THIS DOCUMENT WAS PREPARED BY:
Nicolette Sonntag, Esq.
Illinois Housing Development Authority
401 N. Michigan, Suite 700
Chicago, Illinois 60611

AFTER RECORDING THIS DOCUMENT SHOULD
BE RETURNED TO:
Illinois Housing Development Authority
401 N. Michigan, Suite 700
Chicago, Illinois 60611
Attention: Hardest Hit Fund

Property Identification No.:
16-11-310-006-0000
_____

Property Address: _____
3853 W. West End Ave.
Chicago _____, Illinois

Illinois Hardest Hit Fund
Homeowner Emergency Loan Program

Doc#: 1216744057 Fee: $52.00
Eugene "Gene" Moore RHSP Fee:$10.00
Cook County Recorder of Deeds
Date: 06/15/2012 02:37 PM Pg: 1 of 8

_____(The Above Space for Recorder's Use Only)_____

RECAPTURE AGREEMENT

THIS RECAPTURE AGREEMENT (this "Agreement") dated as of the 5 day of 6 , 2012, made by Myron Johnson and Sadie Brown Married ("the "Owner") whose address is 3853 W. West End Ave., Chicago , Illinois, in favor of the **ILLINOIS HOUSING DEVELOPMENT AUTHORITY** (the "Authority") a body politic and corporate established pursuant to the Illinois Housing Development Act, 20 ILCS 3805/1 et seq., as amended from time to time (the "Act"), and the rules promulgated under the Act, as amended and supplemented (the "Rules") whose address is 401 North Michigan Avenue, Suite 700, Chicago, Illinois.

WITNESSETH:

WHEREAS, the Owner is the owner of the fee estate of that certain real property which is commonly known as 3853 W. West End Ave., Chicago , Illinois

1

and all the improvements now or hereafter located thereon and which is legally described on **Exhibit A** attached to and made a part of this Agreement (the "Residence"); and

WHEREAS, the Authority has agreed to make a forgivable loan to the Owner **in the LESSER AMOUNT of the following** the ("**Forgivable Loan**"):   Twenty Five Thousand dollars ($ 25,000.00   ), or (b) eighteen (18) months of interim mortgage payment assistance for the Property pursuant to the Authority's Illinois Hardest Hit Fund Homeowner Emergency Loan Program (the "Program");

WHEREAS, in addition to this Agreement, the Forgivable Loan is evidenced, secured and governed by the following documents which have been entered into contemporaneously with the execution of this Agreement: (a) the Forgivable Loan Agreement between the Owner and the Authority, (b) the Promissory Note from the Owner to the Authority (the "Note") and (c) all other documents that evidence, govern or secure the Forgivable Loan (the "Ancillary Loan Documents"). This Agreement, the Forgivable Loan Agreement, the Note and the Ancillary Loan Documents are collectively referred to herein as the "Loan Documents";

WHEREAS, terms not otherwise defined herein shall have the meaning ascribed thereto in the Forgivable Loan Agreement; and

WHEREAS, as an inducement to the Authority to make the Forgivable Loan, the Owner has agreed to provide this Agreement.

NOW, THEREFORE, the parties agree as follows:

1.   **Incorporation**. The foregoing recitals are made a part of this Agreement.

2.   **Recapture**.

a.   As a condition to the Authority's making of the Forgivable Loan, the Owner agrees to repay to the Authority the Repayment Amount (as defined in subparagraph b. below) if one or more of the following events (each such event is called a "Recapture Event") occurs before the Termination Date (as defined in Paragraph 3 below):

(i)   the Owner sells, conveys or transfers title to the Residence and there are Net Proceeds;

(ii)   the Owner refinances the Residence in a manner such that it is not a Permitted Refinancing (as defined below); or

(iii)   an Event of Default (as defined in Paragraph 4 below) occurs pursuant to the terms of any of the Loan Documents.

The following events (each such event is called a "Permitted Transfer") are **not** Recapture Events:

2

(v) a transfer to a spouse as a result of a divorce;

(vi) a transfer by operation of law to a surviving spouse upon the death of a joint tenant Owner;

(vii) a transfer by will; or

(viii) a Permitted Refinancing.

The term "Permitted Refinancing" means a refinancing that lowers the interest rate of the first mortgage loan on the Residence, decreases its term or lowers the monthly payment of the loan; it does **not** include a refinancing that increases the outstanding balance of the first mortgage loan, increases the interest rate on the loan or allows the Owner to receive money as a result of the refinancing.

 b. If a Recapture Event occurs during the first sixty (60) months after the date of this Agreement, the Owner shall pay to the Authority the entire Forgivable Loan amount ("First Five Year Payment"). Thereafter, if a Recapture Event occurs after the first sixty (60) months, but before the Termination Date, the Owner shall pay to the Authority the full amount of the Forgivable Loan reduced by 1/60th of that amount for each full month the Owner has occupied the Residence after the fifth (5th) anniversary of the date of this Agreement(the "Second Five Year Payment") (the "First Five Year Payment" or the "Second Five Year Payment", as the case may be, shall be collectively referred to herein as the "Repayment Amount"). Notwithstanding the foregoing, (i) if the Repayment Amount is greater than the Net Proceeds, the Owner must pay only the amount of the Net Proceeds, and the amount of the Repayment Amount in excess of the Net Proceeds shall be forgiven, or (ii) if there are no Net Proceeds then the full amount of the Forgivable Loan shall be forgiven. For purposes of this Agreement, "Net Proceeds" means the proceeds of the sale or transfer of the Residence after payment of reasonable and customary closing costs and expenses less (i) the amount of any documented capital improvement costs to the Residence incurred by the Owner, and (ii) the Owner's initial contribution to the cost of acquiring the Residence.

 3. **Covenants to Run With the Land; Self-Operative Termination Provision.** This Agreement shall encumber the Residence and be binding on any future owner of the Residence and the holder of any legal, equitable or beneficial interest in it for ten (10) years from the date of this Agreement (the "Termination Date"); <u>provided, however</u>: that: (a) if no Recapture Event occurs before the Termination Date; (b) if any sale, conveyance or transfer of the Residence occurs due to a foreclosure or a deed in lieu of foreclosure; (c) if any Permitted Transfer occurs; or (d) if a Permitted Refinancing occurs, this Agreement shall automatically terminate and shall be deemed to have been released and this release provision shall be self-operative without the need, necessity or requirement for the Authority to record a written release or termination of this Agreement.

 4. **Event of Default.** The following shall constitute a default under this Agreement (an "Event of Default"): (a) Owner's failure to make any payment due under this Agreement, or (b) if the Owner commits fraud under the Loan Documents or pursuant to the Program as

3

determined by a court of competent jurisdiction ("Fraud"). The Authority shall give written notice of an Event of Default to Owner at the Residence. Upon an Event of Default the Authority may:

    a. Declare the unforgiven portion of the Forgivable Loan immediately due and payable;

    b. Refuse to subordinate this Agreement to any subsequently recorded document or lien; and/or

    c. For the commission of Fraud only, exercise such other rights or remedies as may be available to the Authority hereunder or under any of the Loan Documents, at law or in equity.

The Authority's remedies are cumulative and the exercise of one shall not be deemed an election of remedies, nor foreclose the exercise of the Authority's other remedies. No delay on the part of the Authority in exercising any rights hereunder, failure to exercise such rights or the exercise of less than all of its rights shall operate as a waiver of any such rights.

    5. **Amendment**. This Agreement shall not be altered or amended without the prior written approval of the Authority.

    6. **Partial Invalidity**. The invalidity of any clause, part or provision of this Agreement shall not affect the validity of the remaining portions thereof.

    7. **Gender.** The use of the plural in this Agreement shall include the singular; the singular shall include the plural; and the use of any gender shall be deemed to include all genders.

    8. **Captions**. The captions used in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or the intent of the agreement.

    9. **WAIVER OF JURY TRIAL**. THE PARTIES WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER ON ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE FORGIVABLE LOAN OR THIS AGREEMENT.
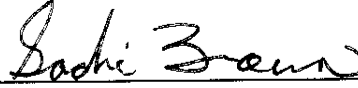
[Signature Page Follows]

4

IN WITNESS WHEREOF, the Owner has executed this Agreement as of the date and year first above written.

Printed Name: Myron Johnson

Printed Name: Sadie Brown

5

STATE OF ILLINOIS   )
) SS
___ook___ COUNTY   )

I, _Josefina Gimez-Karas_ a Notary Public in and for said county and state, do hereby certify that _Myron Johnson_____ is personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that _he_ signed and delivered the said instrument as _he_ free and voluntary act for the uses and purposes therein set forth.

Given under my hand and official seal, this __5th__ day of __June__, 20_12_

OFFICIAL SEAL
JOSEFINA GOMEZ-KARAS
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:05/27/14

_____
Notary Public

My commission expires: __5/27/14__

STATE OF ILLINOIS)
) SS
Cook COUNTY)

I, _Josefina Gomez-Karas_ a Notary Public in and for said county and state, do hereby certify that _Sadie Brown_ is personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that _She_ signed and delivered the said instrument as _She_ free and voluntary act for the uses and purposes therein set forth.

Given under my hand and official seal, this _5th_ day of _June_ , 20 _12_

_____
Notary Public

My commission expires: _5/27/14_

OFFICIAL SEAL
JOSEFINA GOMEZ-KARAS
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:05/27/14

EXHIBIT A

Legal Description

LOT 7 IN BLOCK 3 IN J.D. HOBB'S SUBDIVISION OF PART OF THE SOUTHWEST 1/4 OF SECTION 11, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Common Address:

3853 W. West End Ave.
Chicago, IL 60624

Permanent Index No.:

16-11-310-006-0000