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MORRIS W. CARTER  
RECORDER

WHEREAS, TONIA M. LEONHARD (Recipient) is the purchaser of or owner providing rehabilitation of a home on certain real property (together the "Premises") in Lake County, described as:

The East 58.9 feet (as measured by parallel lines and at right angles) of Lot 48 in Burge Estates, Unit 3, an Addition to the Town of Schererville, as per plat thereof, recorded in Plat Book 85 page 68, in the Office of the Recorder of Lake County, Indiana [Commonly known as: 1641 Flag Court, Schererville, Indiana], and;

WHEREAS, Lake Federal Savings and Loan Association of Hammond, Indiana (Lake Federal) received a direct pay subsidy in the amount of \$5,000.00 under the Home Savings Program (HSP) of the Federal Home Loan Bank of Indianapolis (FHLBI), subject to the Federal Housing Finance Board, FHFB, regulations 12 C.F.R. 960.1 et seq, for the purposes of providing funding for Downpayment and Closing Costs assistance or Owner Occupied rehabilitation of the above mentioned home, and;

WHEREAS, for a period of 5 years (retention period) after the date of the within Agreement the HSP requires (1) that all purchasers of the Premises qualify as "low- and moderate-income households" or "very low-income households" as defined in 12 C.F.R. 960.1, and (2) that the use of said Premises otherwise shall remain consistent with the purposes of the HSP, and;

WHEREAS, at any time during said Retention Period the foregoing requirements are not complied with, Lake Federal will be required to reimburse FHLBI for the amount of the Subsidy less subsidy forgiven on a prorata basis of the Subsidy for each month that the foregoing requirements were complied with, and;

WHEREAS, TONIA M. LEONHARD of 1514 Tamarack Drive, Schererville, Indiana 46375 (collectively the "Undersigned") are purchasers of the above described Premises;

NOW THEREFORE in consideration of the Premises and as an inducement to Lake Federal disbursing the Subsidy to Purchaser, come the Undersigned and represents and warrants as follows:

1. That the Undersigned qualifies as a "low- and moderate-income household" or "very low-income household" as defined in 12 C.F.R. 960.1.
2. That if within 5 years of the date of the within Agreement (1) the Undersigned sells the Premises or (2) the Undersigned otherwise uses the Premises in a manner inconsistent with the purposes of the HSP, the Undersigned shall immediately reimburse Lake Federal, from sale proceeds if applicable, for the amount of the Subsidy then owing to the FHLBI as based on the prorata subsidy forgiveness for months that the household was in compliance.
3. That the covenants of the within Agreement shall bind the successors and assigns of the Undersigned.
4. That in the event that any provision of this Agreement is in conflict with applicable law, such conflict shall not conflict with other provisions of this Agreement. To these end provisions of this Agreement are declared to be severable.

Signed this 18th day of February, 2000.

Witnesses:

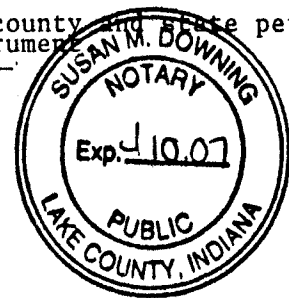
Purchasers:

\_\_\_\_\_  
State of Indiana) ss:  
County of Lake )

Tonia M. Leonhard  
Tonia M. Leonhard

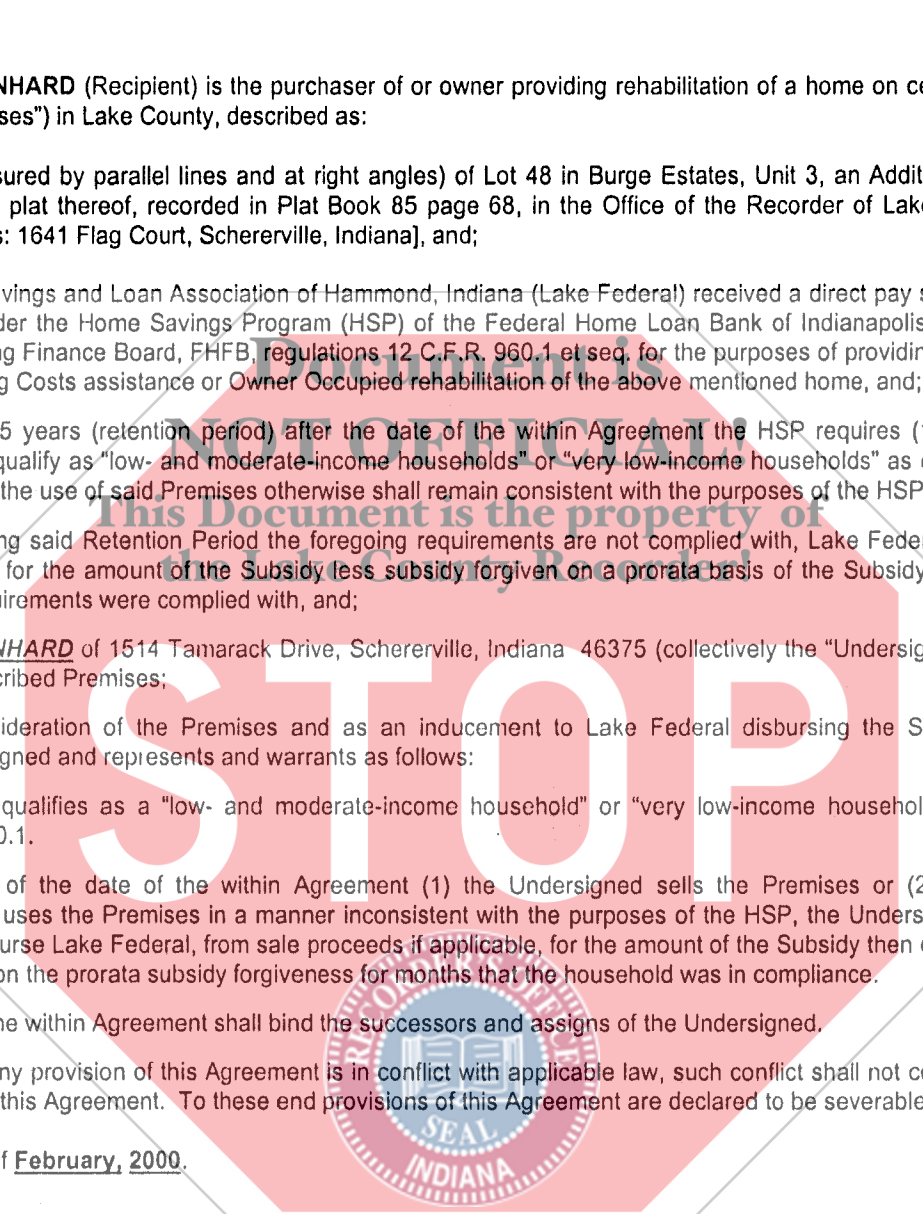
Before me, Susan M. Downing, a Notary Public in and for said county and State personally appeared Tonia M. Leonhard and acknowledged the foregoing instrument subscribed and sworn before me this 18th day of February, 2000.

Susan M. Downing  
Susan M. Downing Notary Public



This Instrument was prepared by: Gerald R. Skrabala

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TICOR TITLE INSURANCE  
Crown Point, Indiana



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