

#1-4205 City of Gary, Mayor's Office
of Housing Conservation
824 Broadway Gary
Ind: 46402

R-57441

RENTAL REHABILITATION PROGRAM

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PROMISSORY NOTE

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FOR VALUE RECEIVED, the undersigned (hereafter the BORROWER) promises to pay to the order of the City of Gary, MAYOR'S OFFICE OF HOUSING CONSERVATION (hereafter the LENDER) or its successors, the principal sum of Five Thousand Dollars (\$ 5,000.00), payable at

MAYOR'S OFFICE OF HOUSING CONSERVATION
City of Gary
824 Broadway, 2nd Floor
Gary, Indiana 46402

or at such other place as may be designated by the LENDER.

This Note evidences a loan by the LENDER to the BORROWER for the exclusive purpose of rehabilitating, preserving and/or enhancing the residential real estate containing (or to contain) one dwelling units for rent located at and commonly known as 257 Chase Street 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).

This Note is secured by a DEED OF TRUST of even date herewith in favor of the LENDER, as beneficiary, on the above referenced PROJECT.

STATE OF INDIANA
CLERK OF SUPERIOR COURT
RECORDS SECTION
DEC 29 10 45 AM '85
RUDOLPH CLAY
RECORDER

The term of this Note 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 loan evidenced by this Note. Unless prepaid, this Note shall be satisfied and be released by the LENDER on the 1st day of April 1, 1986.

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*The anniversary of this Note shall be the 1st day of April in each year following the completion of activities financed by the loan evidenced by this Note.

At each anniversary date on which the LENDER determines that the BORROWER has satisfied the terms and conditions of this Note, the LENDER shall reduce the balance due hereunder by 20 percentum (20%) of the original amount of the Note.

During the term of this Note the BORROWER shall make no payments of principal or interest; PROVIDED HOWEVER, that if the BORROWER shall be found in default of any of the terms or conditions of this Note, then the unpaid and remaining balance shall become immediately due and payable; 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 which is not affordable to lower income households (as these terms "affordable" and "lower income households" may be defined by the LENDER), then the full initial amount of the deferred payment loan shall be due and payable without benefit to the BORROWER of the ten percentum anniversary date reductions otherwise made by the LENDER.

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.

The deferred payment loan evidenced by this Note 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, and PROVIDED, that

*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.

any successor(s) to or assignee(s) of the **BORROWER** shall grant for the benefit of the **LENDER** a **DEED OF TRUST** for the **PROJECT** describing terms and conditions both like unto those entered by the **BORROWER** and acceptable to the **LENDER**, **AND PROVIDED FURTHER** that any subordination of this **Note** 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.

Any forbearance by the **LENDER** with respect to any of the terms and conditions of this **Note** in no way constitutes a waiver of any of the **LENDER'S** rights or privileges granted hereunder. Any written notice or payment of one party to the other shall be addressed 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 the name and address of any successor to or assignee of the **BORROWER**.

The **BORROWER** reserves the right to prepay at any time at all any part of the remaining balance of this **Note** without the payment of penalties or premiums.

If suit is instituted by the **City of Gary, Mayor's Office of Housing Conservation** to recover on this **Note**, the **BORROWER** agrees to pay all costs of such collection, including reasonable attorney's fees and court costs.

