

D-433093 LD

City of Gary, Mayor's Office of Housing Cons
824 Bdwy, Mer
4466

967793

REHABILITATION CONTRACT

CHICAGO TITLE INSURANCE COMPANY
INDIANA DIVISION

LILLIAN A. BLASTICK
RECORDER, LAKE COUNTY
CROWN STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

MAR 19 11 PM '87

THIS AGREEMENT, made and entered into this 4th day of November,
19 87, by and between HOWARD D. MEANS CONSTRUCTION hereinafter called
the "Contractor" and LORENZO AND ARLENE KING 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 workmanlike
manner. The property to be improved is commonly known as 1401 West
45th Avenue Gary, Indiana and legally described as
Lots 1, 2 and 3 in Block 3 in L.B. Snowden's Oak Grove Addition to
Gary, as per plat thereof, recorded in Plat Book 20, page 10, in the
Office of the Recorder of Lake County, Indiana.

CONTRACTOR agrees to remove boards on structure at commencement of work
and to return same to the Mayor's Office of Housing Conservation or to
a place specified by that agency.

II. TIME OF COMPLETION:

(1) CONTRACTOR agrees to furnish to the Office of Housing Conservation (OHC)
all necessary building permits within fifteen (15) days after notifica-
tion of the loan closing unless granted an extension by (OHC). CONTRACTOR
further agrees not to begin the work to be performed until receipt of
written "NOTICE TO PROCEED," from OHC after which the Contractor shall
begin work within 10 calendar days. It is understood that the
Contractor shall complete the work within 120 calendar days of
receipt of the "NOTICE TO PROCEED". It is further understood and
agreed that time is of the essence and the Contractor agrees to begin
the actual work covered by this contract with all due diligence so
as to complete all work under this contract within the time specified
herein.

OK
22.00

III. CONTRACT SUM AND PAYMENT SCHEDULE:

- (1) **Owner** hereby agrees to pay **Contractor** for the performance of the work detailed in the **LIST OF WORK** the sum of \$ 21,155.00 to be paid in accordance with one of the following provisions:
- a. In the event that a grant is used to cover the cost of rehabilitation, **Contractor** shall be paid in one (1) lump sum upon the completion of all work. In no event shall the **Contractor** be paid prior to inspection and approval of the work by OHC building inspectors.
 - b. In the event that a loan is used to cover the cost of rehabilitation, **Contractor** shall be paid in up to, but not to exceed, two (2) partial payments and one (1) final payment. It is within the **Contractor's** discretion to determine the number of partial payments desired within these limitations. The amount of the partial payment paid to the **Contractor** by OHC shall equal eighty percent (80%) of the value of the work completed at the time of the request for partial payment. In the event that two (2) partial payments are made, the amount of the second partial payment shall equal eighty percent (80%) of the value of the work completed between the first partial payment request and the second request. No partial payments shall be made before at least fifty percent (50%) of all work has been completed. Partial payment requests shall specify each item completed on the **LIST OF WORK** and shall have a dollar value affixed thereto. **Contractor** shall present with the request for partial payment a certificate of partial completion executed by the **Owner**. No partial payment shall be made prior to inspection and approval by OHC building inspectors. The balance of the contract price shall be paid upon the completion of all work, subject to inspection and approval of OHC building inspectors. Presentation of final release of liens from contractor and all subcontractors.

IV. FINANCING:

- (1) Prior to commencement of said construction work, **owner** hereby agrees to furnish **Contractor** and OHC 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:

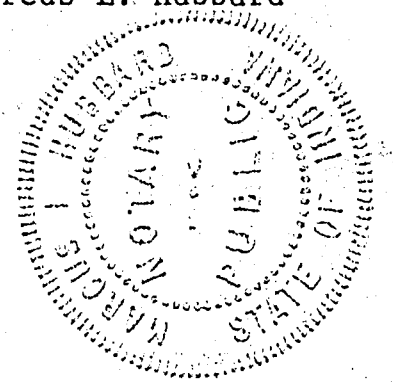
- (1) **Contractor** hereby agrees to comply with the regulations of escrowee and mortgagee, where applicable, and upon request, to enter into agreements with the escrowee and/or mortgagee with regard to disbursement of funds.

Before me, the undersigned, a Notary Public in and for said County and State, this 4th day of November, 1987, personally appeared Lorenzo and Arlene King, as Owner, and acknowledged the execution of the foregoing Contract. In witness whereof, I have hereto subscribed my name and affixed my official seal.

Marcus L. Hubbard
NOTARY PUBLIC Marcus L. Hubbard

MARCUS L. HUBBARD
NOTARY PUBLIC STATE OF INDIANA
LAKE COUNTY
MY COMMISSION EXP. SEPT 17, 1991

My Commission Expire:
September 17, 1991



ADDENDUM #1
REHABILITATION CONTRACT

CHANGES IN WORK: No modifications of the contract shall be made except by written request, signed by the contractor, accepted by the owner and approved by MOHC.

Falsification of claims for work not done or for work requested by the homeowner will be disallowed and may result in cessation of obtaining further projects from MOHC.

Coercing inspectors or homeowners to approve substandard work or incomplete work will result in cessation of obtaining further projects from MOHC.

Substituting inferior materials, appliances, or supplies will result in cessation of obtaining further projects from MOHC.

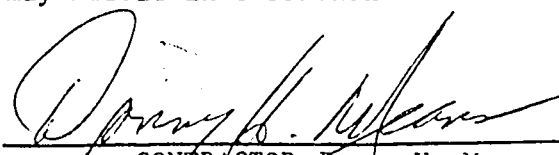
GENERAL GUARANTY: The contract shall remedy any defect due to faulty materials or workmanship and pay for any damages resulting there from which shall appear within the period of one (1) year from final payment.

Failure to respond to remedy any defect due to faulty materials or workmanship within the time frame will result in cessation of obtaining further specified projects from MOHC. A complaint will be filed with the City of Gary Building Licensing Board and possible legal action will be taken against said contractor.

TIME COMPLETION: Contractor further agrees not to begin the work performed until receipt of written "Notice To Proceed" from MOHC after which the contractor shall begin work within ten (10) calendar days.

Failure to begin work within the designated time frame could result in recinding of contract and cessation of obtaining further projects from MOHC.

Failure to complete work within the designated time frame or request extension within the specified time limit may result in cessation of obtaining further projects from MOHC.



CONTRACTOR Danny H. Means
HOWARD D. MEANS CONSTRUCTION

OWNER'S ACKNOWLEDGMENT OF REHABILITATION WORK
TO BE COMPLETED
& AUTHORIZATION

I/we as owner(s) of the property named below have reviewed the work write-up and specifications for the rehabilitation work to be done on my/our property with the Mayor's Office of Housing Conservation, Rehabilitation Cost Manager.

I/we understand the scope of work to be completed per the work write-up and specifications and agree to have the rehabilitation of my/our property completed by the contractor(s) awarded the rehabilitation bid.

I/we understand that the rehabilitation work to be completed on my/our home cannot be done without allowing the contractor(s) access to my/our home during the designated construction dates per the Notice To Proceed order.

I/we understand that any additional work or changes made by me/us without approval of the Mayor's Office of Housing Conservation will result in automatic deletion of further repairs on the property. As a result the City will no longer assume responsibility for completing the repairs listed on the work write-up or specifications.

By signing this agreement, I/we acknowledge that I/we are aware of the rehabilitation work to be completed on my/our home and authorize the Mayor's Office of Housing Conservation to issue a Notice To Proceed order for work to begin on my/our home on the designated date(s).

Lorenzo King *Arlene King*
Owner Lorenzo and Arlene King

1401 West 45th Avenue - Gary, Indiana
Address

11-4-87
Date

Subscribed and sworn to before me the undersigned Notary Public in and for said County and State this 4th day of Nov. 1987 personally appeared LORENZO AND ARLENE KING as owner(s) and acknowledged the foregoing statement. In witness whereof, I have hereto subscribed by name and affixed my official seal.

MARCUS L. HUBBARD
NOTARY PUBLIC STATE OF INDIANA
LAKE COUNTY
MY COMMISSION EXP. SEPT 17, 1991

Marcus L. Hubbard
Notary Public MARCUS L. HUBBARD

INDIANA-LAKE COUNTY
Address

My Commission expires:
September 17, 1991

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 by certified mail 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 immediately notify the **Owner** in writing of any unavoidable delay in the commencement of work. Said notice shall state the reasons for the unavoidable delay (e.g., 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 any 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 Subsections 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** and OHC 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 the **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 arises under this Contract of and 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 at OHC within five (5) business days of receipt of the notification by the OHC.
 - b. Whenever a controversy with regard to any phase of this contract arises between the parties that cannot be resolved within two (2) weeks of the meeting referred to in (a), the parties specifically agree to submit such controversy to binding arbitration, pursuant to Indiana Code 34-4-2. The arbitration panel shall consist of three (3) persons to be named as follows: Each party shall have the right to name one (1) arbitrator to the panel. The third arbitrator shall be the Director (or Acting Director) of the Mayor's Office of Housing Conservation for the City of Gary, Indiana. The will of the majority of arbitrators shall be sufficient to return an award. Procedure pertaining to arbitration as dictated by Indiana Code 4-4-2 shall be made applicable to this arbitration agreement.
- (2) If for any reason Contractor is declared in default of this contract, Owner may procure the services of another Contractor to complete the work and hold Contractor liable for any additional costs incurred thereby and any damages resulting to Owner by reason of said default. Owner shall send written notification to Contractor by certified mail, return receipt requested ten (10) days prior to his declaration of default.

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 in accordance with Section III. 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 losses, 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 other; 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 the 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>
Manufacturer's & Contractors	\$100,000/200,000	\$100,000
Independent Contractor's	\$100,000/200,000	\$100,000
Product incl. Completed Operations	\$100,000/200,000	\$100,000
Hold Harmless (Contractual)	\$100,000/200,000	\$100,000
Auto Owned, Hired or Leased	\$100,000/200,000	\$100,000
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 Contractors 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 mechanic, journeymen, laborers, materialmen, or persons performing labor upon or furnishing materials and 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 shall 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 the fact that this is a no lien contract to all parties or persons whomever.

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** and OHC before partial or final payment is made hereunder. It is further understood and agreed that the **Contractor** will furnish the **Owner** and OHC 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 any one not skilled in the work assigned him.

g. **The Sub-contractors and Assignments.** 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)**.

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 the race, creed, color, sex, or national origin. Such action shall include, but not 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 non-discrimination 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 provisions 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 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 non-discrimination clause of this Contract or with any of such rules, regulations or order, 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 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 Owners. If the property is vacant during the performance of this contract, the contractor will be responsible for paying all utilities. If the property is occupied during the time of performance of the contract, the contractor shall pay twenty percent (20%) of all utility bills incurred during the period of performance of this contract.
- 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 Specifications instructing the Contractor concerning bidding, general conditions, minimum standards, and special requirements.

X. SALES OR USE TAX:

- (1) Any sales or use taxes 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 of 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 Specifications
 - 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.


XIV. 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


HOWARD D. MEANS CONSTRUCTION

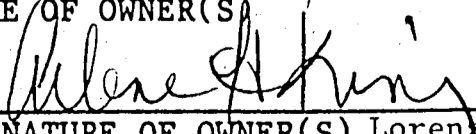
NAME OF CONTRACTOR


SIGNATURE OF CONTRACTOR
Danny H. Means
340 S. Henry St. - Gary, IN

ADDRESS OF CONTRACTOR

ACCEPTANCE OF OWNER



LORENZO AND ARLENE KING
NAME OF OWNER(S)


SIGNATURE OF OWNER(S) Lorenzo King
Arlene King
1401 W. 45th Ave. - Gary, IN

ADDRESS OF OWNER(S)

