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CLOSING COSTS ASSISTANCE COVENANT

THIS CLOSING COSTS ASSISTANCE COVENANT ("Covenant") is made as of this 31 day of March, 1995 from Marcos Cruz ("Homebuyer"), whose principal address is 1715 South Ruble Street, Chicago, Illinois, in favor of the CITY OF CHICAGO, an Illinois municipal corporation, having its principal office at City Hall, 121 North LaSalle Street, Chicago, Illinois 60602 ("City"), by and through its Department of Housing, which is located at 318 South Michigan Avenue, Chicago, Illinois 60604 ("DOH").

RECITALS

WHEREAS the City Council of the City, by ordinance adopted June 7, 1990, established the New Homes for Chicago Program ("New Homes Program") to facilitate the construction of new single family housing within the City which shall be affordable to many families; and

WHEREAS, pursuant to the objectives of the New Homes Program, the City and Pilsen Joint Venture, an Illinois joint venture ("Developer") executed that certain "Redevelopment Agreement, New Homes for Chicago Program, Pilsen Joint Venture" dated as of February 23, 1994 and recorded with the Office of the Recorder of Deeds of Cook County, Illinois on March 3, 1994 as document #94202563 ("Redevelopment Agreement"), whereby Developer redeveloped that certain real property legally described on Exhibit A attached hereto ("Property") by constructing a single family home ("Single Family Home") or two-flat building ("Two-flat Building"), consisting of an owner-occupied housing unit and a rental unit, improving the Property; and

WHEREAS, pursuant to the terms of the Redevelopment Agreement, Developer proposes to convey the Property and the completed Single Family Home or the Two-flat Building to the Homebuyer; and

WHEREAS, in conjunction with its purchase of the Single Family Home or Two-flat Building, as the case may be, the Homebuyer shall incur certain costs such as fees for title evidence, appraisal reports, fees for recordation and filing of legal documents, settlement fees and credit reports (collectively, "Closing Costs"); and

WHEREAS, the City shall lend to the Homebuyer certain sums to enable the Homebuyer to pay for the Closing Costs ("Closing Costs Assistance") not to exceed the sum of One Thousand Five Hundred Dollars (\$1500.00) to the Homebuyer of a Single Family Home, and not to exceed the sum of Two Thousand Dollars (\$2000.00) to the Homebuyer of a Two-flat Building; and

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WHEREAS, the provisions for the repayment of the Closing Costs Assistance by the Homebuyer to the City are described below; and

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties agree as follows:

Section 1. Incorporation of Recitals.

The recitals set forth above constitute an integral part of the Covenant and are hereby incorporated by this reference with the same force and effect as if set forth as agreements of the parties.

Section 2. Provision of Closing Costs Assistance.

Pursuant to the terms of the Covenant, the City shall lend as Closing Costs Assistance to the Homebuyer of a Single Family Home the sum not to exceed One Thousand Five Hundred Dollars (\$1500.00), and to the Homebuyer of a Two-flat Building the sum of Two Thousand Dollars (\$2000.00). The parties agree that the aggregate sum available to the Homebuyer as Closing Costs Assistance shall not exceed the sum of Two Thousand Dollars (\$2000.00). The parties further agree that down payment costs, private lender origination fees, points and attorneys' fees are not eligible expenses to be paid for with the Closing Costs Assistance. The actual amount of Closing Cost Assistance to be provided is \$1500.00.

The Closing Costs Assistance shall be delivered to the title company at the closing of the Property and its conveyance from the Developer to the Homebuyer. If, after payment of the itemized eligible Closing Costs Assistance by the title company, there is a surplus of Closing Costs Assistance funds, any remaining balance shall be returned to the City.

Section 3. Income Eligibility.

In order to receive the Closing Costs Assistance from the City, the Homebuyer must have an annual income that does not exceed 80% of the Chicago-area median income for the area adjusted for family size, as such annual income and Chicago-area median income are determined from time to time by HUD. In addition, the Homebuyer must not have assets greater than \$10,000 in the aggregate. A list of those categories which constitute the definition of "assets" as utilized in this Covenant is described further in the application for Closing Costs Assistance provided by the DOH.

The Developer has previously delivered to the DOH information required by the DOH pursuant to the New Homes Program in determining the Homebuyer's income eligibility to participate as an initial homebuyer. This information includes the W-2 forms from the Homebuyer, U.S. 1040 income tax returns for the previous

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two years, and the employer verification form utilized by the Federal National Mortgage Association.

The Homebuyer agrees that its income eligibility must be verified every six (6) months by the DOH, commencing with the date of the letter from the DOH to the pertinent Developer initially approving the income eligibility of the Homebuyer.

The Homebuyer covenants to the City, as of the execution date of the Covenant, that the income information previously supplied to the DOH is accurate and has not substantially changed from the date upon which it was originally submitted to the DOH, and that the Homebuyer meets the income eligibility requirements established by the DOH.

Section 4. Term; Repayment of Closing Costs Assistance.

The Covenant shall be in full force and effect for a period of five (5) years commencing with the execution date of the Covenant ("Term"); subject, however, to the following:

In the event that the Homebuyer seeks to sell the Single Family Home during the Term of this Covenant, the Homebuyer must repay to the City the Closing Costs Assistance funds described in Section 2 above, said Closing Costs Assistance to be paid in full out of the net proceeds from the sale. For purposes of this Covenant, "net proceeds" shall mean the sales price for the Single Family Home minus loan repayment and closing costs. If, however, the net proceeds are not sufficient to recapture the full Closing Costs Assistance plus enable the Homebuyer to recover the amount of the Homebuyer's downpayment, principal payments, and any capital improvement investment, the Closing Costs Assistance may be reduced pro-rata based on the time the Homeowner has owned or occupied the Single Family Home measured against the Term of the Covenant; excepting, however, that the Homebuyer may not be permitted to recover more than the amount of the Homebuyer's downpayment, principal payments, and any capital improvement investment.

If, during the Term and until its expiration, the Homebuyer retains ownership of the Single Family Home as its primary residence or, in the alternative, the Homebuyer conveys the Single Family Home and the Property and otherwise complies with the provisions of this Section 4 with regard to the repayment of the Closing Costs Assistance to the City, then the Homebuyer shall be deemed to have fully complied with the provisions contained in this Covenant, and the Covenant shall be of no further force or effect.

Section 5. Subordination.

The Covenant shall be subject and subordinate in all respects to that certain mortgage dated as of 3.31.95, between the Homebuyer and Citibank, fsb ("Senior

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Lender"), recorded with the Office of the Recorder of Deeds of Cook County, Illinois on 4-12-95 as document # 95244310 to secure indebtedness in the original principal amount not to exceed the ceiling base price of 74400.00 (excluding options and extras) pursuant to the terms of the Redevelopment Agreement ("Senior Mortgage"), and shall also be subordinate to any subsequent mortgage that replaces the Senior Mortgage.

Section 6. Default.

In the event that, for whatever reason, the Homebuyer defaults in its duties and obligations as described in this Covenant, the City, subject to the rights of the Senior Lender, and after delivery of proper notice to the Homebuyer (to such address as described above), shall have any right at law or in equity against the Homebuyer to enforce the terms and provisions of this Covenant, including, without limitation, the right to recover all expenditures and expenses which may be paid or incurred by or on behalf of the City for reasonable attorneys' fees and costs involved in title insurance and title examinations.

No delay or omission by the City 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.

Section 7. Entire Agreement.

This Covenant contains the entire agreement between the parties with respect to the provision of Closing Costs Assistance by the City to the Homebuyer, and supersedes all prior agreements, negotiations and discussions with respect thereto, and shall not be modified, amended or changed whatsoever except by mutual agreement by the parties as reflected by written instrument executed by the parties.

Section 8. Covenants to Run with the Land.

The parties declare their express intent that throughout the Term of the Agreement, the covenants, reservations and restrictions provided for in this Covenant shall be deemed covenants, reservations and restrictions running with the land to the fullest extent permitted by law, and, subject to the provisions of Section 4 above, shall be binding upon the Homebuyer's legal representatives, heirs, successors and assigns.

Section 9. Disclaimer.

No provision of this Covenant, nor any act of the City, shall be deemed or construed to by any of the parties, or by third persons, to create any relationship of third-party

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beneficiary, or of any association or relationship involving the City.

Section 10. Successors and Assigns.

The terms of the Covenant shall inure to the benefit of and be binding upon the City and the Homebuyer, and the Homebuyer's legal representatives, successors and assigns.

Section 11. Severability.

If any provision of the Covenant or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of the Covenant 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.

Section 12. No Third Party Beneficiary.

Any approvals given by the City pursuant to the Covenant shall only be for the benefit of the Homebuyer, and its successors in interest, and no other person may assert against the City any claim or benefit of such approval.

Section 13. Governing Law.

The Covenant shall be interpreted, construed and enforced under the laws of the State of Illinois, and where applicable, the laws of the United States of America.

Section 14. Reference to Statutes.

All references to statutes, regulations or rules issued by any governmental body shall be deemed to include all amendments, supplements and restatements from time to time to or of such statutes, regulations or rules.

Section 15. Headings.

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

Section 16. Recordation of the Covenant.

Upon the execution of the Covenant by the parties, the Homebuyer shall promptly record one original of the Covenant with the Office of the Recorder of Deeds of Cook County, Illinois ("Recorder's Office").

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Section 17. Amendment.

No change, amendment, or modification of this Covenant, or of any part hereof, shall be valid unless in writing and signed by the parties hereto or their respective successors and assigns. Any Amendment to the Covenant shall be recorded with the Recorder's Office.

IN WITNESS WHEREOF, the parties hereto have caused this Covenant to be executed as of the day and year first above written.

BY:

Marcos Lenz
Marcos Lenz

PREPARED BY, AND AFTER RECORDING,
TO BE RETURNED TO:

Mark Lenz
Assistant Corporation Counsel
City of Chicago
121 North LaSalle Street
Chicago, Illinois 60602
312/744-1041

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STATE OF ILLINOIS)
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Marcos Cruz, personally known to me as the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and being first duly sworn by me acknowledged that he signed and delivered the said instrument as his free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 31 day of MARCH, 1995.

Steve Gustas
Notary Public



My commission expires _____.

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EXHIBIT A

LOT 3 IN BLOCK 2 IN WEBSTER'S SUBDIVISION OF LOTS 3 AND 4 IN
BLOCK 45 IN THE CANAL TRUSTEES' SUBDIVISION OF THE WEST 1/2 AND
SO MUCH OF THE SOUTHEAST 1/4 AS LIES WEST OF THE SOUTH BRANCH OF
THE CHICAGO RIVER OF SECTION 21, TOWNSHIP 39 NORTH, RANGE 14,
EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Commonly known as: 1715 South Ruble Street
Chicago, Illinois

Permanent Index Number: 17-21-304-021

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