

EXHIBIT 2 (OF MORTGAGE, SECURITY AND RECAPTURE AGREEMENT)

RESIDENCY, TRANSFER, AND FINANCING COVENANTS

In consideration of the Applicable Subsidy (or Subsidies) set forth on page 1 of this Mortgage that has (or have) enabled the Mortgagor to purchase the Mortgaged Property for the Affordable Price, Mortgagor covenants that it shall own the Mortgaged Property, shall not lease the Mortgaged Property and shall utilize the Home as Mortgagor's Principal Residence.

Notwithstanding the above, Mortgagor may at any time sell the Mortgaged Property to a subsequent homebuyer who meets the then applicable income eligibility requirements of the Program and who pays an Affordable Price under the then applicable affordability requirements of the Program, in each instance as determined by Mortgagee's Department of Housing (or any successor department thereto), provided such purchaser assumes the then-remaining obligations of Mortgagee under this Mortgage. In such event, no Event of Default shall exist, and no recapture amounts shall be due and payable, provided that such successor homebuyer assumes the obligations of the Mortgagor under this Mortgage in writing. After the expiration of the Affordability Period, neither the covenant above nor the provisions of this paragraph, shall apply.