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MORTGAGE AND SECURITY AGREEMENT
DEPARTMENT OF COMMUNITY DEVELOPMENT
CITY OF GARY, INDIANA

2010 07 19 09:29

Carolyn Denise Dennis a/ka/
CAROLYN D. DENNIS hereinafter called the "**MORTGAGOR**", for consideration paid, grant to the **City of Gary**, a municipal corporation, located in Lake County, Indiana, hereinafter called the "**MORTGAGEE**", with mortgage covenants to secure payment of **One Thousand Eight Hundred Eighty Dollars no cents (\$1,880.00)**, the land in Gary, Lake County, Indiana with the buildings thereon, situated on **Kings Resub. J.R. Lanes¹³⁵ Add. All Lots 35 & 36 Bl. 3 All L.37 Bl.3 S1/2 L.38 Bl.3 963 Clinton Street, Gary, IN.**, and also as described in the first mortgage to **(A & M Mortgage Group, Inc.) OF EVEN DATE RECORDED HEREWITH. SEE EXHIBIT A ATTACHED HERETO.**

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FILED IN 1000000000

Together with any and all buildings, structures, improvements, fixtures and articles of personal property now or hereafter attached to or used in the operation of said premises, including all plumbing, heating, cooking, lighting, refrigerating, ventilating and air conditioning equipment; garbage and refuse incinerators and receptacles; elevators and elevator machinery; shades, screens, awnings, and detachable windows, blinds and doors; boilers; stoves; tanks; motors; sprinklers and fire extinguishers; door bells and alarm systems; built-in cases, counters, closets, chests of drawers and mirrors; trees; hardy shrubs and perennial flowers; and all other equipment and machinery, appliances, fittings and fixtures of every kind in or used in the operation of any building now or hereafter on the said premises; together with any and all replacements thereof and attachments thereto.

Together with all and singular the tenements, hereditaments and appurtenances thereto belonging; and also the rents, issues and profits thereof; and also all the estate, right, title and interest of the **MORTGAGOR** of, in and to the aforementioned property and every part and parcel thereof and all rights to recover damages for the taking of title to, possession of, or any interest in the premises and property hereby conveyed or any part thereof by right of eminent domain.

The **MORTGAGOR** covenants and agrees: to keep the building now or hereafter standing on the mortgaged premises in good condition and repair and insured against loss or damage by fire and other hazards as the **MORTGAGEE** may from time to time require, all such insurance to be in forms, in companies and in sums satisfactory to the holder of this Mortgage, all insurance policies on said buildings to be held by and to be for the benefit of and payable in case of loss to such holder, at least fifteen days before the expiration of each such policy to deliver to the holder of this Mortgage a new and sufficient policy to take the place of the one so expiring; not to commit or suffer any violation of any law, by-law, ordinance or restriction affecting the premises hereby conveyed; to pay before the same shall become delinquent or any penalty attach thereto for non-payment, all taxes, assessments and charges of every nature to whomever assessed that may now or hereafter be levied or assessed upon the mortgaged property.

The **MORTGAGOR** hereby authorized the **MORTGAGEE** to pay: all taxes, assessments, water rates and charges with interest, costs and charges accrued thereon which may at any time be a lien upon the mortgaged property or any part thereof; the premiums for any insurance thereunder; and any amount due and owing and secured by a lien prior to the within Mortgage. The **MORTGAGOR** further authorizes the holder to incur at any time any reasonable expenses in protecting its security. On demand the **MORTGAGOR** will repay all sums so paid pursuant to this paragraph with interest thereon at the rate of 1% per month.

FIDELITY MO

420107405

AMOUNT \$ 25.00
CAPS _____ CHARGE FN
CHECK # _____
OVERDUE _____
COPY _____
NON-COLL _____ 1,33
CHECK _____

The **MORTGAGOR** further does hereby assign, transfer and set over to the holder: (1) All Lessees (including all rents and profits therefrom) entered into between **MORTGAGOR**, as Lessor, and any and all tenants or occupants of the premises, as Lessees, and (2) All rights held by the **MORTGAGOR**, or rents to which **MORTGAGOR** is entitled, under any other oral or written tenancies of such premises, whether such rights and rents arise by operation of law or otherwise, and whether such leases or tenancies are now or may hereafter be executed or created: provided that until a default occurs in any conditions of the Mortgage, the **MORTGAGOR** shall be entitled to collect the rents under the Leases or tenancies, but not more than one month in advance: but in the event of any such default, the Assignee may immediately collect such rents as they become due and apply the same towards the payment of any of the indebtedness then remaining unpaid on the note. The **MORTGAGOR** hereby agrees that so long as the aforesaid indebtedness or any part thereof shall remain unpaid, they will make no other assignment, pledge, or other disposition of said Leases or the rents, nor will they make any agreement modifying, altering, amending, or canceling the same except as may be required by a first mortgage with out first having obtained the written consent of the holder. A demand on any Lessees or tenants of the premises by the holder herein for the payment of the rent on any default claimed by the holder shall be sufficient warrant to said Lessees or tenants to make future payments of rent to the holder without the necessity for any consent by the **MORTGAGOR**.

The **MORTGAGOR** further agrees that any failure by the **MORTGAGEE** to insist upon the strict performance by the **MORTGAGOR** of any of the terms and provisions herein or in the Note secured hereby shall not be deemed to be a waiver of any of the terms and provisions herein, or in the Note secured hereby, and the **MORTGAGEE**, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by the **MORTGAGOR** of any and all of the terms and provisions of the Mortgage or the Note secured hereby to be performed by the **MORTGAGOR**.

This Mortgage is given to secure the payment of a certain Promissory Note of even date, made by the Borrower to the order of the Lender for **One Thousand Eight Hundred Eighty Dollars no cents, (\$1,880.00)** at the times and in the manner, all as more fully provided therein and the performance of all covenants and agreements contained therein.

If any default shall occur in any prior mortgage on the mortgaged premises and such default shall continue for a period of thirty days, or if entry shall be made or foreclosure proceedings commenced under such prior mortgage or if the **MORTGAGOR** should sell or enter into an agreement to sell the mortgaged premises, then the entire debt secured hereby shall become immediately due and payable at the option of the holder hereof. Upon a foreclosure of a prior mortgage, the net proceeds of a foreclosure sale (after payment of the prior mortgage) shall be immediately due and payable to the **MORTGAGEE**.

This Mortgage is upon the **STATUTORY CONDITION** and upon the further condition that all covenants and agreements of the **MORTGAGOR** contained herein and in the Note shall be kept and fully performed, for any breach of which the **MORTGAGEE** shall have the **STATUTORY POWER OF SALE**.

If foreclosure proceedings shall be commenced hereunder the holder hereof shall be entitled to collect all costs, charges and expenses including attorney's fees which may be suffered or incurred by it in connection therewith. In case of any foreclosure sale, **MORTGAGOR** hereby authorizes **MORTGAGEE** as its agent and attorney-in-fact to assign to the purchaser or purchasers at such sale all insurance policies on the mortgaged premises then held by the **MORTGAGEE** and all leases to which the mortgaged premises shall then be subject.

Exhibit A of Mortgage and Security Agreement

Collateral legally described as:

1st to Ivanhoe

Kings Resub. J.R. Lanes/Add./All Lots 35 & 36 Bl. 3 All L. 37 Bl.3 S ½ L. 38 Bl.3

Commonly known as: 963 Clinton Street, Gary, IN *PB 9pg 24*

2550 Neighborhood 2550

Street or Road Code - A

FIRST TIME HOMEBUYER PROJECT
PROMISSORY NOTE

Principal Amount \$1,880.00

Date: November 24, 2010

This agreement is entered into this 5th Day of November 2010. For value received, the undersigned, **CAROLYN D. DENNIS** (herein after referred to as the "Borrower"), promise to pay to the order of the City of Gary (herein after referred to as the "Lender") acting by and through the Department of Community Development, the sum of One Thousand Eight Hundred Eighty Dollars and no cents, (\$1,880.00), which represent the entire principal of a Homebuyer Assistance deferred payment loan for the payment of costs limited to down payment or/and closing cost as required for the purchase of the property at **963 Clinton Street**, Gary, Indiana.

Payment of this Note is subject to the following conditions, which are made a part of this Promissory Note:

1. Borrower agrees to occupy said property as Borrower's primary residence for no less than the required period of affordability for the date the City of Gary funds the project.
2. Borrower agrees not to sell, transfer or convey the Property or any interest therein or any part thereof by any means to any person, corporation or other legal entity within **Five (5)** years from the date the City of Gary funds the project. Such conveyance will be void without approval by the City of Gary, Community Development Department. Approval will not be withheld if the Borrower agrees to repay to the City of Gary, Community Development Department, out of the net proceeds from the sale of the property all or a reduced portion of the Homebuyer subsidy. The City will reduce the amount to be recaptured by the time the homeowner owns and occupies the property measured against the required **Five (5)** years affordability period. In the event the net proceeds are not sufficient to repay the City all or a portion of the Homebuyer subsidy, approval will be given for the sale if the Borrower agrees to share net proceeds with the City on a proportionate basis as set forth in the regulations at 24 CFR Part 92, Section 254 (a)(5)(ii)(A)(3).
3. Borrower agrees to pay all mortgage payments, taxes and other assessments on the property in a timely manner.

In fulfilling the terms and provision of this Note, the Borrower further agrees:

1. To execute and deliver to the Lender, in addition to this agreement, a Mortgage and Security Agreement on a form acceptable to the Lender. After acceptance by the Lender, the Lender or its designee shall record said Mortgage and Security as a lien on the structure located at **963 Clinton Street**, Gary, Indiana.

In the event the Borrower of this Note should comply with the terms of this Note and the Homebuyer's Assistance Program, the City of Gary does agree that it will, for and in consideration of such compliance, release the Note. If Borrower breaches the terms of this Note

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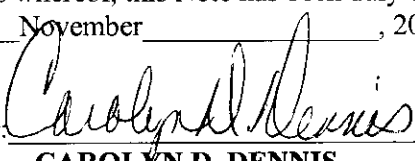
and/or the requirements of the City of Gary's Homebuyer's Assistance Program, the entire amount of the loan will be due and payable in full immediately after the Borrower is notified that the principal must be repaid. Each Borrower is responsible for the entire amount of this Note. At the option of the City of Gary this Note shall be immediately due and payable upon the occurrence of any of the following:

1. Failure to occupy the property as Borrower's primary residence at any time during the required period of affordability;
2. Breach of any condition of any security interest, mortgage, loan agreement, deed of trust or guarantee granted with regards to the property;
3. Breach of any condition of this Note;
4. Upon the death of Borrower;
5. Upon the filing by Borrower of an assignment for the benefit of creditors, bankruptcy or other form of insolvency or by suffering an involuntary petition in bankruptcy or receivership not vacated within thirty days (30).

No modification or waiver by City of Gary hereof shall be binding unless in writing; and any waiver of any breach shall not be considered a waiver of any other or future breach. This Note shall take effect as a sealed instrument and shall be construed, governed and enforced in accordance with the laws of the State of Indiana.

Borrower shall execute, acknowledge, deliver, file, notarize and register at its own expense all such further agreements, instruments, certificates, documents and assurances and perform such acts as City of Gary shall deem necessary or appropriate to effectuate the purposes of this Note, and promptly provide City of Gary with evidence of the foregoing satisfactory in form and substance to the City of Gary.

In witness whereof, this Note has been duly executed by the undersigned as of this 24 date of November, 2010.

Borrower:  Borrower: _____
CAROLYN D. DENNIS

And for said Consideration, the undersigned hereby assign and release unto the **MORTGAGEE** all rights of homestead and any other interest herein.

WITNESS my/our hand (s) and seal (s) this 24th DAY OF November, 2010

BORROWER: *Carolyn D. Dennis*
CAROLYN D. DENNIS
a/k/a Carolyn Denise Dennis

THE COMMONWEALTH OF INDIANA

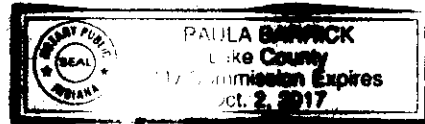
Gary, Lake County, S.S.

On this 24th day of Nov., 2010, before me, the undersigned notary public, personally appeared Carolyn D. Dennis to me through satisfactory evidence of identification, which was Picture I.D., to be the person whose name is signed on the preceding or attached document, and acknowledged to me that s/he signed it voluntarily for its stated purpose.

Paula Barwick
Notary Public

My Commission expires: 10-02-17

"I affirm, under the penalties of perjury, that I have taken reasonable care to ascertain the Social Security number in this document, unless required by law." Chris Burk



This instrument was prepared by: Johnnie Ragland