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LAWYERS TITLE INS. CORP.
7895 BROADWAY
MERRILLVILLE, IND. 46410

REHABILITATION CONTRACT

THIS AGREEMENT, made and entered into this 14th day of October, 1980,
by and between Hawkins & Associates hereinafter called the
"Contractor" and Clarence & Asalee Varnado hereinafter called the
"Owner". In consideration of the mutual premises and agreements contained herein, the
undersigned Contractor and Owner agree as follows:

I. SCOPE OF WORK:

- 1) Contractor agrees to furnish all labor, materials, tools, equipment, supervision and services necessary to do the work specified in the "LIST OF WORK" attached hereto and made a part hereof in a workman-like manner. The property to be improved is commonly known as 445 Ellsworth St. Gary, Indiana and legally described as The South 9ft. of Lot 34, all of Lot 35, and the North 4ft. of Lot 36, Block 11, GLC 6th Subd. Plat Book 14, Page 21, Lake County, Ind.

II. TIME OF COMPLETION:

- 1) Contractor agrees to furnish all necessary building permits within fifteen (15) days after notification of the loan closing unless granted an extension by the Office of Housing Conservation (OHC). Contractor further agrees not to begin the work to be performed until receipt of written "NOTICE TO PROCEED," after which the Contractor shall begin the work within 10 calendar days. It is understood that the Contractor shall complete the work within 60 calendar days of receipt of the "NOTICE TO PROCEED". It is further understood and agreed that this is a TIME IS OF THE ESSENCE CONTRACT and the Contractor agrees to begin actual work covered by this contract in conformity with all due diligence, so as to complete the entire work under this contract within the days stipulated after the date for commencement of work.

III. CONTRACT SUM AND PAYMENT SCHEDULE:

- 1) Owner hereby agrees to pay Contractor for the performance of the contract the sum of \$ 8,470.00 to be paid in accordance with one of the following provisions:
 - a) One lump sum after the work has been completed and approved by authorized building inspectors of the Office of Housing Conservation (OHC) and other concerned Governmental Agencies when required.
 - b) One or two progress payments, each totaling eighty (80) percent of the value of the work completed after fifty (50) percent or more of the work contracted for has been completed. The balance of the contract price shall be paid upon completion of all work, final inspection and approval by the Owner, OHC, other concerned Governmental Agencies and parties, and upon submission of waiver's of mechanic's liens by the Contractor, Sub-Contractors, suppliers and materialmen.
 - c) Before any partial payment is processed, the cost of each item specified in the List of Work shall be affixed thereto.
 - d) A certificate of partial completion must be executed by the owner prior to disbursement of any progress payment.
 - e) Where applicable the choice of schedule for payment shall be determined by the Owner, Contractor and OHC.

WILLIAM EIELSKI JR
RECORDER

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STATE OF INDIANA
CLERK OF SUPERIOR COURT
MERRILLVILLE, INDIANA

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IV. FINANCING:

- 1) Prior to commencement of said construction work, Owner hereby agrees to furnish contractor with satisfactory evidence that the financing of the work has been provided for and that payment will be made in accordance with the above designated schedule of payment.

V. ESCROWEE AND MORTGAGEE:

- 1) Contractor hereby agrees to comply with the regulations of escrowee and mortgagee, where applicable, and, upon request, to enter into agreements with the escrowee and/or mortgagee with regard to disbursement of funds.

VI. DELAY IN COMMENCEMENT OF WORK:

- 1) In the event the Contractor fails to proceed with the work within the time limit specified in the Contract, the Owner shall notify the Contractor in writing that if the work is not started within ten (10) days from receipt of said notice, the Owner may, at his option, declare the Contractor in default and terminate the Contract without notice.
- 2) It is understood and agreed that the Contractor shall notify the Owner in writing immediately upon knowledge of the cause of any unavoidable delay in commencement of work. Said notice must state the reasons for the unavoidable delay (eg., inclement weather or back orders for material) and the approximate number of days the Contractor expects to be delayed. The Contractor shall, after notice to the Owner, have an automatic extension of ten (10) days for the commencement of work. The Owner may, at his option, grant an additional extension. If the extension of time is violated, the Owner has the right to terminate the contract without notice.
- 3) In the event the Contractor is declared in default pursuant to Sub-Sections 1 or 2 above, and his right to proceed under the Contract terminated, the Owner must, within seven (7) calendar days of the termination, send written notification to the Contractor by certified mail that the Contract has been terminated.
- 4) It is further understood and agreed that in the event the Contractor is declared in default by the Owner, the Owner may procure the services of another contractor to complete the work, and hold the Contractor liable for any additional costs incurred thereby and any damages resulting to Owner by reason of said default.

VII. EXCUSABLE DELAYS IN COMMENCEMENT OR COMPLETION OF WORK:

- 1) It is further understood and agreed that should the Contractor be obstructed or delayed in the commencement or completion of the work under this Contract by any act or delay of the Owner and/or concerned Governmental Agency, escrowee or mortgagee, or any Act of God, then the time herein fixed for the completion of said work will be extended for a period equivalent to the time lost by reason of such acts.

VIII. DISPUTES FOLLOWING COMMENCEMENT OF WORK:

- 1) In the event of any dispute arising under this Contract following the commencement of work, it is understood and agreed that the aggrieved party shall have the following recourse:
 - a) Within seven (7) calendar days of the occurrence of said dispute, the aggrieved party must send written notification by certified mail to the other party and the OHC. Said notification shall state the reasons for the dispute and shall request a meeting with all parties, said meeting to be held within five (5) business days of receipt of the notification by the OHC.

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- b) If the dispute is not resolved within five (5) business days of the meeting, the aggrieved party may declare a default by giving immediate written notification by certified mail. Aggrieved party may then pursue any legal means of redress.

IX. GENERAL CONDITIONS:

- 1) The following general conditions shall be part of this Contract:

- a) Rehabilitation Loan and Grant. The Owner proposes to pay for the work by means of a Grant or Loan from the United States, payable through the Office of Housing Conservation of the City of Gary, Indiana (OHC), and the Contractor agrees that no partial or final payment shall be due him until the work is completed, inspected and approved by the OHC. The Contractor will cooperate with the Owner by furnishing lien waivers, releases and other documents as required by the OHC.
- b) Indemnification. The Contractor agrees, but not by way of limitation, to protect, indemnify and hold harmless the Owner and the OHC, its officers, commissioners and employees, against any and all loss, claims or suits (including costs and attorney's fees) for or on account of the following: injury to or death of persons; sickness or disease; loss, damage or destruction of property belonging to either the Owner or others; non-compliance with the Fair Labor Standards Act of 1933, if the above occurs by reason of the act or neglect of the Contractor, his employees or agents (including Subcontractors) in connection with the performance of this Contract.
- c) Insurance. Before commencing work the Contractor shall furnish the OHC with certificates showing that the following insurance is in force. Policies shall be submitted for approval of OHC and shall be endorsed to provide that the policies will not be cancelled or changed until ten (10) days after written notice of change or cancellation has been delivered to the OHC. Coverage shall be least as follows:

	<u>Bodily Injury</u>	<u>Property Damage</u>
1) Manufacturer's & Contractors	\$100,000/200,000	\$100,000
2) Independent Contractor's	\$100,000/200,000	\$100,000
3) Product incl. Completed Operations	\$100,000/200,000	\$100,000
4) Hold Harmless (Contractual)	\$100,000/200,000	\$100,000
5) Auto Owned, Hired or Leased	\$100,000/200,000	\$100,000
6) Workmen's Compensation	Statutory	\$ 50,000

If any such insurance is due to expire during the construction period, the Contractor shall not permit the coverage to lapse and new certificates shall be furnished to the OHC.

- d) Liens and Waivers of Liens. The Contractor agrees to waive, and does hereby waive and relinquish, all right to Lien upon the real estate herein-above described and the building to be improved thereon in accordance with the terms of this contract, and the Contractor expressly agrees that no Lien shall attach to the real estate, building structure or any other improvement of the Owner, either on behalf of the Contractor herein or on behalf of the subcontractors, the mechanics, journeymen, laborers, materialmen, or persons performing labor upon or furnishing materials and

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machinery for such property or improvement of said Owner, and the said Contractor does hereby expressly waive all right to any such lien under the laws of the State of Indiana for and on behalf of himself and all other such persons furnishing labor and materials, as foresaid, in any form or manner whatsoever for the erection, construction and completion of said rehabilitation of said dwelling house.

It is further agreed that this Contract may be filed and recorded in the Recorder's Office of Lake County, Indiana, and that the filing and recording of same shall be constructive notice of its content and of this waiver of said lien to all parties or persons whenever.

Contractor shall furnish a waiver of lien at the completion of his work that the contents and conditions of this paragraph have been complied with, and shall furnish such waiver to the Owner before partial or final payment is made hereunder. It is further understood and agreed that the Contractor will furnish the Owner waivers of mechanic's liens from Sub-contractors, laborers, and materialmen who have done work on or furnished material for said contract before partial or final payment. Further, the Contractor shall, at Owner's request, post notice that conforms to the Indiana Statutes on "NO LIEN CONTRACTS."

- e) Changes in the Work. No modifications of this Contract shall be made except by written instrument, signed by the Contractor, accepted by the Owner and approved by the OHC.
- 1) The cost or credit to the Owner resulting from a change in the work shall be determined in one or more of the following ways:
- a) By mutual acceptance of a lump sum. The cost of each item must be properly itemized;
- b) By unit prices stated on the Contract Documents or subsequently agreed upon; or
- c) By actual cost and a mutually acceptable fixed or percentage fee
- f) General Guaranty. The Contractor shall remedy any defect due to faulty material or workmanship and pay for any damage resulting therefrom which shall appear within the period of one (1) year from final payment. Any disputes arising from the Contractor's guarantee shall be handled in accordance with the provisions of Section VIII.
- Further, Contractor will furnish Owner with all manufacturer's and supplier's written guarantees and warranties covering materials and equipment furnished under this Contract. Unless otherwise specified all materials shall be new and both materials and workmanship shall be of good quality. The Contractor shall not employ any unfit person on the premises nor anyone not skilled in the work assigned him.
- g) The Subcontractors and Assignments. No subcontractors or assignment of the Contract shall be made without the written consent of the Owner and the approval of the OHC.
- h) Permits and Codes. The Contractor will secure at his own expense all necessary permits and licenses required to do the work and to comply with all building and code regulations and ordinances whether or not covered by the specifications and drawings for the work. Contractor understands that all necessary permits must be obtained prior to receiving the Notice(s) to Proceed(s).

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- i) Equal Employment Opportunity. (Contracts subject to Executive Order 11246). During the performance of this Contract, the Contractor agrees as follows:
- 1) The Contractor will not discriminate against any employee or any applicant for employment because of race, creed, color, sex, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, creed, color, sex, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination rates of pay or other forms of compensation; and selection for training including apprenticeship. The Contractor agrees to post in conspicuous place, available to employees and applicants for employment, notice to be provided by the municipality setting forth the provisions of this nondiscrimination clause.
 - 2) The Contractor will, in all solicitations and advertisements for employees placed by or on behalf of the Contractors, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, sex, or national origin.
 - 3) The Contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the Owner, advising the labor union or worker's representative of the Contract's commitments under Section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
 - 4) The Contractor will comply with all provision of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
 - 5) The Contractor will furnish all information and reports required by executive Order 11246 of September 24, 1965, and by rules, regulations and orders of the Secretary of Labor or the Secretary of Housing and Urban Development pursuant thereto, and will permit access to his books, records, and accounts by the Owner, the Secretary of Housing and Urban Development and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.
 - 6) In the event of the Contractor's noncompliance with the nondiscrimination clause of this Contract or with any of such rules, regulations or orders, this Contract may be cancelled, terminated or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965 or by rules, regulations or orders of the Secretary of Labor or as otherwise provided by law.
 - 7) The Contractor will include the provisions of paragraphs (1) through (6) in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor issued pursuant to Section 204 Executive Order 11246 of September 24, 1965 so that such provisions will be binding upon each subcontractor or purchase order as the Owner may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, that in the event the

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Contractor becomes involved in, or is threatened with litigation with a subcontractor or vendor as a result of such direction by the Owner, the Contractor may request the United States to enter into litigation to protect the interest of the United States.

- j) Responsibilities of Owner. The Owner will permit the Contractor to use at the site without cost existing utilities such as light, heat, power and water necessary to carrying out and complete the work. Further, Owner will cooperate with the Contractor to facilitate the performance of the work, including the removal and replacement of rugs, covering and furniture as necessary.
- k) Occupancy Provision. The premises are to be occupied/vacant during the course of the construction work.
- l) Condition of Premises. The Contractor agrees to keep premises clean and orderly during the course of the work and remove all debris at the completion of the work. Materials and equipment that have been removed and replaced as part of the work shall belong to the Contractor unless stated otherwise.
- m) Interest of OHC Personnel and Local Public Officials. No member of the governing body of the OHC who exercise any functions or responsibilities in connection with the administration of the federal or local loan program, and no other officer or employee of the OHC or public official of the City of Gary, who exercises such functions or responsibilities, and no member of the City Council of the City of Gary, shall have any interest, direct or indirect, in this Contract.
- n) Contractor agrees to comply with the OHC Specification Booklet instructing the Contractor concerning bidding, general conditions, minimum standards, and special requirements.

X. SALES OR USE TAX:

- 1) Any sales or use tax expense arising under this contract shall be borne by the Contractor.

XI. NON-LIABILITY:

- 1) The parties hereto agree to hold the OHC harmless for any damages concerning the undertaking and execution of this Agreement.
- 2) The parties further state that to the best of their knowledge no member of the OHC, and no officer, employee, or agent of said agency who exercise any functions or responsibilities in connection with the carrying out of the Project to which this Contract pertains, has any personal interest, direct or indirect, in this Contract.

XII. CONTRACT:

- 1) The executed contract documents shall consist of the following:
 - a) Bid and Proposal
 - b) The Specification Booklet
 - c) The Rehabilitation Contract
 - d) List of Work (Specifications and Drawings)

XIII. BENEFIT:

- 1) This contract shall be binding upon the parties hereto, their heirs, personal representatives and successors.

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IVX. CONDITION FOR VALIDITY OR AGREEMENT:

- 1) The agreement is contingent upon the receipt by the Owner of a Federal or Local Grant or Loan in an amount sufficient to cover the cost of the rehabilitation work described herein. If the Federal or Local Grant or Loan is not approved, this Agreement is null and void.

IN WITNESS WHEREOF, the Contractor has executed this Bid and Proposal and Contractor and the Owner has executed acceptance.

CONTRACTOR

Hawkins & Associates
 Name of Contractor
Maxie Hawkins
 Signature of Contractor
Maxie Hawkins
 Address of Contractor
905 Madison St.

ACCEPTANCE OF OWNER

Clarence Varnado
 Name of Owner(s)
Clarence Varnado
 Signature of Owner(s)
Asalee Varnado
 Signature of Owner(s)
445 Ellsworth St.
 Address of Owner(s)

I hereby acknowledge receipt of H.U.D.'s lead based paint warning.

Clarence Varnado
 Signature of Owner(s)
Clarence Varnado
 Signature of Owner(s)
 Asalee Varnado

I hereby agree to comply with H.U.D.'s lead based paint regulations.

Maxie Hawkins, Jr.
 Signature of Contractor
Maxie Hawkins, Jr.

STATE OF INDIANA)
) SS:
 COUNTY OF LAKE)

Before me, the undersigned, a Notary Public in and for said County and State, this 14th day of OCTOBER, 19 80, personally appeared MAXIE L. HAWKINS, as Contractor, and acknowledged

the execution of the foregoing Contract. In witness whereof, I have hereto subscribed my name and affixed my official seal.

My Commission Expires: 15 APRIL 1983

Jewell M. Ross
 NOTARY PUBLIC

Before me, the undersigned, a Notary Public in and for said County and State, this 14th day of OCTOBER, 19 80, personally appeared CLARENCE & ASALEE VARNADO, as Owner, and acknowledge(d)

the execution of the foregoing contract. In witness whereof, I have hereto subscribed my name and affixed my official seal.

My Commission Expires: 15 APRIL 1983

Jewell M. Ross
 NOTARY PUBLIC

This instrument prepared by *L. Lawrence Warren*
 Attorney At Law