

“THIS INSTRUMENT SECURES A ZERO (0) INTEREST RATE OR OTHER SUBSIDIZED LOW RATE LOAN SUBJECT TO IC 24-9-3-2”

DATE: October 13, 2015

REHABILITATION PROGRAM FORGIVABLE LOAN MORTGAGE

The undersigned property Owner(s) **Mary Stegler** (hereafter, the **BORROWER**), in consideration of the receipt of **Ten Thousand One Hundred and Seventy Two 00/100 (\$10,172.00)** as a forgivable payment loan from the Lake County Community Development Department (hereafter, the **LENDER**) for the rehabilitation, preservation and enhancement of residential real property containing one dwelling unit occupied by the owner, which is commonly known as and legally described as:

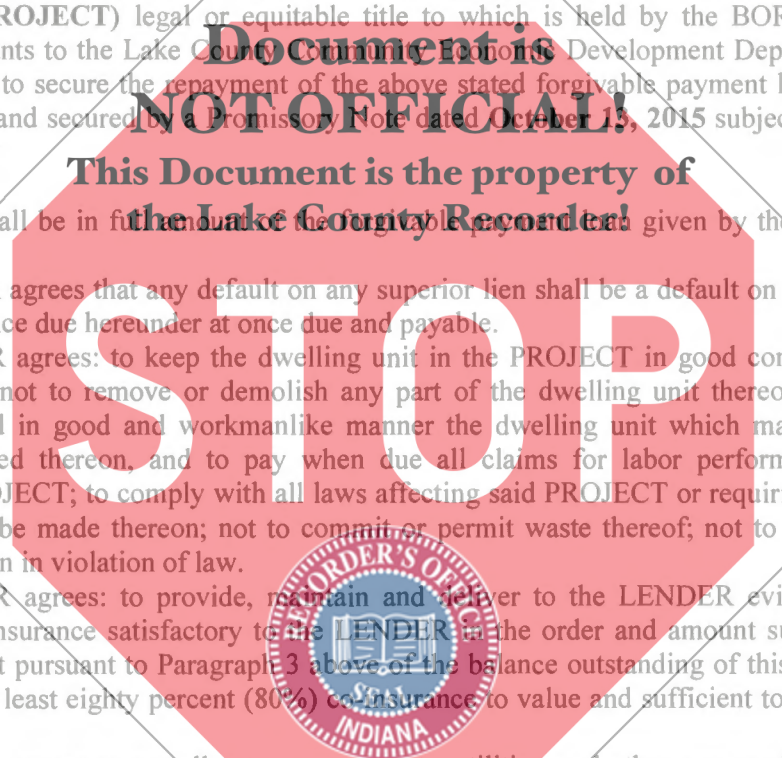
531 Cottage Grove Ave Lowell, IN 46356: PT. OF LOT 39, UNION ADD. TO THE TOWN OF LOWELL, INDIANA, AS SHOWN IN MISC. RECORD "A", PAGE 504, DESCRIBED AS: COMMENCING AT THE SE CORNER THEREOF, THENCE W. ON THE SOUTH LINE OF SAID, LOT 39, A DISTANCE OF 118 FEET, THENCE NORTH PARALLEL TO THE E. LINE A DISTANCE OF 118 FEET, THENCE EAST PARALLEL TO THE SOUTH LINE A DISTANCE OF 41.65 FEET; THENCE SOUTH OF THE EAST LINE OF SAID LOT 39 A DISTANCE OF 118 FEET THE PLACE OF BEGINNING, IN THE OFFICE OF THE RECORDER OF LAKE COUNTY, INDIANA (hereinafter, the **PROJECT**) legal or equitable title to which is held by the **BORROWER**, hereby mortgages and warrants to the Lake County Community Economic Development Department the above described real estate to secure the repayment of the above stated forgivable payment loan for which the mortgage is granted and secured by a Promissory Note dated October 13, 2015 subject to the following terms and conditions:

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1. Such mortgage shall be in full amount of the forgivable payment loan given by the **LENDER** to the **BORROWER**.
2. The **BORROWER** agrees that any default on any superior lien shall be a default on this mortgage and shall render the balance due hereunder at once due and payable.
3. The **BORROWER** agrees: to keep the dwelling unit in the **PROJECT** in good condition and repair, fully habitable, and not to remove or demolish any part of the dwelling unit thereon; to complete or restore promptly and in good and workmanlike manner the 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.
4. The **BORROWER** agrees: to provide, maintain and deliver to the **LENDER** evidence of fire and extended coverage insurance satisfactory to the order and amount sufficient to permit repair or replacement pursuant to Paragraph 3 above of the balance outstanding of this mortgage. Such insurance shall be at least eighty percent (80%) co-insurance to value and sufficient to cover any and all losses.
5. The **BORROWER** agrees to pay all taxes, assessments, utilities, and other expensed 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 unit in the **PROJECT** to rental, commercial, or industrial use, or any form of cooperative ownership for the period of the loan.
7. The term of this mortgage shall be the sooner of either (1) ten (10) years from the date of this mortgage or (2) until the balance due hereunder is paid in full.
 - A. In the event that **BORROWER(S)** becomes deceased, this mortgage shall become due and payable immediately upon settlement of the Estate unless the **LENDER** desires to make other arrangements with the heirs.
8. During the term of this mortgage, 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 mortgage, then the unpaid and remaining balance shall become immediately due and payable upon demand by the **LENDER** and, **PROVIDED FURTHER**, if the instance or default be the conversion of any or all said unit to rental, commercial, or industrial use, or to cooperative ownership, then the full initial amount of the forgivable payment shall be due and payable immediately.
9. The forgivable payment loan evidenced by this mortgage may be assigned and/or assumed only with approval of and by written agreement with the Lake County Community Economic Development Department at the time such action is to take place; **PROVIDED**, that any and all terms and conditions shall remain in full force and effect for any assignee or successor to the **BORROWER** as described herein.
 - A. Any sale of this property after completion of this rehabilitation **PROJECT** will constitute a default by the **BORROWER** and will make remaining the principal balance due in full.

2015 073020

STATE OF INDIANA
LAKE COUNTY
RECORDED
OCT 21 2015



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