

THE ROAD HOME
DECLARATION OF COVENANTS RUNNING WITH THE LAND
HURRICANE KATRINA / HURRICANE RITA

BE IT KNOWN that on this ____ day of _____, 200_ (*"Effective Date"*), before me the undersigned Notaries Public, duly commissioned and qualified, and in the presence of the undersigned competent witnesses, personally came and appeared:

Homeowner ONE and Homeowner TWO

See Exhibit "A" attached hereto and made a part hereof who declared as follows:

RECITALS

THIS DECLARATION OF COVENANTS RUNNING WITH THE LAND (*"Covenants"*) is made by the undersigned homeowner(s) further described on Exhibit "A", all future owners of the Property, and their successors, heirs and assigns, and all other persons and parties claiming by, through or under the present and future owners, their successors and assigns (*collectively, the ("Owner")*).

The Owner is the owner of the immovable property described on Exhibit "B" (the *"Property"*) attached hereto. The residence located on the Property was damaged or destroyed by either Hurricane Katrina in August, 2005 or Hurricane Rita in September, 2005 (the *"Hurricanes"*). The Owner has been awarded a grant ("Grant") from the United States of America under the HUD Community Development Block Grant (*"CDBG"*) Program known as The Road Home program (*"Program"*), under a Grant agreement executed by the Owner. Working together, Governor Blanco, the Louisiana Recovery Authority and the State of Louisiana, Division of Administration, Office of Community Development (*"OCD"*) created the Program, the largest single housing recovery program in U.S. history. The Program is being administered by OCD.

AGREEMENTS

NOW, THEREFORE, for and in consideration of receipt of all Grant proceeds as compensation for damages incurred by the Owner due to the Hurricanes, and in order to mitigate future damage from hurricanes and similar natural disasters, Owner hereby makes the following Covenants and agreements with respect to the Property, which Covenants and agreements shall constitute covenants and restrictions running with and encumbering the Property. Owner agrees that Owner will be or become, as applicable, fully compliant with all covenant requirements within the time periods specified below;

These Covenants shall begin to run with the Property from and after the Effective Date.

1. **Covenant Not to Sell the Property**: For a period of three (3) years after the Effective Date, Owner covenants and agrees not to sell, assign, transfer or otherwise dispose of all or any portion of or any interest in the Property unless (a) the transfer is made pursuant to the Covenants contained herein, (b) the Owner has not violated the Covenants, and (c) the transferee agrees in the act of transfer to abide by the Covenants from and after the date of transfer and assumes the Owner's obligations under the Covenants and the Grant Agreement.

2. **Covenants as to Property Use**:

(a) **Re-occupancy**. As set forth in the Grant Agreement, Owner agrees to commence occupying the Property as his/her primary residence within three (3) years after the Closing Date. An extension of the period for compliance with this provision may be granted by OCD to Owner upon request by Owner to extend the compliance period based on good cause and circumstances beyond Owner's control that precluded compliance with the provisions of this section. OCD may require that the Owner execute a corresponding extension of the term of the Covenants. OCD may on its own, upon evidence of reasonable efforts made by Owner to occupy the property, grant an extension of the period to comply with this provision. Evidence of such extensions must be in writing, signed by OCD and Owner, and filed into the conveyance records in which these Covenants were filed.

(b) **Prohibited Uses**. For the three (3) year period commencing on the Effective Date, Owner agrees not to (i) use or occupy the Property, or (ii) permit the use or occupancy of the Property, except as his/her primary residence. Incidental uses of the Property such as home offices or home based businesses are not prohibited by these Covenants, as long as the Property is principally being used by the Owner as his/her primary residence, and such incidental uses are permitted under applicable laws, codes, ordinances, rules and regulations. If the property is co-owned, compliance with the Covenants set forth in this Section 2 by one co-owner (the, **"Primary Co-Owner"**) shall be deemed compliance by all co-owners. In the event the Primary Co-Owner dies during the 3-year compliance period set forth in this Section 2, the other co-owner will be exempt from complying with the Covenants contained in this Section 2.

3. **Duties Accessory to Primary Covenants:** In order to comply with the covenants set forth in Sections 1 and 2 above (**Primary Covenants**), and as duties accessory and incidental to the Primary Covenant set forth in Section 2 above, Owner covenants and agrees as follows:

(a) **Covenant as to Homeowner Insurance:** As a duty accessory and incidental to the Primary Covenant set forth in Section 2 above, Owner covenants and agrees that for a period of three (3) years after the Effective Date, any dwelling on any part of the Property must be insured under a policy of casualty insurance including coverage for wind and hail, in the amount of the full insurable value of the dwelling as determined by the property insurer. The duty to obtain such insurance shall commence on the date that the Owner re-occupies the property in compliance with Section 2(a) above and shall continue for the remainder of the three (3) years that this accessory covenant 3(a) is in effect.

Evidence of the insurance shall be provided in any one of the three following methods:

- i. Naming OCD (Attn: Disaster Recovery Unit), as an additional insured (for the limited purpose of notice from the carrier to OCD of policy issuance, cancellation and non-renewal); or
- ii. Naming OCD (Attn: Disaster Recovery Unit), on the policy as an interested party that will receive notice from the carrier of the policy issuance, cancellation and non-renewal); or
- iii. Naming OCD (Attn: Disaster Recovery Unit) as a certificate holder on a certificate of insurance issued by the carrier which specifies that the carrier will issue notice to OCD of the policy issuance, cancellation and non-renewal)

All notices and certificates issued pursuant to this provision shall be mailed to Road Home Program: Attn: Insurance Evidence, P.O. Box 4549, Baton Rouge, Louisiana 70821.

(b) **Covenant as to Compliance with Building Codes/Manufactured Housing:** (i) **Repair.** If the existing structure located on the Property was not destroyed by Hurricane Katrina and/or Rita and has been fully or partially repaired as of the Effective Date, the completed repairs shall conform to the minimal building codes in effect at the time of repair in effect in the applicable governmental authority having jurisdiction over the Property. Any further repairs commenced on or after the Effective Date shall conform to the minimum standards set by the 2003 International Residential Building Code, as modified, amended or replaced from time to time and in effect at the time of the repair. (ii) **Rebuilding.** If a structure on the Property was destroyed by Hurricane Katrina and/or Rita or if there is hereafter a tearing down or destruction of a structure located on the Property, any rebuilding of a new structure shall conform to the minimum standards set by the 2003 International Residential Building Code, as modified, amended or replaced from time to time and in effect at the time of the repair. (iii) **Manufactured Housing.** If housing hereafter placed on the Property shall be manufactured housing, such housing shall comply with the Federal Manufactured Housing Code required by HUD at the time of placement of the housing on the Property.

(c) **Covenant as to Flood Elevation:** , if a structure on the Property was destroyed or damaged by Hurricane Katrina and/or Rita or if there is hereafter a tearing down or destruction of a structure located on the Property, if Owner elects to rebuild or repair, such repair or rebuild, and any placement of manufactured housing on the Property, shall conform to the latest (most recent) elevation standard(s) as adopted and required by the applicable governmental authority having jurisdiction over the Property.

4. **Covenant as to Flood Insurance:** If the Property is located in a Special Flood Hazard Area under the FEMA Flood Maps or within the Special Flood Hazard Area under the Advisory Base Flood Elevations issued by FEMA, any dwelling on any part of the Property shall be insured under a policy of Flood insurance in the amount equal to the lesser of (a) the full insurable value, as determined by the Property insurer; or (b) the maximum amount of Flood Insurance coverage available under the National Flood Insurance Program to the extent coverage can be obtained under the National Flood Insurance Program. **Failure to maintain flood insurance could result in repayment of the Grant. Further, Owner understands that failure to maintain flood insurance means that, in the event of a future disaster, Owner may not be eligible for federal disaster relief assistance for repair, replacement, or restoration of damage due to flooding.** This Covenant as to Flood Insurance shall run with the Property in perpetuity or, alternatively, for the maximum period permitted by law.

For the initial three year period after the Effective Date, Evidence of the insurance shall be provided in any one of the three following methods:

- a. Naming OCD (Attn: Disaster Recovery Unit), as an additional insured (for the limited purpose of notice from the carrier to OCD of policy issuance, cancellation and non-renewal); or
- b. Naming OCD (Attn: Disaster Recovery Unit), on the policy as an interested party that will receive notice from the carrier of the policy issuance, cancellation and non-renewal); or
- c. Naming OCD (Attn: Disaster Recovery Unit) as a certificate holder on a certificate of insurance issued by the carrier which specifies that the carrier will issue notice to OCD of the policy issuance, cancellation and non-renewal)

All notices and certificates issued pursuant to this provision shall be mailed to Road Home Program: Attn: Insurance Evidence, P.O. Box 4549, Baton Rouge, Louisiana 70821.

5. **Covenants Running with the Property.** These Covenants shall constitute covenants running with the Property and shall be binding upon the Owner, and are intended to create negative predial servitudes, predial servitudes, and restrictions on alienation. To the extent any obligation(s) set forth in the Covenants is(are) construed by a court of competent jurisdiction not to be a negative predial servitude or predial servitude, such provision(s) shall not be severed from these Covenants but shall constitute a personal servitude(s) of and enforceable against the Owner and his assignees, and remaining obligations shall be enforced as negative predial servitudes or predial servitudes.

6. **Enforcement of Covenants.** These Covenants shall be enforceable, at law or in equity, by the State of Louisiana or the United States of America, and Owner hereby agrees that the State of Louisiana or the United States of America may demand repayment of Grant proceeds or compel specific performance by the Owner or claim injunctive relief against the Owner for violation of these Covenants, without posting bond and without the need for demonstrating irreparable harm.

7. **Release.** The OCD, its successor, or such other authority designated by the Governor of the State of Louisiana may on its own initiative or upon the request of the then Owner, release any Covenant in whole or in part upon determining in its sole discretion that the Covenant to be released no longer serves its intended purpose or that it is otherwise in the best interests of the public to release the Covenant. Such release shall be duly recorded in the respective conveyance records of the Registrar of Conveyances for Orleans Parish, Louisiana, or in the conveyance records of the Office of any Clerk of Court or Recorder for all other parishes in Louisiana. Any release shall be limited to the particular Covenant or portion thereof described in the release and shall apply only to the Property or portion thereof described in the release. The granting of a release of a Covenant shall not constitute grounds for the then Owner to be entitled to a release of any of the other Covenants agreed to herein.

8. **Due on Sale or Transfer; Acceleration.**

(a) At any time in the case of sale, transfer or disposition of all or any portion thereof, by voluntary transfer in which the conditions set forth in Section 1 are not complied with, or by foreclosure, deed in lieu of foreclosure or dation en paiement, or if the Owner is involuntarily divested of title to all or part of the Property in any other manner, the entire amount of the Grant shall become immediately due and payable, without notice or demand, by the Defaulting Owner to OCD.

(b) If Owner violates the Primary Covenant contained in Section 2, or the duties incident to such Primary Covenant as set forth in Section 3 ("**Defaulting Owner**"), and such violation is not cured within 30 days, the entire amount of the Grant shall become due and payable, without notice or demand, by the Defaulting Owner to OCD immediately upon expiration of the 30-day cure period. The obligation of the Defaulting Owner to pay any amounts owed as a result of a breach of these Covenants by the Default Owner shall not create any privilege, lien, or encumbrance on the Property. Any judgment obtained against the Defaulting Owner for a breach of these Covenants and recorded in the mortgage records where the Property is located, shall act as a judicial mortgage against the Property from and after the date of recordation.

(c) The provisions of this Section 8 shall not apply in the event of a transfer, sale, assignment or other disposition resulting from expropriation, divorce, succession, donation to a lineal relative or bankruptcy of the Owner.

9. **Use of Grant Proceeds.** The Owner has been awarded the Grant as compensation for damages suffered from the Hurricanes. Nothing in the Covenants shall be construed to require the Owner to use the Grant proceeds to repair, rebuild, relocate or sell the Property. The Grant proceeds will be disbursed to the Owner in accordance with the Grant Agreement between Owner and OCD. Within three (3) years of the Effective Date, Owner will provide OCD with evidence of Owner's compliance with these Covenants and the Grant agreement. Evidence acceptable to OCD shall include without limitation (i) evidence of ownership and payment of utility bills for the Property, including without limitation electrical power, water, sewer, telephone, cable or internet services; and (ii) verification from the insurer of casualty insurance and if applicable, flood insurance for the Property.

10. **Severability/Construction.** These Covenants shall be governed and construed in accordance with the laws of the State of Louisiana. Any provision of these Covenants found to be prohibited by law or unenforceable will be ineffective to the extent of such prohibition or unenforceability without invalidating any other part hereof, or any of the other Covenants contained herein. These Covenants, to the extent possible, will be construed or reformed so as to give validity to all of its provisions. Time is of the Essence. These Covenants are not intended to create, nor shall it be in any way interpreted or construed to create, any third party beneficiary rights in any person not a party hereto except for the United States of America, as set forth herein.

These Covenants shall be recorded in the conveyance records of the Registrar of Conveyances for Orleans Parish, Louisiana, or in the conveyance records of the Office of any Clerk of Court or Recorder for any other parish in which the Property is located.

STATE OF LOUISIANA

PARISH OF _____

THUS DONE AND SIGNED on the _____ day of _____, 200____, in the presence of the undersigned witnesses and Notary Public, after due reading of the whole.

WITNESSES:

OWNER:

Witness Signature

Homeowner ONE

Print Name:

Homeowner TWO

Witness Signature

Print Name:

Notary Public

Print Name:_____

Notary No./Bar Roll No._____

My Commission Expires:_____

STATE OF LOUISIANA

PARISH OF _____

THUS DONE AND SIGNED by OCD or its designee on the _____ day of _____, 200__, in the presence of the undersigned witnesses and Notary Public, after due reading of the whole.

WITNESSES:

STATE OF LOUISIANA, DIVISION OF ADMINISTRATION,
OFFICE OF COMMUNITY DEVELOPMENT, by First
American Title Insurance Company, Inc., as Attorney in
fact

Witness Signature

By:_____

Print Name:

Sign Name:

Witness Signature

Name:_____

Print Name:

Print Name:

Title:_____

Notary Public

Print Name:_____

Notary No./Bar Roll No._____

My Commission Expires:_____

EXHIBIT "A"

Owner Information

Road Home File No.: 06HHXXXXXX

Owner(s):	Names	LAST 4 No. OF SOCIAL SECURITY NO.
	Homeowner ONE	
	Homeowner TWO	

Domicile Address: PROPERTY ADDRESS

Parish:

OCD Information

OCD:	State of Louisiana Division of Administration Office of Community Development PO Box 94095 Baton Rouge, LA 70804
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EXHIBIT "B"

Immovable Property Description

Legal Description:
LEGAL DESCRIPTION FROM COMPLETE LEGAL DESCRIPTION FIELD.

Tax Assessment Information

Municipal Street Address (including zip code and all bounding streets):
PROPERTY ADDRESS
City, State ZIP