

EXHIBIT "E-1"

**LAND USE RESTRICTION AGREEMENT
HOME INVESTMENT PARTNERSHIP PROGRAM
HOME BUYER**

THIS DECLARATION is entered into this _____ day of _____, between _____, his/her successors, assigns and transferees regarding the real property described below, hereinafter called ("Borrower") and the City of Clearwater, Florida, unit of local government organized and existing under the laws of the State of Florida hereinafter called ("City"), whose address is 112 South Osceola Avenue, Clearwater, Florida 33756 (Lender).

WHEREAS, the Borrower shall purchase certain real property described herein and agrees to the City that the real property which is the subject of a Mortgage and Note executed by Borrower of even date herewith, shall contain the restrictive covenants set forth herein,

WHEREAS, Borrower agrees that the hereafter described restrictive covenants shall remain in full force and effect against the real property until the end of the Period of Affordability,

WHEREAS, these covenants shall be properly filed and recorded by City in the Official Public Records of the Pinellas County, Florida and shall constitute a restriction upon the use of the property subject to and in accordance with the terms contained herein, and

IN CONSIDERATION of funds the City has provided to the Borrower for a loan to finance the down payment and closing costs on real property located in the City of Clearwater, Pinellas County Florida described as: (LEGAL DESCRIPTION)

_____ which has the address of: _____

_____ (herein "Property Address") and which real property is described in the mortgage between the City and the Borrower, the Borrower acknowledges that these Restrictive Covenants are necessary to comply with the program requirements of the HOME program stated at 24 CFR §92.254, from which funds were obtained to finance such loan and covenants and agrees with the following:

1. Covenants and Restrictions on Use of HOME Funds. HOME funds provided to this project will be used for down payment and closing costs for the acquisition of the real property. At the time of the application, the Borrower's annual income should not exceed 80 percent of the area median income, as determined and made available by the U.S. Department of Housing and Urban Development with adjustments for smaller and larger families at the time of purchase of the new home. The home must be the principal residence of the family.

- a. The value of the HOME assisted unit shall not exceed 95 percent of the median purchase price for that type of single family housing for the area (FHA 203(b) limits). The maximum per unit subsidy amount shall not exceed the per dollar limits established under section 221(d)(3)(ii) of the National Housing Act.
- b. The Borrower shall have fee simple title to the property.
- c. For the purpose of these Covenants, the Period of Affordability shall be a period beginning when the HOME funds are invested and ending at the end of the _____ () years thereafter.

- d. During the Period of Affordability, the single family unit must be occupied by the Borrower. Should the Borrower sell the property to any willing buyer at whatever price the market will bear, the sale will trigger repayment of the HOME assistance. In addition, if the Borrower should rent and/or transfer the property, or if the home shall cease to be the principal/homestead residence of the Borrower, it will trigger repayment of the HOME assistance.
- e. The City will use the recapture provision for repayment of the loan should the Borrower not abide with the affordability period or any other default provision in the mortgage, note or covenant. In the event of default, the Borrower shall repay the City in accordance with the following:
 - (1) The "Net Proceeds" from the sale shall be determined by subtracting the amount of the seller's closing costs and repayments of the outstanding loans on the property, including the repayments of any loans of HOME or other funds provided by the City;
 - (2) The Borrower may recover his or her initial investment from the Net Proceeds. The initial investment included the amounts he or she contributed to the down payment when the property was originally purchased, to any permanent improvements to the property and to payment of principal on the permanent financing.
 - (3) Any balance remaining from the initial investment shall be divided proportionally between the Borrower and the City according to their investments and formulas. The City's investment shall include all grants and loans of HOME or other City funds provided to the Borrower, minus any repayments previously made to the City.
 - (4) In the event the proceeds from the sale of the property are insufficient to permit the Borrower to recover any of the amounts indicated in (1), (2) or (3) above, neither the City nor any previous owner shall be liable for such insufficiency.
- f. In the event the housing is conveyed pursuant to a **foreclosure** sale, the provisions of Section 92.254 (a)(5)(ii) of the HOME Program shall apply. The recapture provision provides for shared net proceeds (if any) from the foreclosure sale. If there are no net proceeds from the foreclosure, repayment by the City or the Borrower is not required and HOME Program requirements are considered to be satisfied.
- g. Enforcement. Violation or breach of any restrictions or covenant herein contained shall give the City the right to institute any proceeding at law or in equity necessary to recover the applicable sum set forth in this agreement. If action is instituted by the City to recover the sum, Borrower or its successors in the title agree to pay all costs to collection, including court costs and reasonable attorney's fees.

IN WITNESS WHEREOF, this document has been duly signed by the Borrower on or as of the day and year first above written.

In the presence of:

Witness

Borrower

Witness

Borrower

STATE OF FLORIDA]
COUNTY OF PINELLAS]

The foregoing instrument was acknowledged before me this ____ day of _____, 20____ by _____ and _____, **husband and wife**, personally known to me or who have produced a drivers license as identification.

My Commission expires:

Notary Public