

## RECAPTURE AGREEMENT

This Recapture Agreement (this "Agreement") dated as of the \_\_\_th day of \_\_\_\_\_, 2015, made by \_\_\_\_\_ (the "Owner") whose address is \_\_\_\_\_ Joliet, Illinois, in favor of the City of Joliet ("Grantor") whose address is 150 West Jefferson Street, Joliet, Illinois;

### WITNESSETH:

Whereas, the Owner is the holder of legal title to improvements and certain real property commonly known as \_\_\_\_\_, Joliet, Illinois (the "Residence"), legally described as follows:

(INSERT LEGAL)

PIN: (INSERT PIN)

Whereas, Grantor has agreed to make a grant to the Owner in the amount of \_\_\_\_\_ and no/100 (\$00.00) (the "Grant"), under the auspices and subject to the requirements of the HOME Investment Partnership Program ("HOME") administered by the U.S. Department of Housing and Urban Development ("HUD"). The grant amount represents new construction costs of a \_\_\_\_\_ (describe project) \_\_\_\_\_ located on the real property at \_\_\_\_\_, Joliet, IL \_\_\_\_\_.

Whereas, the City of Joliet adopted the requirements of the HOME program found at 24 CFR 92.252 (a), (c) (e) and (f) for rental housing projects involving new construction, acquisition, rehabilitation or conversion which house individuals or families whose incomes do not exceed 80% of area median income. The requirements of 24 CFR 92.252 require that certain restrictions be imposed upon the property located at \_\_\_\_\_ to ensure that continued affordability standards and enforcement mechanisms are in place.

Whereas, the City of Joliet and \_\_\_\_\_ entered into a Conditional HOME Commitment Agreement on \_\_\_\_\_, approved by City of Joliet Resolution No \_\_\_\_\_, and a HOME Investment Partnerships Program Contract on \_\_\_\_\_, providing that \_\_\_\_\_ would use the HOME grant award described herein to construct a \_\_\_\_\_ describe project \_\_\_\_\_ located on the property at \_\_\_\_\_ and make said describe project available to persons with low incomes, and in accordance with applicable HUD and HOME regulations; and

Whereas, \_\_\_\_\_ has agreed to comply with the regulations of the HOME program requiring that affordability restrictions be applied to and encumber the real property benefiting from HOME funds.

Whereas, as an inducement to Grantor to make the Grant, the Owner has agreed to enter into this Agreement in accordance with the terms, conditions and covenants set forth below:

Now, therefore, the parties agree as follows:

1. **Incorporation.** The foregoing recitals are made a part of this Agreement.
2. **Restriction.** The rental housing unit located at \_\_\_\_\_ will remain affordable to individuals and families whose incomes do not exceed 80% of area median income and shall continue to be in effect for a period of not less than twenty (20) years following the date of this agreement (the "Affordability Period"), without regard to any transfer of ownership or the term of any mortgage. The City of Joliet may use purchase options, rights of first refusal or other preemptive rights to purchase the housing before foreclosure or deed in lieu of foreclosure to preserve affordability. The affordability period shall be revived according to the original terms if, during the original affordability period before the foreclosure or deed in lieu of foreclosure, any entity that includes the former owner or those with whom the former owner has or had family or business ties, obtains an ownership interest in the property.
3. **Violation of Grant Agreement.** Upon violation of the provisions of this Agreement or the HOME Agreement by the Owner during the affordability period, the City will give written notice to the Owner. If such violation is not corrected to the satisfaction of the City within thirty (30) days after the date such notice is mailed, or within such further time as the City in its sole discretion permits (but if such violation is of a nature that it cannot be cured within such thirty (30) day period, then so long as the owner commences to cure within such thirty (30) day period and diligently pursues such cure to completion within a reasonable period not to exceed one hundred twenty (120) days from the date of such notice, it shall not be considered to be a violation), then the City may declare a Default under this Agreement, effective on the date of such declaration of Default and notice thereof to the Owner, and upon such default, the City may:
  - (a) Declare the whole of the Grant immediately due and payable to the City;
  - (b) Exercise such other rights or remedies as may be available to the City hereunder, at law or in equity.
4. **Covenants to Run with the Land: Termination.** The agreements set forth in this Agreement shall encumber the Residence and be binding on the Owner of the Residence for the term of this Agreement. The term of this agreement shall be for a period of twenty (20) years from the date of this agreement.
5. **Amendment.** This Agreement shall not be altered or amended without the prior written approval of the Grantor.

In Witness Whereof, the Owner has executed this Agreement.

\_\_\_\_\_:

By: \_\_\_\_\_  
Chief Executive Officer

## **Exhibit A – Legal Description**

(insert legal)

PIN: (PIN)

COMMONLY KNOWN AS: \_\_\_\_\_