home, all fixtures of every kind and nature whatsoever which are or shall be attached to said buildings, structures or improvements, and now or hereafter owned by Mortgagor, including all extensions, additions, improvements, betterments, renewals and replacements of any of the foregoing ("Improvements");

(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 any of the above-described Improvements, which are or are to become fixtures.

THIS MORTGAGE IS GIVEN TO SECURE: (a) payment of the Recapture Amount and, if applicable, the Additional Recapture Amount, (b) performance of residency, transfer and financing covenants described herein and in Exhibit 2 attached hereto, and (c) the payment and performance of all other obligations, covenants, conditions and agreements contained herein and in any other agreement, document or instrument to which reference is expressly made in the Mortgage.

SECTION I

INCORPORATION OF RECITALS; DEFINITIONS

The recitals set forth above constitute an integral part of this Mortgage and are incorporated herein by this reference with the same force and effect as if set forth herein as agreements of the parties. Capitalized terms not otherwise defined herein shall have the meanings set forth in that certain City Lots for Working Families Redevelopment Agreement, dated as of _____, 20__, and recorded with the Office of the Recorder of Deeds of Cook County, Illinois, on _____, 20__, as document no. _____ ("Redevelopment Agreement"). In addition, as used herein, the following capitalized terms shall be defined as follows:

"Additional Recapture Amount" shall mean the amount, if any, set forth in Row C of the Applicable Subsidies Table on page 1 of this Mortgage, plus, (b) simple interest thereon at three percent (3%) per annum, which entire amount shall be subject to repayment if the Home is sold to a homebuyer during the thirty (30) year period commencing on the Purchase Date, unless such sale

is to a Qualified Household who purchases the Home for an Affordable Price, as determined by the City's Department of Housing at the time of such resale, for its Principal Residence.

"Affordability Period" shall mean the five (5) year period commencing on the Purchase Date, so long as there is no Additional Recapture Amount, in which case the Affordability Period would mean the thirty (30) year period commencing on the Purchase Date.

"Affordable Price" shall mean an amount less than or equal to the price at which monthly homeownership costs (including principal and interest on a 30-year fixed rate residential mortgage in the amount of ninety-five percent (95%) of the purchase price, taxes, insurance and, as applicable, private mortgage insurance and homeowners' association payments) for the Home would total not more than thirty percent (30%) of household income with a family size equal to the product of 1.5 multiplied by the number of bedrooms in the Home whose income is equal to one hundred twenty percent (120%) AMI. For purposes of this definition, interest shall be calculated as the higher of: (a) the current interest rate, as published in the *Chicago Tribune* or comparable newspaper and rounded up to the nearest quarter point; or (b) the 10-year average of interest rates, as calculated by the City based on data provided annually by the Federal National Mortgage Association or any successor organization thereto.

"AMI" shall mean the median household income for the Chicago Primary Metropolitan Statistical Area as calculated and adjusted for household size from time to time by the U.S. Department of Housing and Urban Development or any successor department thereto.

"Qualified Household" shall mean a person or group of people whose household income does not exceed one hundred forty percent (140%) AMI.

"Principal Residence" shall mean an owner's primary or principal residence that the owner actually occupies on a regular basis. A Principal Residence does not include any housing unit used as an investment property, as a recreational home or a home in which fifteen percent (15%) or more of its total area is used for a trade or business.

"Recapture Amount" shall mean the amount set forth in Row B of the Applicable Subsidies Table on page 1 of this Mortgage, but which shall decline proportionately (i.e., by twenty percent (20%) of the original amount) on each anniversary date of the Purchase Date, and after the fifth (5th) anniversary date shall equal zero dollars (\$0.00).

"Purchase Date" shall mean the date on which the Mortgagor purchased the Mortgaged Property.

"Total Recapture Amount" shall mean (a) the amount set forth in Row C of the Applicable Subsidies Table on page 1 of this Mortgage, which shall decline proportionately (i.e. by twenty percent (20%) of the original amount) on the first, second, third, fourth, and fifth anniversary dates of the Purchase Date, and after such fifth anniversary date, shall equal zero dollars (\$0.00), and (b) the Additional Recapture Amount, if any, including the interest set forth in the definition of Additional Recapture Amount hereinabove.

SECTION II

COVENANTS, REPRESENTATIONS, AND WARRANTIES

Mortgagor covenants and agrees with Mortgagee that:

2.1 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.

2.2 Insurance. Mortgagor shall keep the Mortgaged Property continuously insured in such amounts and against such risks as required of Mortgagor by the Senior Lender (as hereinafter defined), paying the premiums for said insurance as they become due. Policies of insurance shall name Mortgagee as an additional insured. All policies of insurance shall provide that the same shall not be cancelled, except upon thirty (30) days prior written notice to Mortgagee.

2.3 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 insurer, will promptly restore the Mortgaged Property to the equivalent of its condition prior to the casualty, to the extent of any insurance proceeds made

available to Mortgagor for that purpose.

2.4 Subordination. The Mortgage shall be subject and subordinate in all respects to that certain mortgage dated as of even date herewith between Mortgagor and _____ ("Senior Lender") recorded with the Office of the Cook County Clerk to secure an indebtedness in the original principal amount not to exceed the Affordable Price ("Senior Mortgage") pursuant to the terms of the Redevelopment Agreement. This Mortgage shall also be subordinate to any subsequent mortgage that refinances the Senior Mortgage, so long as such refinancing is not in an original principal amount greater than the Affordable Price. Additionally, this Mortgage shall be subordinate to that certain housing grant and recapture agreement, including residency, transfer and financing covenants dated as of even date herewith between Mortgagor and the City securing mortgagee's obligations under the Building Neighborhoods and Affordable Homes Purchase Price Assistance program adopted by the City Council of the City by ordinance dated October 31, 2018, and published in the Journal of Proceedings of the City Council for such date at pages 87215-87221.

2.5 Income Eligibility. Mortgagor covenants to Mortgagee that it meets the income eligibility requirements established by the City pursuant to the Program in order to participate as a homebuyer under the Program.

2.6 Foreclosure of Senior Mortgage.

In the event of a transfer of title of the Mortgaged Property through foreclosure or recording of deed in lieu of foreclosure to the Senior Lender pursuant to the Senior Mortgage, Mortgagor acknowledges and agrees that the residency, transfer and financing covenants set forth in Exhibit 2 attached hereto, and any other provisions contained herein restricting the sale and occupancy of the Mortgaged Property to buyers or occupants which meet the income eligibility requirements of the Program shall be released and shall have no further force or effect; provided, however, that all such covenants and affordability restrictions shall be revived according to the original terms if, during the applicable affordability period, the Mortgagor or any member of Mortgagor's household or family reacquires an ownership interest in the Mortgaged Property. Any other person (including the successors and/or assigns of Senior Lender) receiving title to the Mortgaged Property through a foreclosure or deed in lieu of foreclosure of the Senior Mortgage shall also receive title to the Mortgaged Property free and clear of such restrictions.

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

SECTION III

RESIDENCY, TRANSFER, AND FINANCING COVENANTS

Mortgagor also covenants to comply with the residency, transfer, and financing covenants set forth in **Exhibit 2**, which covenants are all materially related to the City's achievement of the affordable housing objectives of the Program.

SECTION IV

DEFAULT

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

(a) Mortgagor's breach of one or more of the residency, transfer or financing covenants set forth in **Exhibit 2**, which breach is not cured by Mortgagor within ten (10) business days of Mortgagor's receipt of written notice from Mortgagee of such breach; or

(b) Mortgagor's breach of any other material term, covenant, condition, or agreement of this Mortgage, which breach is not cured by Mortgagor within thirty (30) calendar 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) calendar 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.

4.2 **Remedies**

(a) If an Event of Default arising from a breach of one or more of the covenants set forth in **Exhibit 2** occurs during the Affordability Period (and unless the last paragraph of such exhibit applies) (such a default, a "**Recapture Default**"), the Recapture Amount shall become immediately due and payable and subject to recapture without further notice or demand and the Mortgagee shall be entitled to immediate payment of such Recapture Amount; and

(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 the Mortgaged Property has been foreclosed against. In any such foreclosure, or upon the enforcement of any other remedy of Mortgagee hereunder, there shall be allowed and included as additional indebtedness, all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for reasonable attorneys' fees, appraisers' fees, outlays for documentary and expert evidence, stenographers' charges, publication costs, and costs involved in title insurance and title examinations. All expenditures and expenses of the nature in this **Section**

4.2(b) mentioned, and such expenses and fees as may be incurred in the protection of the Mortgaged Property and the maintenance of the lien of the Mortgage, including the reasonable fees of any attorney employed by Mortgagee in any litigation or proceeding affecting the Mortgage, or the Mortgaged Property, including probate and bankruptcy proceedings, or in preparation for the commencement or defense of any proceeding or threatened suit or proceeding, shall be immediately due and payable by Mortgagor, with interest thereon at the lesser of the highest rate permitted by law or fifteen percent (15%) per annum, and shall be secured by the Mortgage. The proceeds of any foreclosure sale of the Mortgaged Property shall be distributed and applied in the following order of priority: (i) on account of all costs and expenses incidental to the foreclosure proceedings, including all such items as are mentioned in this section; (ii) repayment of any indebtedness secured by any permitted Senior Mortgage or a permitted refinancing thereof; (iii) all recapture amounts and other amounts due under this Mortgage; and (iv) any remaining amounts due to Mortgagor, its successors or assigns, as their rights may appear.

4.3 Mortgagor Waivers. Mortgagor shall not and will not apply for or avail itself of any appraisement, 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.

4.4 Additional Mortgagee Rights. Upon any other entering upon or taking of possession of the Mortgaged Property after the occurrence of an Event of Default other than by means of a foreclosure, Mortgagee, subject to the rights of the Senior Lender, may hold, use, manage and control the Mortgaged Property and, from time to time (i) make all necessary and proper maintenance, repairs, renewals, replacements, additions, betterments and improvements thereto and thereon and purchase or otherwise acquire additional fixtures, personalty and other property required in connection therewith; (ii) insure or keep the Mortgaged Property insured; (iii) manage the Mortgaged Property and exercise all the rights and powers of Mortgagor to the same extent as Mortgagor could in its own name or otherwise with respect to the same; and (iv) enter into any and all agreements with respect to the exercise by others of any of the powers herein granted to Mortgagee, all as Mortgagee from time to time may reasonably determine to be to its best advantage. Mortgagee may collect and receive all the rents, issues, profits and revenues of the same, including those past due as well as those accruing thereafter, and, after deducting to the extent reasonable: (a) expenses of taking, holding and managing the Mortgaged Property (including compensation for the services of all persons employed for such purposes); (b) the cost of all such maintenance, repairs, renewals, replacements, additions, betterments, improvements, and purchases and acquisitions; (c) the cost of such insurance; (d) such taxes, assessments and other similar charges as Mortgagee may determine to pay; (e) other proper charges upon the Mortgaged Property or any part thereof; and (f) the reasonable compensation, expenses and disbursements of the attorneys and agents of Mortgagee, shall apply the remainder of the monies and proceeds so received by Mortgagee first to payment of accrued interest; and second to the payment of principal. The balance of such funds, if any, after payment in full of all of the aforesaid amounts, shall be paid to Mortgagor.

4.5 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 the rights and powers to the fullest extent permitted by law.

4.6 Purchase by Mortgagee. Upon any foreclosure sale, Mortgagee may bid for and purchase the Mortgaged Property and shall be entitled to apply all or any part of the indebtedness secured hereby as a credit to the purchase price; provided, however, that the Senior Lender has been paid in full.

4.7 Remedies Cumulative. No right, power or remedy conferred upon or reserved to Mortgagee by the Mortgage is intended to be exclusive of any other right, power or remedy, but each and every right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder or now or hereafter existing at law, in equity, or by statute.

4.8 No Waiver By Mortgagee. No delay or omission of Mortgagee or of any holder of this Mortgage to exercise any right, power or remedy accruing upon any Event of Default shall exhaust or impair any such right, power or remedy or shall be construed to be a waiver of any such Event of Default or acquiescence therein; and every right, power, and remedy given by the Mortgage to Mortgagee may be exercised from time to time as often as may be deemed expedient by Mortgagee. No consent or waiver, expressed or implied, by Mortgagee to or of any breach or Event of Default by Mortgagor in the performance of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or Event of Default in the performance of the same or any other obligations of Mortgagor hereunder. Failure on the part of Mortgagee to complain of any act or failure to act or to declare an Event of Default, 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 V

MISCELLANEOUS PROVISIONS

5.1 Successors and Assigns. The Mortgage shall inure to the benefit of and be binding upon Mortgagor and Mortgagee and their respective legal representatives, successors, and assigns. Whenever a reference is made in the Mortgage to Mortgagor or to Mortgagee, such reference shall be deemed to include a reference to legal representatives, successors, and assigns of Mortgagor or Mortgagee, as applicable.

5.2 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) overnight courier; or (c) registered or certified first-class mail, postage prepaid, return receipt requested:

If to the City:

City of Chicago
Department of Housing
121 North LaSalle Street

Room 1000 - City Hall
Chicago, Illinois 60602
Attn: Commissioner

With a copy to:

City of Chicago
Department of Law
121 North LaSalle Street, Room 600
Chicago, Illinois 60602
Attn: Real Estate Division

If to Mortgagor:

Chicago, Illinois 606__

Any notice, demand or communication given pursuant to clause (a) hereof shall be deemed received upon such personal service. Any notice, demand or communication given pursuant to clause (b) shall be deemed received on the business day immediately following deposit with the overnight courier. Any notice, demand or communication sent pursuant to clause (c) 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. The refusal to accept delivery by any party or the inability to deliver any communication because of a changed address of which no notice has been given in accordance with this Section shall constitute delivery.

5.3 Terminology. All personal pronouns used in the Mortgage, whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural, and vice versa. Titles and sections are for convenience only and neither limit nor amplify the provisions of the Mortgage, and all references herein to sections shall refer to the corresponding sections of the Mortgage unless specific reference is made to such sections of another document or instrument.

5.4 Severability. If any provision of the Mortgage or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of the Mortgage and the application of such provision to other persons or circumstances shall not be affected thereby and shall be enforced to the extent permitted by law.

5.5 Security Agreement. The Mortgage shall be construed as a "Security Agreement" within the meaning of and shall create a security interest under the Uniform Commercial Code as adopted by the State of Illinois with respect to any part of the Mortgaged Property which constitutes fixtures. Mortgagee shall have all the rights with respect to such fixtures afforded to it by said Uniform Commercial Code in addition to, but not in limitation of, the other rights afforded Mortgagee by the Mortgage or any other agreement.

5.6 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.

5.7 No Merger. It being the desire and intention of the parties that the Mortgage and the lien hereof do not merge in fee simple title to the Mortgaged Property, it is hereby understood and agreed that should Mortgagee acquire any additional or other interests in or to said property or the ownership thereof, then, unless a contrary interest is manifested by Mortgagee as evidenced by an appropriate document duly recorded, the Mortgage and the lien hereof shall not merge in the fee simple title, toward the end that this Mortgage may be foreclosed as if owned by a stranger to the fee simple title.

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

5.9 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 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 4.2(a) 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 in recordable form.

5.10 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 under any other agreement or undertaking; or to more fully and accurately set forth and reflect the affordability requirements of the Program.

[Signature Page Follows]

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

MORTGAGOR:

STATE OF ILLINOIS)
COUNTY OF COOK)

I, _____, a Notary Public in and for said County, in the State aforesaid, do hereby certify that _____, personally known to me as the same person whose name is subscribed in the foregoing instrument, appeared before me this day in person and being first duly sworn by me acknowledged that s/he 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 _____.