



Uptown National Bank
of Chicago

RECAPTURE AGREEMENT

THIS AGREEMENT is entered into on October 19, 1998, among UPTOWN NATIONAL BANK OF CHICAGO, 4753 N. Broadway, Chicago, Illinois 60640, a national banking association ("Bank"), and FORD HEIGHTS COOPERATIVE, INC., 1104 Werline, Ford Heights, Illinois 60410, an Illinois not-for-profit corporation ("Sponsor").

5

RECITALS:

A. Pursuant to Section 721 of the Financial Institution's Reform, Recovery and Enforcement Act of 1989 ("FIRREA"), the Federal Housing Finance Board ("Board") is required to cause each Federal Home Loan Bank ("FHLB") to establish an affordable housing program ("AHP") to assist members of each Bank to finance affordable housing for very low, low and moderate-income households.

B. Bank is a member of the Federal Home Loan Bank of Chicago ("Chicago Bank") and submitted an application dated April 1, 1998 (the "Application") for an AHP grant for rehabilitation of property commonly known as, 1104 Werline, Ford Heights, Illinois ("Property"). Sponsor will rehabilitate the Property as 80 units of cooperatively-owned single family homes which are owned by low and very low-income persons. This property is legally described as follows:

Parcel 1: Lots 34 to 50, inclusive, Lots 139 to 157, inclusive, and Lots 162 to 175, inclusive, in J. E. Merrions Sunnyfield, a subdivision of the Northwest ¼ (except the South 165 feet thereof) of the Northwest ¼ of Section 23, Township 35 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

Parcel 2: Lots 17 to 33, both inclusive, Lots 176 to 189, both inclusive, Lots 194 to 212, both inclusive, in J. E. Merrion Sunnyfield, a subdivision of the Northwest ¼ (except the South 165 feet thereof) of the Northwest ¼ of Section 23, Township 35 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

which has the address of 1104 Werline, Ford Heights, Illinois 60410

and P.I.N.s: 32-23-123-033-0000; 32-23-122-033-0000; 32-23-123-034-0000; 32-23-124-033-0000; 32-23-125-030-0000; and 32-23-127-021-0000.

BOX 333-CTI

775-479-3453
DB
CTC

C. Pursuant to regulations (including, without limitation, those contained in 12 CFR Part 960) promulgated by the Board pursuant to FIRREA ("AHP Regulations"), members of each FHLB are required to provide for the recapture of any subsidized advances or other subsidized assistance in connection with unused or improperly used AHP subsidies.

D. In connection with the AHP grant, Bank entered into that certain Affordable Housing Program Agreement ("Program Agreement") dated July 22, 1998 with Chicago Bank, pursuant to which Bank agreed to be bound by AHP Regulations and perform certain monitoring functions with respect to the Grant (defined below).

E. The parties desire to set forth those circumstances under which Bank shall be entitled to a recapture of subsidy funds from the Sponsor in connection with its AHP grant for rehabilitation of the Property.

AGREEMENTS

1. Subsidy Amount. The parties hereby acknowledge and agree that Bank has, on even date herewith, disbursed the proceeds of a grant to Sponsor in the amount of \$300,000.00. The term during which Sponsor must comply with the AHP provisions of FIRREA to qualify and maintain the Grant is five (5) years from the date of the completion of the project, at which time this Recapture Agreement shall terminate.

2. Affordability Requirements. Sponsor agrees, during the term of the Grant, to manage and operate the Property as cooperatively-owned single family housing for low and very low-income individuals. For purposes of this Agreement, low-income individuals shall mean individuals whose annual income is between 80 % and 61 % of Chicago's median income, and very low-income individuals shall mean individuals whose annual income is between 60% and 51% of Chicago's median income, as determined from time to time by the U.S. Department of Housing and Urban Development ("HUD") or as further provided in federal regulations. Sponsor agrees that 20 units will be owned by low-income individuals and 60 units by very low-income individuals during the term of this Recapture Agreement.

3. Compliance Documentation. Sponsor shall provide to Bank on the earlier of: (i) not less than 120 days following the end of each fiscal year during the term of the Grant; or (ii) at least sixty (60) days prior to the date required by Chicago Bank or Board for delivery of any required certificate or other report from Bank (as required under the Program Agreement) such owner income verification information, annual year end operating statements on the Property, a detailed ownership roll and a

certificate from Sponsor (stating that the use of the Grant continues to be used in compliance with all statutory and regulatory requirements) as Bank may request to verify that the Property is being managed and operated for the aforesaid purpose. In addition, Bank shall also have the right to inspect the Property and the books and records of the Property from time to time at reasonable times and to request such information and documents as it deems appropriate.

4. Compliance. Sponsor shall at all times comply with all laws, rules and regulations (including, without limitation, AHP regulations) and with the provisions contained in the Application and those provisions contained in the Subsidy Agreement as they relate to the construction, ownership, management and operation of the Property.

5. Breach of Affordability Requirements. In the event Sponsor at any time during the term of the Grant, defaults in its obligation to manage and operate the Property and provide compliance information as required pursuant to paragraph 3 above or otherwise fails to comply with the terms of this Agreement, and such default continues for a period of 60 days after notice to Sponsor from Bank (or such shorter period of time required to avoid a default by Bank under the Program Agreement), it shall be an Event of Default of this Agreement, and Sponsor shall immediately pay Bank that portion of the Grant which may be recaptured from Bank by Chicago Bank or the Board.

6. Indemnification and Survival. Sponsor hereby agrees to fully and unconditionally indemnify, defend and hold harmless Bank from and against any judgments, losses, recapture, liabilities, damages (including consequential damages), costs, expenses of whatsoever kind or nature, including, without limitation, attorneys' fees, expert witness fees, and any other professional fees and litigation expenses or other obligations incurred by Bank that may arise in any manner out of actions or omissions which result from Sponsor's performance or failure to perform pursuant to the terms of this Agreement. The representations, warranties, obligations and indemnification of Sponsor shall survive the term of this Agreement.

7. Limitation of Sponsor's Liability. The parties hereby agree that the liability of Sponsor under this Agreement is limited to the amounts, if any, received by Sponsor in repayment of the AHP grant.

Executed and delivered as of the date first above written.

their own free and voluntary acts and the free and voluntary act of said Banking Association for the uses and purposes therein set forth; and the said Assistant/Vice President then and there acknowledged that (s)he, as custodian of the corporate seal of said Banking Association, did affix the corporate seal of said Banking Association to said instrument as his/her own free and voluntary act and as the free and voluntary act of said Banking Association for the uses and purposes therein set forth.

Given under my hand and notarial seal this 28 day of Oct, 1998.

Julie Abei



Property of Cook County Clerk's Office

This Document was prepared and Return To:

John C. Livensparger
4753 N. Broadway, Suite 620
Chicago, Illinois 60640