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STATE OF INDIANA
LAKE COUNTY
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STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

MICHELLE E. SALMAN
RECORDER

City of Hammond
Department of Planning & Development
Neighborhood Stabilization Program

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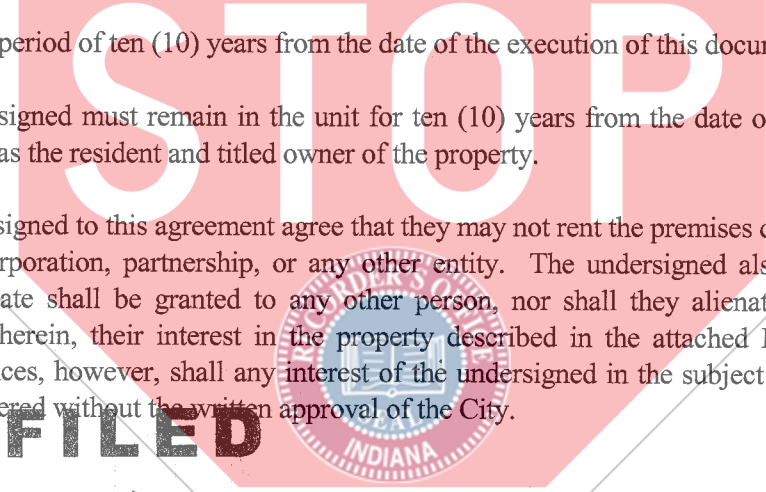
MICHELLE E. SALMAN
RECORDER

RESTRICTIVE COVENANT

In consideration for the making of a forgivable loan by the city of Hammond (City), and pursuant to the participation by Helen M. Johnson the undersigned property owner, participant in the City of Hammond Neighborhood Stabilization Program, through which the undersigned will receive a forgivable loan for reasonable closing costs and the required downpayment totaling of **Twenty thousand five hundred and 00/100 Dollars (\$20,500.00)** for the purchase of their primary residence, as described in Exhibit A and attached hereto, and subject to confirmation of the undersigned's status as an individual who is not the current owner of a home, whose yearly income is at or below one hundred twenty percent (120%) of the Area Median Income adjusted for household size as determined by U. S. Department of Housing and Urban Development (HUD), do enter into this Restrictive Covenant. This covenant is executed by the undersigned in order to comply with the requirements of the Neighborhood Stabilization Program; based upon the receipt by the undersigned of monies made available by the City pursuant to said authorization. The funds disbursed, in the amount of **Twenty thousand five hundred and 00/100 Dollars (\$20,500.00)** by the City to the undersigned, are subject to recapture by the City under the terms contained herein for any breach of the terms of this covenant. The undersigned, their heirs, successors, and assigns hereby covenant, promise, and agree that they shall cause the following restrictions to encumber and to run with the real property described in attached Exhibit A, and they do affirmatively agree to cause this Restrictive Covenant to be recorded separate from the title deed in the County Recorder's Office so as to cause this Restrictive Covenant to appear in the chain of title for the real property described in Exhibit A:

That for a period of ten (10) years from the date of the execution of this document:

1. The undersigned must remain in the unit for ten (10) years from the date of the execution of this document as the resident and titled owner of the property.
2. The undersigned to this agreement agree that they may not rent the premises described herein to any person, corporation, partnership, or any other entity. The undersigned also agree that no other similar estate shall be granted to any other person, nor shall they alienate in any manner, not described herein, their interest in the property described in the attached Exhibit A. Under no circumstances, however, shall any interest of the undersigned in the subject property be conveyed or encumbered without the written approval of the City.



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PEGGY L. BROWN
LAKE COUNTY AUDITOR

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3. The undersigned agree that upon any breach by them of any of the terms of this covenant that the City shall be entitled to recapture the funds extended to the undersigned by their participation in the City Neighborhood Stabilization Program. The undersigned shall have an affirmative duty and obligation under the terms of this Restrictive Covenant to repay to the City the total amount of pro-rated funds, as stated in paragraph four (4) of this document, due contingent on the anniversary of the mortgage beginning with a balance of **Twenty thousand five hundred and 00/100 Dollars (\$20,500.00)** to the undersigned by virtue of their participation in the program. Any such recapture resulting from any breach by the undersigned of the terms and condition of this covenant shall be made to the City of Hammond Department of Planning and Development by the undersigned in the form of a check made payable to the City of Hammond for the pro-rated amount forgivable over ten (10) years loaned to the undersigned.
4. The undersigned agrees that if they breach any of the terms of the covenant or any of the agreed upon terms of this program they will reimburse the city in accordance with the following recapture pro-rated schedule:
- a) Prior to one (1) year of the anniversary of the date of the Loan Agreement, 100% of the funds disbursed by the city will be recaptured any returned to the city as aforementioned.
 - b) Within the end of the first (1st) year of the Loan Agreement date and the second (2nd) year of the anniversary of the date of the Loan Agreement, 90% of the funds disbursed by the city will be recaptured any returned to the city as aforementioned.
 - b) Within the end of the second (2nd) year of the Loan Agreement date and the third (3rd) year of the anniversary of the date of the Loan Agreement, 80% of the funds disbursed by the city will be recaptured any returned to the city as aforementioned.
 - c) Within the end of the third (3rd) year of the Loan Agreement date and the fourth (4th) year of the anniversary of the date of the Loan Agreement, 70% of the funds disbursed by the city will be recaptured any returned to the city as aforementioned.
 - d) Within the end of the fourth (4th) year of the Loan Agreement date and the fifth (5th) year of the anniversary of the date of the Loan Agreement, 60% of the funds disbursed by the city will be recaptured any returned to the city as aforementioned.
 - e) Within the end of the first (5th) year of the Loan Agreement date and the sixth (6th) year of the anniversary of the date of the Loan Agreement, 50% of the funds disbursed by the city will be recaptured any returned to the city as aforementioned.
 - f) Within the end of the sixth (6th) year of the Loan Agreement date and the seventh (7th) year of the anniversary of the date of the Loan Agreement, 40% of the funds disbursed by the city will be recaptured any returned to the city as aforementioned.
 - g) Within the end of the third (7th) year of the Loan Agreement date and the eighth (8th) year of the anniversary of the date of the Loan Agreement, 30% of the funds disbursed by the city will be recaptured any returned to the city as aforementioned.

- h) Within the end of the eighth (8th) year of the Loan Agreement date and the ninth (9th) year of the anniversary of the date of the Loan Agreement, 20% of the funds disbursed by the city will be recaptured any returned to the city as aforementioned.
- i) Within the end of the ninth (9th) year of the Loan Agreement date and the tenth (10th) year of the anniversary of the date of the Loan Agreement, 10% of the funds disbursed by the city will be recaptured any returned to the city as aforementioned.

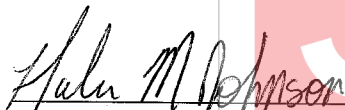
5. These restrictions will terminate upon the occurrence of foreclosure by the first mortgage holder, transfer in lieu of foreclosure by the first mortgage holder or on the tenth (10th) anniversary of the date of the Loan Agreement.

"Neighborhood Stabilization Program", as used in this Restrictive Covenant, refers to the program for assistance to eligible low, moderate, and middle income families/households. The City forgivable loan amount needed for the downpayment and reasonable eligible closing costs under the conditions as outlined above.

"Low/moderate/middle income families/household", as used herein, shall be defined as any family/household whose income is at or below one hundred twenty percent (120%) of the Area Median Income adjusted for family/household size as determined by HUD, that do not currently own a home prior to the purchase of a NSP property with the assistance of the City's Neighborhood Stabilization Program's Affordability Assistance Allowance.

"Recapture," as used herein, shall be defined as the repayment of any funds forgivable loaned to the undersigned under the Neighborhood Stabilization Program.

The undersigned's failure to comply with any of the terms of this Restrictive Covenant concerning the conveyance, encumbrance, or alienation of any interest in the property described in the attached Exhibit A, shall cause the immediate recapture of the total amount of the Neighborhood Stabilization Program Affordability Assistance Allowance forgivable loan, as per the terms of this agreement.



Helen M. Johnson



State of Indiana
County of Lake :

WITNESSETH thereof this 23rd day of Dec 2011

Helen M. Johnson appeared before me, the
undersigned, Notary Public,

SWORN TO BEFORE ME and subscribed in my presence this 23rd day of Dec 2011

Kira A. Diaz
Notary Public, State of Indiana
My Commission Expires 2/15/15
Lake County Resident



EXHIBIT "A"
LEGAL DESCRIPTION

LEGAL DESCRIPTION

Property Address: 4019 Johnson Avenue, Hammond, Indiana 46324

The South 31.77 feet of Lot Numbered Twenty-eight (28) and all of Lot Twenty-nine (29), Block 6 as shown on the recorded plat of Hammond Steel City Addition, in the City of Hammond as per plat thereof recorded in Plat Book 17, page 18A in the Office of the Recorder of Lake County, Indiana.

