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MORTGAGE
City of Hammond Neighborhood Stabilization Program
Affordability Assistance Allowance
Forgivable Loan

STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

2014 FEB 14 AM 9:26

MICHAEL B. BROWN
RECORDER

This Mortgage made this January 29, 2014, between the Mortgagor, Michael D. Williams and Kimberlyn S. Williams, and the Mortgagee, **City of Hammond, by and through its Redevelopment Commission**, whose address is 649 Conkey Street, Hammond, Indiana, 46324 (hereinafter called "Lender").

DEFINITIONS

Words used in multiple sections of this document are defined below.

- (A) "Applicable Law" means all controlling applicable federal state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as applicable final, non-appeasable judicial opinions.
- (B) "Lender" means the City of Hammond its successors and or assigns.
- (C) "Borrower" means the signer(s) of this any and all City of Hammond documents, forms and or affidavits associated with the addresses and parcel numbers in attached hereto.

Lender has made available to Borrower the sum of Seventeen thousand two hundred and no/100 dollars (\$17,200.00) to be used by Borrower for the acquisition of the property located at 4930 Ash Avenue, Hammond, Indiana 46320.

Borrower is indebted to lender in the principal sum of Seventeen thousand two hundred and no/100 dollars (\$17,200.00) for one hundred twenty (120) months from the date of execution. To secure to Lender the repayment of said indebtedness and insure the performance of the covenants and agreements of Borrower as contained in the City of Hammond Neighborhood Stabilization Program's Affordability Assistance Allowance Program and this Mortgage. Borrower does hereby mortgage, grant and convey to Lender the following described property located in the County of Lake, State of Indiana.

Situated in the State of Indiana in the County of Lake and in the City of Hammond and legally described as follows:

Lot Numbered 16 and the South Half of Lot Numbered 17 in Stafford and Trankle's 7th Addition to Hammond as per plat thereof recorded in Plat Book 6, page 42 in the Office of the Recorder of Lake County, Indiana.

Said Property is commonly referred to as: 4930 Ash Avenue, Hammond, IN

45-03-31-120-022-000-023

Together with all the improvements now or hereafter erected on the Property, and all easements, appurtenances, rights and all fixtures now or hereafter affixed to the Property, including replacements and additions thereto, shall be deemed to be and remain a part of the Property covered by this Mortgage.

#14-1573

HOLD FOR MERIDIAN TITLE CORP

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29th
Ron C
MT
RS

The Borrower further covenants:

1. To promptly pay if and when due the principal on the indebtedness as evidenced by this agreement. This deferred loan will become due if any conditions of repayment are triggered within one hundred twenty (120) months from the date of this mortgage. Any deviation in this policy shall be at the discretion of the City of Hammond, by and through its Redevelopment Commission. This deferred loan will require no payments toward the principal and accrue no interest as long as the present mortgagors own the title and reside in said property.
2. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within sixty days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence.
3. Except where otherwise required or permitted by the Note Holder in connection with a transfer on death, divorce, legal separation, legal incapacity of a Borrower, the Note and this Mortgage may not be assumed.
4. To keep the property fully insured against casualty loss or damage normally insured by those engaged in the business of the Borrower. The insurance shall be to the benefit of the Lender with an insurance company acceptable to the Lender. The Lender shall be named beneficiary on the face of said insurance policy. Upon the occurrence of any loss or damage to the physical structure of the property, the Borrower with the concurrence of the Lender shall have a period not to exceed one (1) year to return the property to its former or better condition than before the occurrence of the casualty loss.

If the property is located in an area that has been identified by HUD as an area having special flood hazards and if the sale of flood insurance has been made available under the National Flood Insurance Act of 1968, the Owner agrees that the property will be covered, during the term of this mortgage, by flood insurance in an amount at least equal to the balance of the mortgage on/or to maximum limit of coverage made available with respect to the particular type of property under the National Flood Insurance Act of 1968, whichever is less.

5. To assign to the Lender (subject to any Senior Mortgagee's rights) the proceeds of any claim for damages, direct or consequential in connection with any condemnation or other taking of the property or part thereof, or for conveyance in lieu of condemnation. The proceeds shall be applied to the sums secured by this Mortgage, with the excess, if any, paid to the Borrower. In the event of a partial taking of the Property, there shall be applied to the sums secured by this Mortgage such proportions of the proceeds as is equal to that proportion which the amount of the sums secured by this Mortgage immediately prior to the date of taking bears to the fair market value of the Property immediately before the taking with the balance of the proceeds paid to the Borrower.
6. On the breach of any condition or covenant of this Mortgage, the Lender has the following remedies:

Foreclosure proceedings may be instituted at the option of the Lender and the reasonable fees and charges of the Lender's attorneys shall be a further lien and charge upon the Property under this Mortgage, and all such expenses shall become additional indebtedness secured by this Mortgage and be allowed in any decree foreclosing this Mortgage.

7. To pay to the Lender or its designated agent the total amount of principal due under this Mortgage upon demand, should the Lender accelerate the indebtedness pursuant to paragraph 8 below.
8. Not to sell, transfer, dispose or alter the intended use of all or any part of the above described premises without first obtaining the written consent of the Lender. If there shall be any such sale, transfer, disposition or change in program without the written consent of the Lender, the entire principal indebtedness secured hereby, shall become due and payable at the election of the Lender, or foreclosure proceedings may be instituted hereon.
9. To keep Property in as good order and condition as it is now, together with any improvements thereon, reasonable wear and tear accepted, and will not commit or permit waste. Lender may make or cause to be made reasonable entries upon and inspection specifying reasonable cause therefore related to Lender's interest in the Property.
10. On the breach of any condition or covenant of this mortgage the Lender has the following remedies:
 - a. Foreclosure proceedings may be instituted at the option of the Lender, and the reasonable fees and charges of the Lender's attorneys shall be a further lien and charge upon the Property under this Mortgage, and all such expenses shall become additional indebtedness secured by this Mortgage and be allowed in any decree foreclosing this Mortgage.
 - b. Acceleration of the unpaid principal balance together with all interest and charges thereon, may, at the option of the Lender, be declared immediately due and payable.
 - c. Prior to foreclosure or Acceleration, the Lender shall mail notice to the Borrower specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, not less than 30 days from the date the notice is mailed to the borrower, by which such breach must be cured; and (4) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage, foreclosure by judicial proceedings and sale of the property. Upon payment and cure by the borrower, this Mortgage and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.
11. The Lender shall have the right at its option to pay any ground rents, taxes, water rates, other governmental charges, insurance policy, prior liens, and charges thereon, which the Borrower has agreed to pay under paragraphs 1 and 4 above, and any amount so paid by the Lender shall be added to the principal debt named herein and bear interest at the rate charged by the prior lien-holder, payable monthly, from the date of such payment, and secured by this Mortgage.

12. Any forbearance by the Lender in exercising any right or remedy hereunder, or otherwise provided by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy. All remedies provided in this Mortgage are distinct and cumulative to any other right or remedy under this Mortgage or afforded by law or equity, and may be exercised concurrently, independently or successively.
13. Borrower shall be furnished a copy of the Note and of this Mortgage at the time of execution or after recordation hereof.
14. The covenants contained herein shall bind, and the benefits and advantages shall insure to, the respective heirs, executors, successors, assigns and agents of the parties hereto. Whenever used, the singular number shall include the plural, and the use of any gender shall include all genders.
15. Upon payment of all sums secured by this Mortgage, Lender shall discharge this Mortgage, without charge to Borrower. Borrower shall pay all costs of recordation, if any.

MORTGAGORS:
 I affirm, under the penalties for perjury, that I have taken reasonable care to redact each social security number in this document, unless required by law.

Michael D. Williams
 Michael D. Williams

Kimberlyn S. Williams
 Kimberlyn S. Williams

Name Kim A. Diaz

STATE OF INDIANA, COUNTY OF LAKE, SS:

Before me, the undersigned, a Notary Public, in and for said county and state, personally appeared Michael D. Williams & Kimberlyn S. Williams who acknowledged the execution of the foregoing mortgage.

WITNESS MY HAND AND NOTARIAL SEAL this same date.

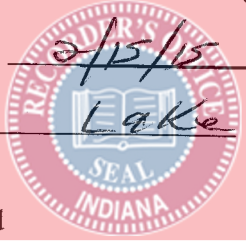
Kim A. Diaz
 Notary Public Kim A. Diaz

My Commission expires: 2/15/15

County of Residence: LaKe

MAIL: City of Hammond
 Department of Planning and Development
 Neighborhood Stabilization Program
 649 Conkey Street
 Hammond, Indiana 46324
 Attn: Dennis C. Radowski

Prepared by: Dennis C. Radowski



City of Hammond
Department of Planning & Development
Neighborhood Stabilization Program

RESTRICTIVE COVENANT

In consideration for the making of a forgivable loan by the city of Hammond (City), and pursuant to the participation by Michael D. Williams and Kimberlyn S. Williams, 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 **Seventeen Thousand Two Hundred and no/100 (\$17,200.00)** 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 **Seventeen Thousand Two Hundred and no/100 (\$17,200.00)** 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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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-one thousand one hundred and no/100 (\$21,100.00)** 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.

Michael D. Williams 1/29/14
Date

Kimberlyn S. Williams 1/29/14
Date



WITNESSETH thereof this 29th day of Jan. 2014

Michael P. Williams

Kimberlyn S. Williams

SWORN TO BEFORE ME and subscribed in my presence this 29th day of Jan. 2014

Kim A. Diaz

Notary Public, State of Indiana

My Commission Expires : 2/15/15

Lake County Resident



I affirm, under the penalties for perjury,
that I have taken reasonable care to
redact each social security number in
this document, unless required by law.

Name

Kim A. Diaz

Prepared by: Dennis C. Radowski

