

#1-4/25 City of Gary, Mayor's  
Office of Housing Conservation  
224 Broadway, Gary  
Miami

R-57441

OCTOBER 1985

893416

RENTAL PROPERTY REHABILITATION LIEN

The undersigned property owner(s) (hereafter, the **BORROWER**), in consideration of the receipt of Five Thousand dollars, (\$ 5,000.00 ) as a deferred payment loan from the **City of Gary, MAYOR'S OFFICE OF HOUSING CONSERVATION** (hereafter the **LENDER**) for the rehabilitation, preservation and enhancement of primarily rental residential real property containing one dwelling units for rent or lease to tenants, which is commonly known as 257 Chase Street and legally described as:

Lot 6, Block 19, Resubdivision of Gary Land Company's 6th Subdivision, City of Gary, as shown in Plat Book #14, Page 21, Lake County, Indiana.

(hereafter, the **PROJECT**)

legal or equitable title to which is held by the **BORROWER**, hereby agree and consent to the creation and imposition of a lien upon the **PROJECT** for the benefit of the **LENDER**, subject to the following terms and conditions:

- 1) Such lien shall be in the full amount of the deferred payment loan given by the **LENDER** to the **BORROWER**.
- 2) The **BORROWER** agrees that any default on a superior lien shall be default on this lien and shall render the balance due hereunder at once due and payable.
- 3) The **BORROWER** agrees: to keep dwelling units in the **PROJECT** in good condition and repair, fully tenantable and not to remove or demolish any dwelling unit thereon; to complete or restore promptly and in good and workmanlike manner any dwelling unit which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished to the **PROJECT**; to comply with all laws affecting said **PROJECT** or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act thereon in violation of law.

CHICAGO TITLE INSURANCE  
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4) The **BORROWER** agrees: to provide, maintain and deliver to the **LENDER** evidence of fire and extended coverage insurance satisfactory to the **LENDER** in the order and amount sufficient to permit repair or replacement pursuant to paragraph 3, above, of the balance outstanding of this lien.

5) The **BORROWER** agrees to pay all taxes, assessments, utilities and other expenses of the **PROJECT** when due and without delinquency and shall not permit any liens to be imposed on the **PROJECT** by reason of any delinquency.

6) The **BORROWER** agrees not to convert the dwelling units in the **PROJECT** to condominium ownership or to any form of cooperative ownership wherein rents are not affordable to lower income households (as these terms "affordable" and "lower income households" may be defined by the **LENDER**).

7) The **BORROWER** agrees: not to discriminate against or deny occupancy to any tenant or prospective tenant by reason of their receipt of, or eligibility for, housing assistance, under any Federal, State or local housing assistance program; and not to discriminate against or deny occupancy to any tenant or prospective tenant by reason that the tenant has a minor child or children who will be residing with them, unless the **PROJECT** be one reserved for elderly tenants.

8) The term of this lien shall be until the balance due is paid in full or for a period ending on the first day of the month, first occurring five (5) years after the completion of the **PROJECT** rehabilitation, preservation, or enhancement activities financed in whole or in part by the deferred payment loan evidenced by this lien. Unless prepaid or foreclosed, this lien shall be satisfied and be released by the **LENDER** on the 1st day of April, 1991. \*The anniversary of this lien shall be the 1st day of April, in each year following the completion of activities financed by the deferred payment loan evidenced by this lien.

\*This date must be 5 years from a generously estimated construction completion date in order to assure that a full 5 year period is attained.

- 9) Unless accelerated pursuant to paragraph 10, at each anniversary date of the balance due hereunder shall be reduced by 20 percentum (20%) of the original amount of the deferred payment loan.
- 10) During the term of this lien the **BORROWER** shall make no payments of principal or interest; **PROVIDED HOWEVER**, that if the **BORROWER** shall be in default of any of the terms or conditions of this lien, then the unpaid and remaining balance shall become immediately due and payable upon demand by the **LENDER** and, **PROVIDED FURTHER** that if the **PROJECT** be of ten (10) or more dwelling units, and if the instance of default be the conversion of any or all of said units to condominium use or to cooperative use not affordable for lower income households as defined above, then the full initial amount of the deferred payment loan shall be due and payable without benefit to the **BORROWER** of the 20 percentum anniversary date reductions otherwise made by the **LENDER**.
- 11) The deferred payment loan evidenced by this lien may be assigned and/or assumed: **PROVIDED**, that any and all terms and conditions shall remain in full force and effect for any assignee or successor to the **BORROWER** and such assignee or successor shall assume all duties and obligations of the **BORROWER** as described herein.
- 12) Any subordination of this lien to additional liens or encumbrances of the assignee or successor to the **BORROWER** shall be only upon the written consent of the **LENDER**. Such additional liens and encumbrances shall extend to and include any contract for deed, land contract, or other agreement between the **BORROWER** and his successor or assignee. Such consent to subordinate shall not be unreasonably withheld so long as **LENDER** has the assurance, reasonable to the **LENDER**, that the provisions of this lien remain enforceable and are adequately secured by the **PROJECT**.
- 13) To assure and protect its rights in this lien and the **PROJECT**, the **LENDER** shall have right of access and inspection of the **PROJECT** at reasonable times and with reasonable notice to the **BORROWER**.

14) Any forbearance by the **LENDER** with respect to any of the terms and conditions of this lien in no way constitutes a waiver of any of the **LENDER's** rights or privileges granted hereunder.

15) Any notice of one party to the other shall be in writing to the parties as follows:

**THE LENDER - Mayor's Office of Housing Conservation**

**City of Gary**

**824 Broadway, 2nd. Floor**

**Gary, Indiana 46402**

**THE BORROWER - Benjamin R. Coleman**  
2705 Wabash Avenue  
Gary, Indiana 46404  
(219) 882-1000

The **BORROWER**, or his executor in the event of the death of the **BORROWER**, shall notify the **LENDER** of any change in the **BORROWER's** name and address or of any successor or assignee of the **BORROWER**.

16) The interpretation and application of this lien shall be in accordance with the laws and procedures of the State of Indiana, as they may from time to time be amended.

17) In the event of default and nonpayment of the balance due by the **BORROWER**, the **LENDER** may take such measures as may be lawful to it for the recovery of the indebtedness and including, but not limited to, foreclosure and sale of the **BORROWER's** rights in the **PROJECT** and/or assignment and collection of the rents and profits of the **PROJECT**.

18) Upon satisfactory completion of all terms and conditions of this lien by the **BORROWER** or upon payment of any and all balance due, the **BORROWER** shall be entitled to a release and satisfaction of this lien by the **LENDER** at the **BORROWER's** own cost.

This lien is expressly created and imposed upon the above described **PROJECT** for the purpose of assuring the compliance of the **BORROWER** with terms and conditions incident to the deferred payment loan evidenced by this lien, such loan being exclusively for the purpose of rehabilitating, preserving and enhancing rental dwelling units in the **PROJECT** in accordance with the rules and procedures of the **RENTAL REHABILITATION PROGRAM** of the **MAYOR'S OFFICE OF HOUSING CONSERVATION, CITY OF GARY, INDIANA.**

\_\_\_\_\_  
DATE

\_\_\_\_\_

\_\_\_\_\_  
DATE

\_\_\_\_\_

November 21, 1986

*Benjamin R. Coleman*

\_\_\_\_\_  
DATE

**BORROWER(S) and MAKER(S)**  
Benjamin R. Coleman

November 21, 1986

*Naomi J. Jefferson*

\_\_\_\_\_  
DATE

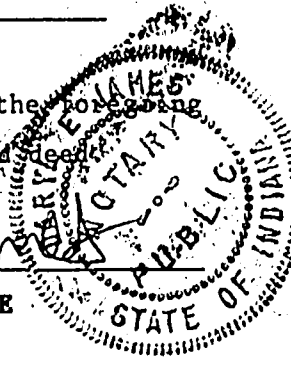
**DIRECTOR/DESIGNER**  
Naomi J. Jefferson

**STATE OF INDIANA**  
**COUNTY OF LAKE**

On the 21st day of November, A.D., 1986, before me, a **Notary Public**, personally appeared Benjamin R. Coleman & Naomi J. Jefferson

and are to me known to be the person(s) named in and who executed the foregoing instrument, and acknowledged that this was a free and voluntary act and deed.

*Daryl S. James*  
NOTARY PUBLIC IN AND FOR THE  
STATE OF INDIANA .



COUNTY OF LAKE

My Commission expires 10-5-90.

THIS INSTRUMENT PREPARED BY: Mary E. Watkins