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FACADE PROGRAM LIEN

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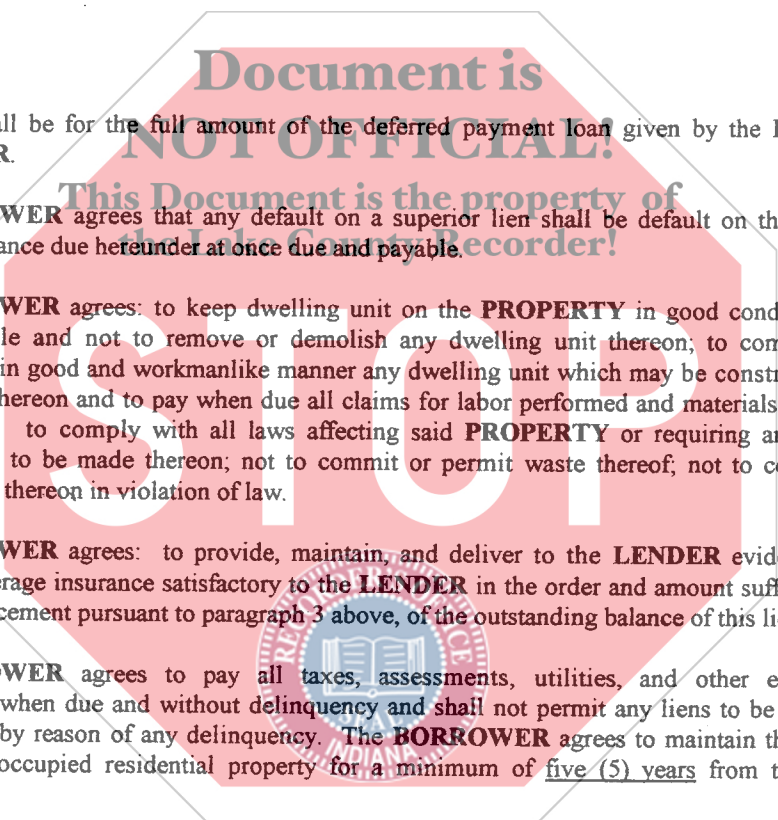
The undersigned property owner (s) (hereafter, the **BORROWER**), in consideration of the receipt of **Nine Thousand Six Hundred Dollars (\$9,600.00)** as a deferred payment loan from the **CITY OF GARY,**

INDIANA; DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT, CDBG FACADE PROGRAM (hereinafter, the **LENDER**) for the purchase, preservation, and enhancement of primarily residential property containing 1 dwelling units for occupancy by the owner, which is

commonly known as 1960 W. 14th Ave., Gary, Indiana and legally described as:

Lot 8 in Block 1 in Tolleston Land Co's 1st Add. to Tolleston, in the City of Gary as per plat thereof, recorded in Plat Book 7 page 36 in the Office of the Recorder of Lake County, Indiana.
(hereafter the **PROPERTY**)

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 **PROPERTY** for the benefit of the **LENDER**, subject to the following terms and conditions:



1. Such lien shall be for 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 unit on the **PROPERTY** in good condition and repair, fully tenable 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 **PROPERTY**; to comply with all laws affecting said **PROPERTY** 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.
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 outstanding balance of this lien.
5. The **BORROWER** agrees to pay all taxes, assessments, utilities, and other expenses of the **PROPERTY** when due and without delinquency and shall not permit any liens to be imposed on the **PROPERTY** by reason of any delinquency. The **BORROWER** agrees to maintain the **PROPERTY** as an owner occupied residential property for a minimum of five (5) years from the date of this instrument.
6. The **BORROWER** agrees not to convert the dwelling unit on the property to any form of rental property for a period of five (5) years from date of this instrument.
7. The term of this lien shall be until the balance is paid in full or for a period ending on this first day of the month, first occurring five (5) years after the date of this instrument. Unless prepaid or foreclosed, this lien shall be satisfied and released by the **LENDER** ON THE 1st day of December, 2006

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anniversary date of this lien shall be the 1st day of November, in each year following the date of this instrument.

8. Unless accelerated pursuant to paragraph 9, at each anniversary date of the balance due hereunder shall be reduced by 20 Percentum of the original amount of the deferred payment loan.
9. During the term of this lien the **BORROWER** shall make no payments of principle 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**.
10. **RECAPTURE CLAUSE:** In the event that **BORROWER** sell the **PROPERTY** prior to the termination of this lien and the affordability period which shall be five (5) Years from date of completion of the project then the **LENDER** is entitled to recapture its **PRINCIPAL** from the "Net Proceeds" derived from the sale. Net Proceeds are defined as the Sale Price **less** loan repayment and closing costs, only if initially paid by the seller. **BORROWER** shall be entitled to the return of his investment of 0 Dollars (\$0). **LENDER** shall be entitled to recapture of the outstanding balance due on this lien. If **LENDER'S** claim is fully satisfied, then **BORROWER** shall be entitled to the remaining proceeds from the sale of the **PROPERTY**.
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 the **BORROWER** and as such assignee or successor shall assume all duties and obligations of the **BORROWER** as described herein. No assignment may be made without consent of the **LENDER**, which shall not be unreasonably withheld, **PROVIDED** that assignee meets the same standards as would be required of **BORROWER** at the time this instrument was created.
12. Any subordination of this lien to additional liens or encumbrances of the assignee or successor to the **BORROWER** shall only be 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 **LENDER** that the provisions of this lien remain enforceable and are adequately secured by the **PROPERTY**.
13. To assure and protect its rights in this lien the **PROPERTY** and the **LENDER** shall have right of access and inspection of the **PROPERTY** at 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: CITY OF GARY, DEPARTMENT OF PLANNING
AND COMMUNITY DEVELOPMENT
475 BROADWAY
GARY, IN 46402

THE BORROWER:

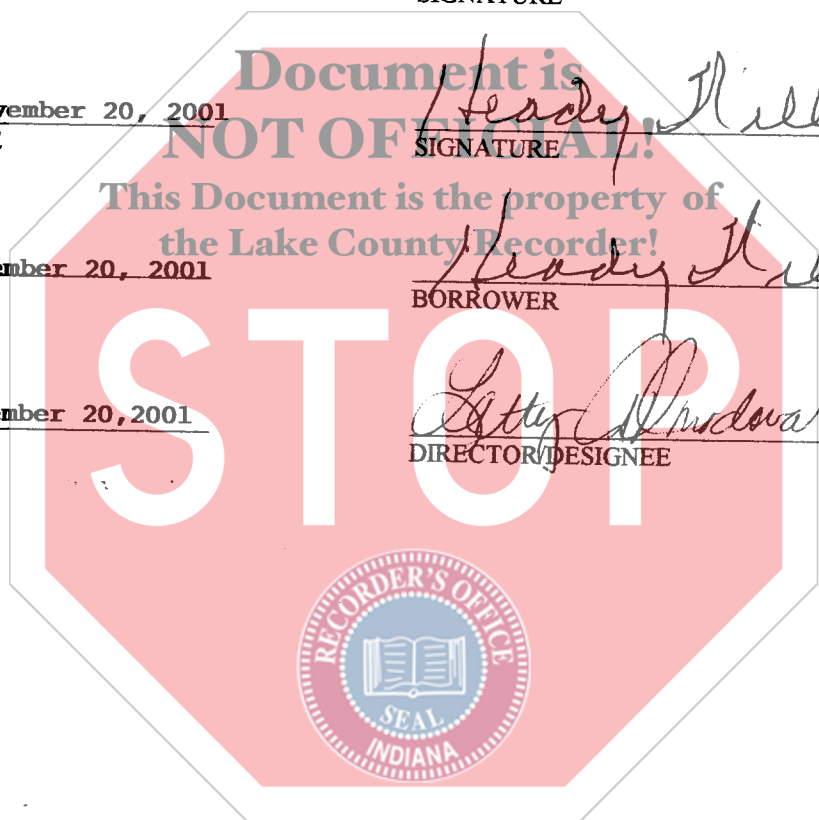
The **BORROWER**, or his executor in the event of the death of the **BORROWER**, shall notify the **LENDER** of any change in the **BORROWER'S** name and address or of any successor or assignee of the **BORROWER**.

16. The interpretation and application of this lien shall be in the 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** and the **LENDER** may take such measures as may be lawful to effect the recovery of the indebtedness and including, but not limited to foreclosure and sale of the **BORROWER'S** rights in the **PROPERTY** and/or assignment and collection of the rents and profits of the **PROPERTY**.
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 costs.

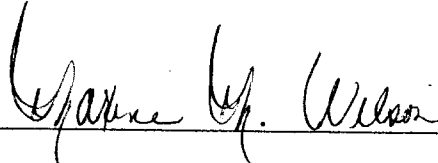
This lien is expressly created and imposed upon the above described **PROPERTY** for the purpose of assuring the compliance of the **BORROWER** with the terms and conditions incident to the deferred payment loan evidenced by this lien, such loan being exclusively of the purpose of acquiring preserving or enhancing owner occupied dwelling units on the **PROPERTY** in accordance with the rules and regulations of the CDBG Program of the City of Gary, Indiana Department of Planning and Community Development.

DATE	SIGNATURE
November 20, 2001	<i>Heady Williams</i>
DATE	SIGNATURE
November 20, 2001	<i>Heady Williams</i>
DATE	BORROWER
November 20, 2001	<i>Letty Prodan</i>
DATE	DIRECTOR/DESIGNEE



STATE OF INDIANA)
)
COUNTY OF LAKE) SS:

On the 20th day of November, AD, 2001, before me, a NOTARY PUBLIC, personally appeared HEADY WILLIAMS, and is 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.



NOTARY PUBLIC IN AND FOR THE STATE OF INDIANA
COUNTY OF LAKE

My Commission Expires:
March 14, 2008

This instrument prepared by:

Vincent E. Pelfrey
401 Broadway, 4th Floor
Gary, IN 46402

