

14-18712
File: First Title

THIS INSTRUMENT PREPARED BY:

Chattanooga Neighborhood
Enterprise, Inc.
1301 Market Street, Suite 100
Chattanooga, Tennessee 37402

Instrument: 2014041700018
Book and Page: GI 10195 875
MISC RECORDING FEE \$30.00
DATA PROCESSING FEE \$2.00
Total Fees: \$32.00
User: KDS
Date: 4/17/2014
Time: 8:36:58 AM
Contact: Pam Hurst, Register
Hamilton County, Tennessee

DECLARATION OF RESTRICTIVE COVENANTS

CHATTANOOGA NEIGHBORHOOD ENTERPRISE

HOME ASSISTANCE PROGRAM

13 8525

THIS DECLARATION OF RESTRICTIVE COVENANTS dated 04/15/2014 (the "Restrictive Covenants") by and between Hylde J. Bevans, 118 Eveningside Drive, Chattanooga, TN 37404 ("Assisted Party") and The City of Chattanooga, Tennessee, a Tennessee Municipal Corporation ("City"), action by and through its Contract Administrator **Chattanooga Neighborhood Enterprise, Inc., a Tennessee nonprofit corporation, with the address of **1301 Market Street, Chattanooga, TN 37402** ("CNE").**

WITNESS

WHEREAS, CNE or the Assisted Party owns certain real property at **118 Eveningside Drive, Chattanooga, Tennessee** (the "Property") which Property is more particularly described in "Exhibit A", attached hereto and made a part hereof by this reference (the "Property"); and

WHEREAS, CNE is the recipient of and administers on behalf of the City certain funds from the City of Chattanooga, Tennessee under the HOME Investment Partnerships Program (the "HOME" Program), pursuant to that certain Agreement between CNE and City dated July 14, 2013 (the "Agreement"); and

WHEREAS, the Assisted Party has received the benefit of such funds provided as assistance to improve the Property, or for its purchase, and pursuant to certain HOME Program activities as specified in the Agreement and in compliance with 42 U.S.C. Sections 12701-12839, as amended, and 24 C.F.R. Part 92, as amended, and upon certain terms and conditions as set forth in the HOME Program Requirements, the Agreement; that certain Agreement To Comply With Program Requirements between CNE/City and the Assisted Party, including certain rights of CNE on behalf of the City to recapture such assistance made to the Assisted Party, under certain conditions, and the Rules and Regulations of the HOME Assistance Program (collectively, the "HOME Assistance Program Requirements"); and

WHEREAS, as a condition of participating in the HOME Assistance Program and/or the purchase of the Property from CNE, the Assisted Party has agreed to encumber the Property to ensure that the Property will be used as only as the principal residence of the Assisted Party for a period certain (the "Affordability Period"), in compliance with the HOME Assistance Program Requirements;

NOW, THEREFORE, in consideration of the Assisted Party's participation in the HOME

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Assistance Program, the Assisted Party's receipt of HOME Assistance Program assistance and benefits, and of the premises, the Assisted Party covenants and promises to take all actions necessary to comply with HOME Assistance Program Requirements and the mutual covenants contained in these Restrictive Covenants, and the Assisted Party and CNE/City hereby agree as follows:

1. Use. The Property shall be owned by and used only as the principal residence of the Assisted Party for the full term of the Affordability Period, and no interest in the Property may be sold or transferred to any other person or entity prior to the end of the Affordability Period, subject to all the Home Assistance Program Requirements, and for no other purpose, for the term of the Affordability Period set forth in Paragraph 3 hereafter; except as provided below.

2. Enforcement, and Recapture Provisions. The Property shall be used by the Assisted Party and the Assisted Party's family, or as otherwise allowed by the Regulations and CNE, only as specified in Paragraph 1 hereinabove. Should the Assisted Party fail to abide by this restriction, CNE shall have the right to enforce the specific performance of this Agreement, the Home Assistance Program Requirements, and all covenants and restrictions hereunder and thereunder, including the right to enforce the terms and restrictions of any instrument of conveyance from the City or CNE to the Assisted Party, and the terms and conditions of any Deed of Trust or mortgage upon the Property, to secure recapture of the assistance and the enforcement of the HOME Assistance Program Requirements and this Agreement, and to take all such other actions in compliance with 24 C.F.R. sections 92.254, et. seq. and the terms of this Agreement, in the event of any violation of the Restrictive Covenants herein, or for such other purposes as may be necessary to carry out the intent of these Restrictive Covenants. Notwithstanding any remedy above, should this instrument be a part of a transaction with the Assisted Party relating to the provision of secondary financing in conjunction with a mortgage insured by the United States Department of Housing and Urban Development ("HUD"), nothing herein or elsewhere in the documentation of the subject assistance shall interfere with the legal ability of the Assisted Party to sell the Property, or subject the Assisted Party to damages for contractual liability as a result of a violation of the covenants herein, other than to require the recapture of assistance provided to the Assisted Party, as provided in herein and in related documentation of such assistance, provided such recapture of such assistance is in compliance with such documentation and the rules and regulations of HUD. Any negotiated transfer of the Property must have the advance express written permission of CNE and be made only to a transferee who qualifies as a low-income family and who will use the Property as its single family residence for the balance of the Affordability Period.

3. Term. The term of these Restrictive Covenants begins on the date hereof and ends on the date that is Five (5) years from the date of the assistance to the Assisted Party, or the execution of the instrument of conveyance of the Property to the Assisted Party, whichever is later (the "Affordability Period"). Notwithstanding anything herein or elsewhere to the contrary, any foreclosure or transfer in lieu of foreclosure under a deed of trust encumbering the Property, which has priority over these Restrictive Covenants, shall terminate the Affordability Period and these Restrictive Covenants, so long as the foreclosure or other transfer recognizes any contractual or legal rights of public agencies, nonprofit sponsors or others to take actions to avoid termination of low-income affordability and/or, at the option of CNE to recapture the amount of assistance given or loaned to Purchaser by CNE pursuant to The Home Program and agreements executed by the Purchaser. In that regard, CNE shall have the right to notice of default and any foreclosure and the right of first refusal on any sale thereunder, on the enforcement of its other rights, at its option. The Affordability Period and these Restrictive

Covenants shall, however, be revived according to their original terms if (a) the Purchaser or (b) any entity that includes (i) the Purchaser or (ii) those with whom the Purchaser has or had family or business ties, obtains an Ownership interest in the Property. Further, should the deed of trust securing the indebtedness and these restrictions be subordinate to a HUD insured mortgage, all restrictions and limitations imposed by this or other instruments executed in connection with this instrument shall automatically and permanently terminate upon any foreclosure upon the HUD insured mortgage, or upon any deed-in-lieu of foreclosure thereof, or upon any assignment of the HUD insured mortgage to HUD.

4. Covenant Running with the Land. These Restrictive Covenants shall run with the land and shall bind the Property, the Assisted Party and such Party's successors, successors in interest, successors in title, and permitted assigns. These Restrictive Covenants shall be binding upon and inure to the benefit of the respective successors and permitted assigns of CNE/City and the Assisted Party.

5. Severability. The invalidity of any clause, part or provision of these Restrictive Covenants shall not affect the validity of the remaining portions hereof.

6. Notices. Unless otherwise set forth herein, all notices given pursuant to these Restrictive Covenants shall be deemed given to the Assisted Party when mailed, and to CNE/City when received. All notices hereunder shall be sent by certified or registered mail, postage prepaid, return receipt requested, to the parties at the addresses set forth above or to such different address or addresses as either party may notify the other from time to time in writing.

7. Amendment. Purchaser shall continue to take all actions deemed necessary by CNE to amend these Restrictive Covenants to comply with the HOME Assistance Program Requirements, and any and all applicable rules, regulations, policies, procedures, and rulings or other official statements pertaining to the HOME Assistance Program or the government funding as they may from time to time be promulgated or amended, and the Assisted Party hereby accepts CNE as attorney-in-fact to carry out such intent.

8. Compliance With Applicable Laws. The Assisted Party shall comply with all HOME Assistance Program Requirements and all other applicable federal, state or local laws, statutes, ordinances, codes, rules or regulations, as the same may be amended from time to time.

9. Governing Law. These Restrictive Covenants shall be governed by the laws of the State of Tennessee and, where applicable, laws of the United States of America.

10. Recovery of Attorney's Fees. In the event CNE incurs legal fees or other expenses in enforcing these Restrictive Covenants, the Assisted Party shall reimburse CNE for all such fees and expenses within ten (10) days of receipt of written demand therefor. All fees and expenses not so paid by the Assisted Party shall become a lien upon the Property.

11. Assignment. The Assisted Party's obligations hereunder shall not be assigned without the express written consent of CNE, which consent may be withheld at CNE's sole discretion.

12. Definitions. All terms not otherwise defined herein shall have the meaning ascribed to them in the HOME Assistance Program Requirements or the Agreement.

13. Homeowners Insurance. The Assisted Party will secure and maintain, at its expense, homeowner's insurance in an amount sufficient to cover the full replacement cost of the Property, included any after added construction, with CNE and City named in the policy additional insureds for the full term of the Affordability Period.

14. Sales and Encumbrances Prohibited. In connection with the recordation of these Restrictive Covenants, if the Assisted Party is purchasing the Property as a part of this transaction from CNE or City, CNE or City will or has executed a Warranty Deed referencing the obligations hereunder, and providing for the enforcement of such. If any or all of the Property, or any interest in it, is sold, leased, or otherwise transferred or conveyed, or if any interest in the Assisted Party is sold, or otherwise transferred, conveyed or encumbered, or if any encumbrance affects the Property, without the prior written consent of CNE, CNE may, at its option, require immediate recapture of the assistance and/or the enforcement of any other right granted by this instrument, the HOME Assistance Program Requirements, or at law. The Assisted Party hereby irrevocably appoints CNE its attorney-in-fact for the full term of the Affordability Period for the express purpose and with full power in the premises to carry out the terms and intent of these covenants.

IN WITNESS WHEREOF, the parties hereto, by their respective duly authorized representatives, have executed these Restrictive Covenants as of the date above written.

PURCHASER: Hylde J. Bevans
By: *Hylde J. Bevans*

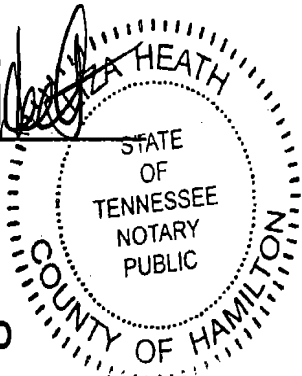
PURCHASER:
By: _____

STATE OF TENNESSEE)
COUNTY OF HAMILTON)

Personally appeared before me, ^{Liza Heath} a Notary Public, Hylde J. Bevans and _____, with whom I am personally acquainted, and who acknowledged that he/she executed the within instrument for the purposes therein contained.

WITNESS my hand, at office, this 15th day of April, ~~2004~~ 2015

My Commission Expires: 4-9-16

Notary Public *Liza Heath*


CHATTANOOGA NEIGHBORHOOD ENTERPRISE, INC.
By: *Carolyn Burke*
Carolyn Burke

Restrictive Covenant dated: 04/15/2014
Property Address: 118 Eveningside Drive
Chattanooga, Tennessee

Book and Page: GI 10195 879

STATE OF TENNESSEE)
COUNTY OF HAMILTON)

Before me, Melissa Trulove, a Notary Public of the state and county mentioned, personally appeared Carolyn Burke, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence, and who, upon oath, acknowledged that he/she is Homeownership Center Director of Chattanooga Neighborhood Enterprise, Inc., the within named bargainer and that he/she, as such Homeownership Center Director, executed the foregoing instrument for the purpose therein, by signing the name of Chattanooga Neighborhood Enterprise, Inc., by himself/ herself as Homeownership Center Director. Witness my hand and seal, at office, this 15 day of April, 2014.

Melissa Trulove
NOTARY PUBLIC

My Commission Expires: 03/18/15

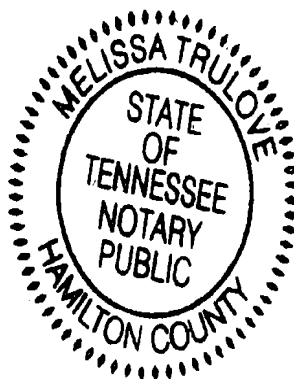


EXHIBIT "A"

LOCATED IN THE CITY OF CHATTANOOGA, HAMILTON COUNTY, TENNESSEE:

Being the South Thirty-Five (35) feet of Lot Twenty-Five (25) and the North Twenty-Five feet of Lot Twenty-Six (26) in Block Five (5), Revised Plat of Ferger Place, as shown by plat of record in Plat Book 7, Page 28, in the Register's Office of Hamilton County, Tennessee.

For prior title and last instrument of record affecting the above described property, see quitclaim deed from Betty Jo Benson to Timothy Dale Benson dated August 23, 1995 in the Register's Office of Hamilton County, Tennessee.

Subject to: Any governmental zoning and subdivision ordinances and regulations in effect thereon.
Subject to: Driveway Agreement over the North Four and One-half (4 ½) feet of the above described property as set out in instrument recorded in Book V, Volume 17, Page 494, in the Register's Office of Hamilton County, Tennessee.