R. 62762

92004265

PROMISSORY NOTE
(REHABILITATION DEFERRED LOAN
FACADE DEMONSTRATION PROGRAM)

Project No. Sarah M. Ward   Place: 940 Highland St., Hammond Indiana

Loan No.   Date: January 9, 1992

$ 3,040.00

Description of Property:

Lot Fifteen (15), in Block Fourteen (14), in Oakland Addition
to the City of Hammond, Lake County, Indiana, as marked and
laid down in Plat Book 6, at Page 35, in the Recorder's office
of Lake County, Indiana.

1.   FOR VALUE RECEIVED, the undersigned jointly and severally
promise(s) to pay to the order of the City of Hammond, Indiana,
(hereinafter called "the CITY"), acting by and through the Hammond
Redevelopment Commission, or its successors the sum of Three
Thousand Forty ($3,040.00) DOLLARS, pursuant to and in accordance
with the CITY's Rehabilitation Deferred Loan Facade Demonstration
Program.

2.   PAYMENTS; DEFERRAL OF LOAN; PAYMENT DUE IN FULL.

a.   INTEREST.   Accrual of interest on the principal shall
begin to accrue on the date of delivery of proceeds at the rate of
three (3%) percent per annum, and so long as the NOTE shall not be
in default, and shall continue at said rate until all sums due
hereunder shall be paid in full, subject to the further terms and
conditions hereof. In the event of default, interest shall accrue
at the rate of eighteen (18%) percent per annum.

b.   PAYMENTS-PRINCIPAL AND INTEREST. Payments on the NOTE
granted herein shall begin on the _____ day of _____,
1992, and shall be in the amount of ___ DEFERRED _____
DOLLARS, and shall continue in like amount on the same day of each
month thereafter, provided that the NOTE shall not be in default,
until the NOTE and all sums due hereunder shall be paid in full.
Principal and interest shall be amortized over a period of seven
(7) years.

c. DEFERRAL OF NOTE PAYMENTS.

(1) Payments on the NOTE shall be deferred, beginning at the time the NOTE is made, if the OBLIGOR'S income limits for the most recent tax year is fifty (50%) percent or less of the median income as determined by standards of the United States Department of Housing and Urban Development (HUD). No interest shall be chargeable or shall accrue on the principal of the NOTE for so long as the principal is not due and payable as provided above.

(2) Payment of principal and interest will begin as required by paragraphs (a) and (b) if:

(a) OBLIGOR'S income limits for the most recent tax year exceed fifty (50%) percent of the medium income as determined by standards of HUD; or

(b) Whenever OBLIGOR pays in full a prior mortgage notes(s) which are superior to the Rehabilitation Deferred Loan Program Mortgage on the Real Estate.

d. PAYMENT DUE IN FULL. The entire balance of principal and accrued interest shall be immediately due and payable upon the happening of any of the following events:

(1) Sale, Conditional Sale, Contract Sale, Assignment or other transfer for a valuable consideration of the fee simple interest in the Real Estate either jointly or severally, or the survivor of them, whether by conveyance or other transfer of title; by assignment or other transfer of any beneficial interest in any trust having any interest in the property; or by any other means;

(2) Death of the last surviving OBLIGOR(s); or

(3) When all the OBLIGORS no longer continuously, actually and physically reside at the Real Estate.

e. PREPAYMENT. The LOAN may be pre-paid in part or in full without penalty, provided, however, that any prepayment shall not alter or change the amount of the monthly payment required to be paid hereunder.

f. PLACE OF BUSINESS. All payments due hereunder shall be paid at 649 Conkey Street, Hammond, Indiana, or at such other place as the CITY shall designate in writing to the OBLIGOR.

g. LATE PAYMENTS. In the event OBLIGOR shall fail to cause payments to be delivered when they shall be due, meaning actual receipt of the CITY, a processing charge equal to five (5%) percent of the payment then due shall be added to the payment due, provided

that the payment shall be made within ten (10) days of the due date. In the event the payment is not made within the ten (10) day period, then the entire unpaid principal balance due upon said LOAN together with interest accrued to said date of the due and unpaid payment, shall bear interest at the rate of eighteen (18%) percent until payments due shall be brought current. The assessment or payment of said interest shall not preclude the CITY from declaring this LOAN in default in the event OBLIGOR shall have allowed the payment or payments due hereunder to be more than twenty-five (25) days late from the date of a due payment.

3. All payments on this Note shall be applied first to the interest, and then to the principal due on the Note. If the obligation evidenced by this Note is reduced to judgment, such judgment shall bear interest at the rate allowed by law. If suit is instituted by the Municipality to recover on this Note, the undersigned agree(s) to pay all costs of such collection, including reasonable attorney's fees, court costs, and costs of investigating title in order to foreclose any mortgage which secures this Note.
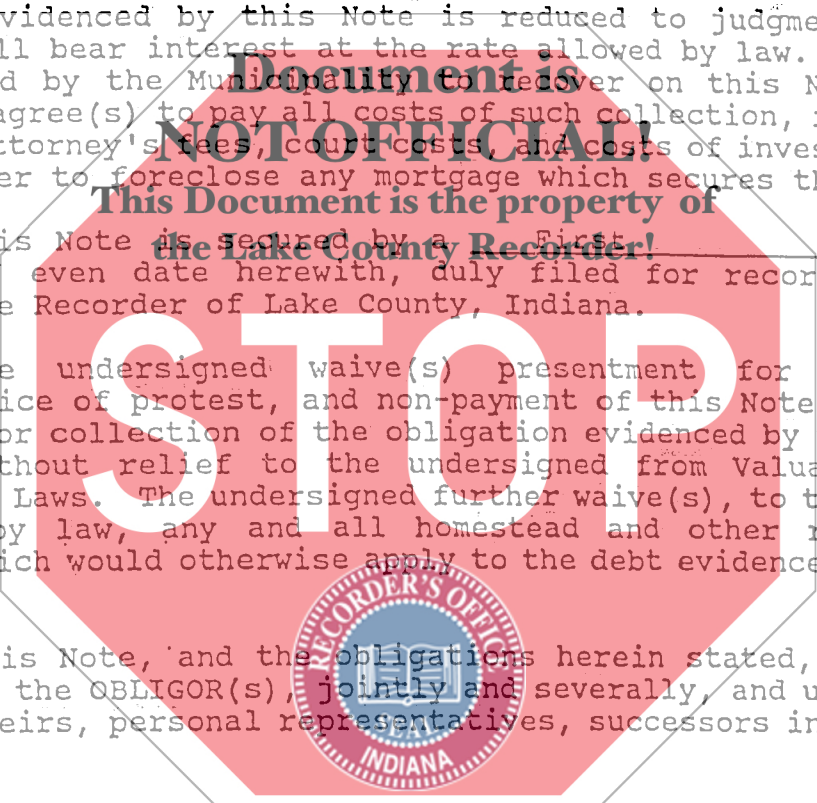
4. This Note is secured by a First mortgage, of even date herewith, duly filed for record in the Office of the Recorder of Lake County, Indiana.

5. The undersigned waive(s) presentment for payment, protest, notice of protest, and non-payment of this Note, and any enforcement or collection of the obligation evidenced by this Note shall be without relief to the undersigned from Valuation and Appraisement Laws. The undersigned further waive(s), to the extent authorized by law, any and all homestead and other rights of exemption which would otherwise apply to the debt evidenced by this Note.

6. This Note, and the obligations herein stated, shall be binding upon the OBLIGOR(s), jointly and severally, and upon their respective heirs, personal representatives, successors in interest and assigns.

IN WITNESS WHEREOF this Note has been duly executed by the undersigned on the day and year first above stated.

OBLIGORS

Sarah Marie Ward
SARAH M. WARD

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