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STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

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MICHAEL B. BROWN
RECORDER

LIEN AND RESTRICTIVE COVENANT AGREEMENT FOR THE NEIGHBORHOOD STABILIZATION PROGRAM [RESALE RESTRICTION]

This Lien and Restrictive Covenant Agreement for the Neighborhood Stabilization Program ("Agreement") is made by and between Otis Webb Jr. (the "Owner"), the Owner of certain real estate located at 1739 Senator Drive ("address"), **East Chicago** in **Lake** County, Indiana, more particularly described on "Exhibit A" (the "Real Estate"), and the undersigned, **City of East Chicago Department of Redevelopment** ("Grantee"), as recipient of an award of funds from Indiana Housing and Community Development Authority ("IHCDA").

Grantee enters into this Agreement for the benefit of IHCDA, a public body corporate and politic of the State of Indiana. IHCDA has the exclusive right to enforce the terms of and protect the interests created by this instrument.

I. PURPOSE

A. IHCDA administers the state's Neighborhood Stabilization Program with funds from the United States Department of Housing and Urban Development ("HUD") and pursuant to the Housing and Community Development Act of 1974, 42 U.S.C. 5301 *et. seq.*("HERA") and other rules, regulations, guidance and notices, relating to the Neighborhood Stabilization Program, as issued by HUD and/or IHCDA from time to time (the "NSP Program").

B. Grantee applied for and received a grant from the Indiana Housing and Community Development Authority ("IHCDA") to be used to acquire and redevelop abandoned or foreclosed homes and residential properties that might otherwise become sources of blight within communities and benefit individuals whose income is at or below **one hundred twenty percent (120%)** of the area median income.

C. Owner's cost for the acquisition, redevelopment, and/or rehabilitation conducted in connection with the residence located on the Real Estate was subsidized by a development subsidy in the amount of Two Hundred Seventeen Thousand, Five Hundred Twenty-Four Dollars and 01/100 ($217,524.01) (the "Development Subsidy"), which assistance is subject to the requirements of the NSP Program.

D. The NSP Program requires that certain use restrictions be imposed upon any real estate benefited by NSP funds awarded by IHCDA to ensure that the benefits of such funds remain with the intended beneficiaries under the NSP Program.

E. Specifically, IHCDA and HUD require that restrictive covenants be placed on the assisted property in the form of deed restrictions, covenants running with the land, or similar mechanisms that remain in effect for the following periods specified below as required by 24 CFR 92.254 ("Affordability Period"):

NSP Funds	Term of Restrictive Covenants
Under $15,000.00	5 years
$15,000.00 to $40,000.00	10 years
Over $40,000 per unit (with prior IHCDA approval)	15 years

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CM
AO

COMMUNITY TITLE COMPANY
FILE NO 133949 LAKE CO.

II. AGREEMENT

The Owner and Grantee hereby impose the following restrictive covenants upon the Real Estate, which shall be enforceable by IHCDA. The Owner hereby warrants, grants and conveys to IHCDA a lien upon the Real Estate for the Affordability Period specified above (the "Lien"). In consideration of these mutual undertakings and covenants, the parties further agree as follows:

A. Throughout the Affordability Period the Real Estate shall (1) be owned by an individual or family whose income is **at or below one hundred twenty percent (120%)** of area median income and (2) be occupied by that individual or family as its primary residence for the remainder of the Affordability Period (the "Affordability Requirements").

B. If the Owner no longer occupies the Real Estate as its primary residence the Real Estate: (1) must be resold to another individual or family; who meets the Affordability Requirements; and (2) must be resold at a price that **does not exceed twenty-nine percent (29%)** of that individual's or family's gross income towards the principal, interest, taxes and insurance for the Real Estate on a monthly basis ("Affordable Price"). The Owner must resale the Real Estate within six (6) months of the date it fails to occupy the Real Estate as its primary residence. The Owner is entitled to a fair return on the sale of the Real Estate, which would consist of the Owner's investment and any capital improvements made to the Real Estate. If such a transfer or conveyance of the Real Estate occurs, then the Real Estate must remain and continue to be subject to the terms and provisions of this Agreement and the transferee owner must agree to take the Real Estate subject to this Agreement.

C. The Owner and Grantee acknowledge that the financial assistance received through the NSP Program represents good and valuable consideration for this Agreement and these restrictions on the use of the Real Estate are consistent with the statutes, regulations, terms, conditions, and requirements for the NSP Program as administered by IHCDA.

D. Notwithstanding anything to the contrary in this Agreement, Grantee, IHCDA and the Owner agree that the Lien is subject and subordinate to any Senior Debt, as defined below. As used in this Agreement, "Senior Debt" means any indebtedness of the Owner to any lender that has provided financing to the Owner for the purchase, construction, rehabilitation, or refinancing of the Real Estate prior to the date of this Agreement. This Agreement will not be subordinate to any debt incurred by the Owner in the form of a second mortgage on the Real Estate, unless that second mortgage is in favor of the lender holding the Senior Debt.

E. The Lien may be foreclosed on the date the Real Estate is acquired by foreclosure in accordance with the laws of the State of Indiana, or an instrument in lieu of foreclosure. The restrictions contained herein will automatically and permanently terminate upon the occurrence of any of the following: (1) if the Real Estate is transferred to the Senior Debt holder in lieu of foreclosure; or (2) the mortgage securing the Senior Debt is foreclosed; or (3) if the insured mortgage securing the Senior Debt is assigned back to the U.S. Department of Housing and Urban Development or its successor. However, the restrictions shall be revived according to the original terms if, during the original affordability period, the owner of record before the termination event, obtains an ownership interest in the housing.

F. This Agreement shall be binding upon the Real Estate and shall constitute a covenant running with the land. Grantee and the Owner agree that any and all requirements of the laws of the State of Indiana which must be satisfied so that the provisions of this Agreement constitute valid and binding deed restrictions and a covenant running with the Real Estate shall be satisfied in full. Except as otherwise provided herein, the covenants and restrictions contained herein shall survive and be effective throughout the Affordability Period, regardless of whether any contract, deed or other instrument hereafter executed conveying the Real Estate or a portion thereof provides that such conveyance is subject to this Agreement. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, representatives, successors, and assigns.

G. In the event there is a breach or violation of the restrictions and covenants set forth herein during the Affordability Period or the Owner is unable or unwilling to resale the Real Estate within six (6) months after it has vacated the Real Estate, IHCDA may bring an action at law or in equity in a court of competent jurisdiction to enforce the Lien and restrictions and covenants set forth herein against any or all of the following: the Owner; Grantee; or any subsequent owner in possession at the time of the breach or violation. In addition, IHCDA may recover reasonable attorney's fees and court costs incurred enforcing the Lien.

This Lien and Restrictive Covenant Agreement is effective as of the 29th day of January, 2014.

IN WITNESS WHEREOF, the Owner and Grantee have caused this Agreement to be signed by duly authorized representatives, on the day and year first written above.

OWNER:

By: Otis Webb Jr

Printed: OTIS WEBB JR

STATE OF INDIANA)
) SS:
COUNTY OF LAKE)

Before me, a Notary Public, in and for said County and State, personally appeared, who acknowledged that the foregoing Lien and Restrictive Covenant Agreement for the Neighborhood Stabilization Program was executed in such capacity as its voluntary act and deed and that the foregoing representations are true and correct.

WITNESS my hand and seal this 29th day of JANUARY, 20 14.

Elizabeth J Webster

A Resident of __________ County, Indiana

My Commission Expires: __________

ELIZABETH J. WEBSTER
Porter County
My Commission Expires
January 12, 2016
NOTARY PUBLIC SEAL STATE OF INDIANA

GRANTEE: [NSP1-009-016]

By: Terrence Velligan President
TERRENCE VELLIGAN

Title: PRESIDENT

STATE OF INDIANA)
) SS:
COUNTY OF LAKE)

Before me, a Notary Public, in and for said County and State, personally appeared, who acknowledged that the foregoing Lien and Restrictive Covenant Agreement for the Neighborhood Stabilization Program was executed in such capacity as its voluntary act and deed and that the foregoing representations are true and correct.

WITNESS my hand and seal this 29th day of JANUARY, 20 14.

Elizabeth J Webster

A Resident of ________________ County, Indiana

My Commission Expires: ________________

ELIZABETH J. WEBSTER
Porter County
My Commission Expires
January 12, 2016

NOTARY PUBLIC SEAL STATE OF INDIANA

This instrument was prepared by Carmen M. Files (26363-49), Staff Attorney, Indiana Housing and Community Development Authority, 30 South Meridian Street, Suite 1000, Indianapolis, IN 46204 (317)232-7777.

I affirm, under the penalties of perjury, that I have taken reasonable care to redact each Social Security number in this document, unless required by law, /s/ Elizabeth J Webster

EXHIBIT A

LEGAL DESCRIPTION

Lot 48, Washington Square Phase Two, an addition to the City of East Chicago, Lake County, Indiana, as recorded in Plat Book 105, page 87, in the Office of the Recorder of Lake County, Indiana.