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RECORDER

Real Estate Retention Agreement
Affordable Housing Program
Grant Award
(Owner-Occupied)

TICOR HBT 920021603

For purposes of this Agreement, the following terms shall have to meanings set forth below:

"FHLBI" shall refer to the Federal Home Loan Bank of Indianapolis

"Member" shall refer to HFS Bank, F.S.B.
(FHLBI's member institution)

"Borrower(s)" shall refer to Philip D. Hampton

For and in consideration of receiving direct subsidy funds (the "Subsidy") under the Affordable Housing Program ("AHP") of the FHLBI through the Member, with respect to that certain real property located at 22 N. Cavender Street, in the city/town of Hobart, County of Lake, State of Indiana, which is more fully described as follows:

See "EXHIBIT A" attached hereto and made a part hererof

Borrower(s), their successors, heirs and assigns hereby agree that they shall maintain ownership and reside in this property as their primary residence for a period of five (5) years ("Retention Period") from the date of the recording of this instrument and further agrees with the Member that:

- (i) The FHLBI, whose mailing address is P.O. Box 60, Indianapolis, Indiana 46206, Attention: Community Investment Division, is to be given immediate written notice of any sale or refinancing of this property occurring prior to the end of the Retention Period;
- (ii) In the case of a sale prior to the end of the Retention Period, an amount equal to a pro rata share calculated by FHLBI on a per diem basis, of the direct Subsidy that financed the purchase, construction, or rehabilitation of this property reduced for every year the Borrower/Seller owned the property, shall be repaid to the Member for reimbursement to the FHLBI from any net gain realized upon the sale of the property after deduction for sales expenses, unless the purchaser is a low- or moderate-income household which is defined as having not more than 80 % of the area median income where such income targeting was committed to in the AHP application receiving the AHP grant award;
- (iii) In the case of a refinancing prior to the end of the Retention Period, an amount equal to a pro rata share of the direct Subsidy that financed the purchase, construction, or rehabilitation of the property, reduced for every year the Borrower has owned the property, shall be repaid to the Member for reimbursement to the FHLBI from any net gain realized upon the refinancing, unless the property continues to be subject to a deed restriction or other legally enforceable retention agreement or mechanism,

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Handwritten signature

incorporating the requirements of clauses (i), (ii), (iii) and (iv) contained herein; and

- (iv) The obligation to repay the Subsidy to the Member shall terminate after any foreclosure. Otherwise, the covenants contained herein shall continue until released by the Member in writing or the expiration of the Retention Period, whichever should first occur.

IN WITNESS WHEREOF, the Borrower(s) and the Member, by its duly authorized representative, have executed this Agreement as of this 24th day of April, 2002.

Witness: _____ Borrower: Philip D. Hampton

Witness: _____ Borrower: _____

Witness: _____ HFS Bank, F.S.B. (Member)

Witness: _____ By: Janet A. Gornick Vice President (Printed Name and Title)



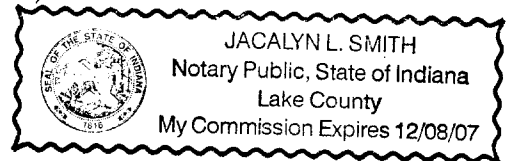
State of Indiana)
County of Lake)SS:

The foregoing instrument was acknowledged before me this 24TH day of APRIL, 2002, by Philip D. Hampton (Borrower)

My Commission Expires: 12/08/07

My County of Residence: LAKE

Jacalyn L. Smith
Notary Public
JACALYN L. SMITH
(Printed)



State of Indiana)
County of Porter)SS:

The foregoing instrument was acknowledged before me this 24th day of April, 2002, by Janet A. Gornick the Vice President of HFS Bank, F.S.B. (Member) for and on behalf of such organization.

My Commission Expires: 2/5/08

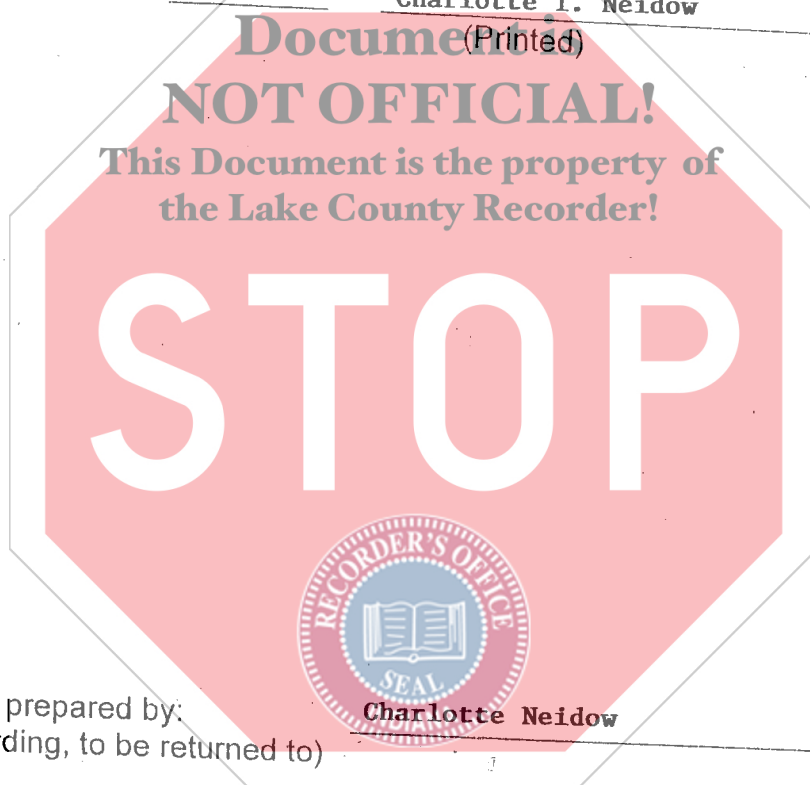
Charlotte I. Neidow

Notary Public

My County of Residence: Porter

Charlotte I. Neidow

(Printed)



This Instrument prepared by: _____
(and upon recording, to be returned to) _____

HFS Bank, F.S.B.
5200 Central Ave.
Portage, IN 46368
(Mailing Address)

Legal Description:
22 N. Cavender St.
Hobart, IN 46342

EXHIBIT "A"

Lot 10 in Block 12 in Country Club Estates Subdivision in the City of Hobart,
As per plat thereof, recorded in Plat Book 20 page 41, in the Office of the
Recorder of Lake County, Indiana.

