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STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

2003-1-11-12

Real Estate Retention Agreement
Home Savings Program
Grant Award
(Owner-Occupied)

Chicago Title Insurance Company

620052993

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

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

"Member" shall refer Mercantile National Bank of Indiana
(FHLBI's member institution)

"Borrower(s)" shall refer to Frank McBride and Doretha M. McBride Husband & Wife

For an 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 922 177th Street

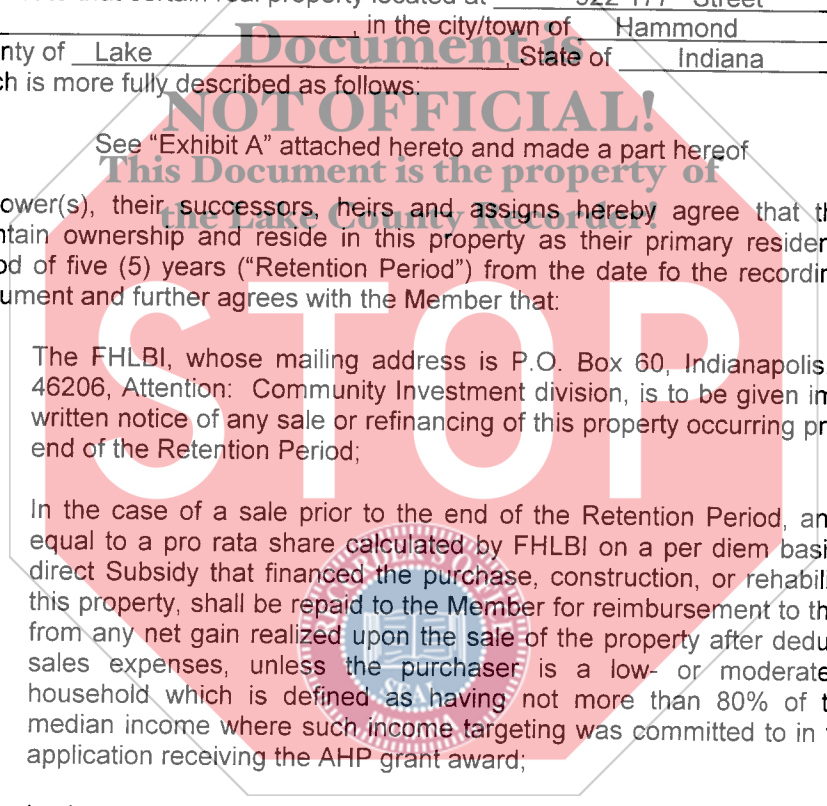
in the city/town of Hammond
County of Lake State of Indiana

which is more fully described as follows:

See "Exhibit A" attached hereto and made a part hereof

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, 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 new gain realized upon the



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refinancing, unless the property continues to be subject to a deed restriction or other legally enforceable retention agreement or mechanism, 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 shall first occur.

IN WITNESS WHEREOF, the Borrower(s) and the member, by its duly authorized representative, has executed this Agreement as of this 12th day of September, 2002.

Witness: _____ Borrower: Frank McBride

Witness: _____ Borrower: Doretha M. McBride

Witness: _____ Mercantile National Bank of Indiana (Member)

By: _____ Art Mulholland, Vice President (Printed Name and Title)

State of Indiana
County of Lake



The foregoing instrument was acknowledged before me this 12 day of September, 2002, by Frank & Doretha McBride

My Commission Expires: _____
My County of Residence: _____
Notary Public
(Printed)


KATHLEEN M. BURNS
NOTARY PUBLIC STATE OF INDIANA
LAKE COUNTY
MY COMMISSION EXP. NOV. 15, 2009

State of Indiana)
)SS:
County of Lake)

The foregoing instrument was acknowledged before me this 12th day of
September, 2002, by Art Mulholland
the Vice President of Mercantile National Bank of Indiana
(Member) for and on behalf of such organization.

My Commission Expires: 3/9/07

My County of Residence: Lake



Notary Public
Carol Kneifel
(Printed)



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

Carol Kneifel

Mercantile National Bank
5243 Hohman Avenue
Hammond, IN 46320

“EXHIBIT A”

LOT 5 IN BLOCK 2 IN CALUMET CENTER ADDITION TO HAMMOND, AS PER PLAT THEREOF, RECORDED IN PLAT BOOK 19, PAGE 21, IN THE OFFICE OF THE RECORDER OF LAKE COUNTY, INDIANA.

