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**FIRST-TIME HOME BUYERS
DOWN PAYMENT ASSISTANCE AGREEMENT**

This Down Payment Agreement made and entered into this 15th
day of December, 1999, by and between Michael Graham (herein after
called the "**Applicant**") and the City of Gary, Department of Planning and
Community Development; herein after called the "**Program**".

Whereas, the City of Gary, Indiana is the designated recipient of Home Investment
Partnership (**HOME**) Program funds; and

Whereas, the **Program** is the Participating Jurisdiction (PJ) which has been designated
to administer said funds; and

Whereas, the **Program** is authorized to use said funds to provide decent affordable
housing activities within the City,

NOW THEREFORE, it is agreed as follows:

The Department of **Planning and Community Development** will deliver or cause to
be delivered to said Lending Institution, agreed upon by both parties, funds to be used
toward the purchase of a single-family home located at 3562 Jefferson Street.

The **Applicant** must use said **HOME** funds solely for the downpayment and closing
cost involved in the purchase of said property.

Said property must meet local housing quality standards and building code
requirements of the City of Gary before initial occupancy.

The property owner agrees to maintain the property in a sound, decent and livable
condition throughout the affordability period.

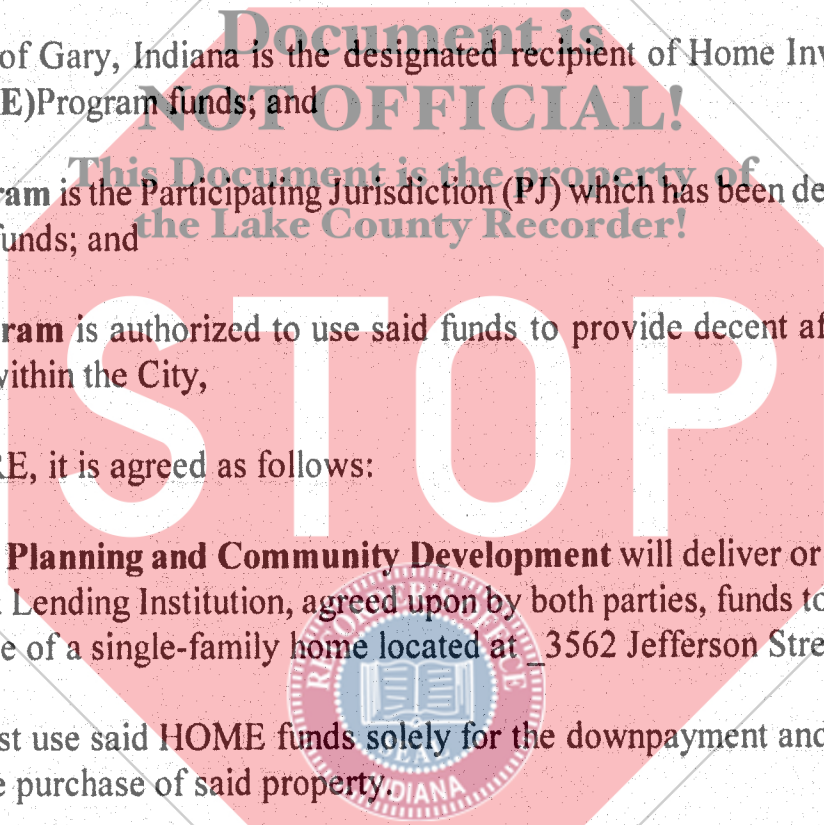
Said property, if newly constructed, must meet all applicable local codes, zoning
ordinances and State building or design requirements.

A homebuyer receiving (**HOME**) funds must repay all of the funds if (1) the property

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is sold during the affordability period (2) the property is transferred during the affordability period. (3) Use of property has changed. Temporary subleases are not allowed. The affordability period for payments of less than \$15,000 is **FIVE** years. Funds shall be forgiven on a pro-rated basis in the amount of 20% per year for five years.

This agreement constitutes a binding agreement between the **Applicant** and the **Program** and all parties further agree to hold harmless the City of Gary, Indiana, from and against all costs, attorney fees and expenses of any kind which may occur in connection with this agreement or any other court action arising thereunder, including the right to file action or appropriate proceeding.

This lien shall be released upon satisfaction of the terms of this agreement.

The property owner agrees not to accept additional financial burdens, such as secondary loans, equity loans, etc, against the property during the affordability period.


Applicant


Program Director

Co-Applicant



**Down Payment Assistance Program
Promissory Note**

FOR VALUE RECEIVED, the undersigned (hereafter the BORROWER), promises to pay to the order of the Department of Planning and Community Development (Hereafter the LENDER) or its successors, the principal sum of One Thousand Eight Hundred and Ninety Five Dollars, (1,895.00) payable at:

Department of Planning and Community Development
475 Broadway, 3rd. Floor
Gary, Indiana 46402

or at such other place as may be designated by the LENDER.

This note evidences a loan by the LENDER to the BORROWER for the exclusive purpose of down payment and closing cost associated with the purchase of a Single-Family Home, located at:

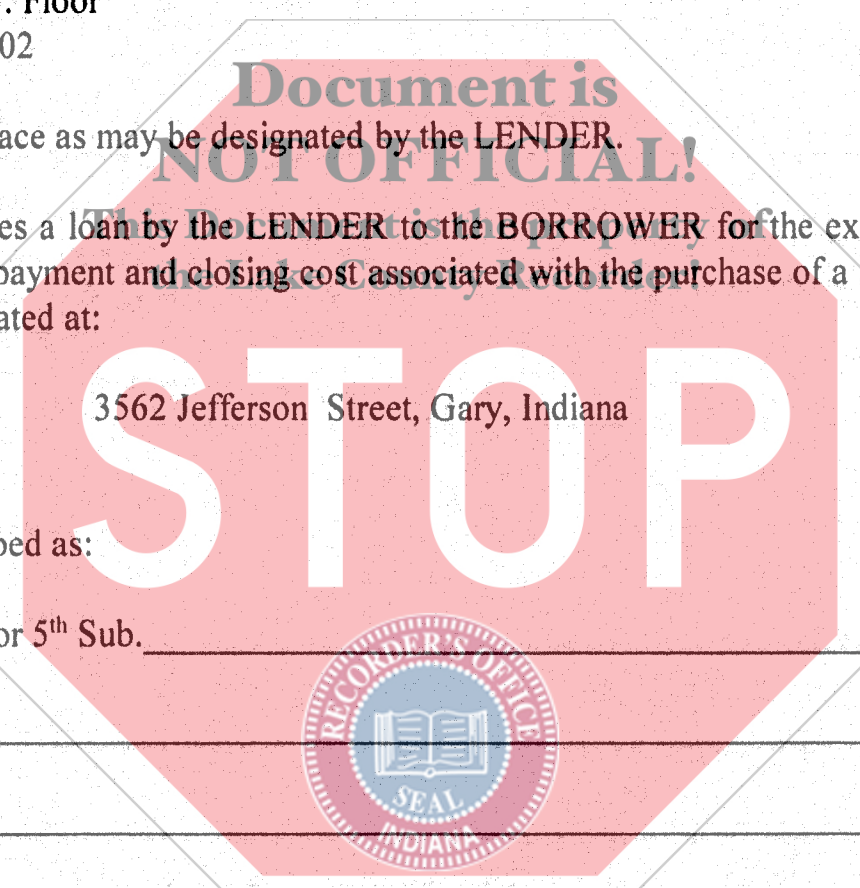
3562 Jefferson Street, Gary, Indiana

and legally described as:

Lot 22, Park Manor 5th Sub.

(hereafter , the PROJECT)

This Note is secured by a Downpayment Agreement which will be duly recorded in the appropriate office of County Government. The term of this Note shall be five years commencing from the date of the signing of this instrument.



Any forbearance by the LENDER with respect to any of the terms and conditions of this Note in no way constitutes a waiver of any of the LENDER'S rights or privileges granted hereunder. Any written notice constitutes a waiver of any of the LENDER'S rights or privileges granted hereunder. Any written notice or payment of one party to the other shall be addressed to the parties as follows:

The LENDER:

Department of Planning and
Community Development
475 Broadway, 3rd. Floor
Gary, Indiana 46402

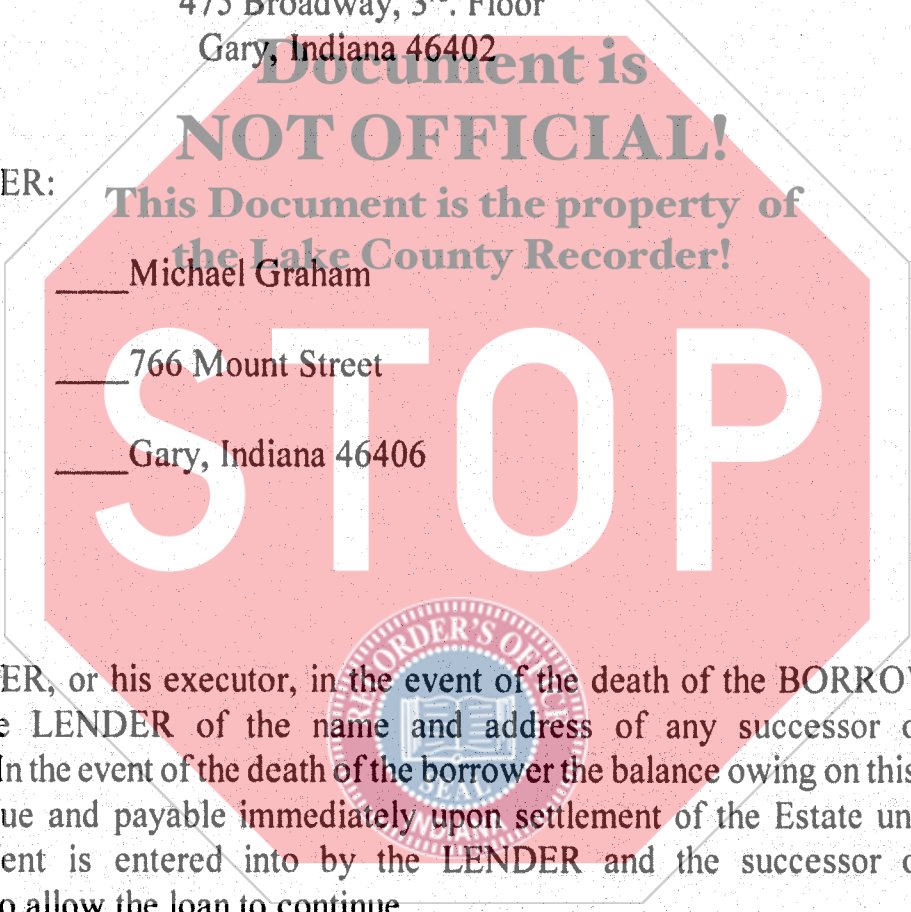
The BORROWER:

____ Michael Graham
____ 766 Mount Street
____ Gary, Indiana 46406

The BORROWER, or his executor, in the event of the death of the BORROWER, shall notify the LENDER of the name and address of any successor of the BORROWER. In the event of the death of the borrower the balance owing on this Note shall become due and payable immediately upon settlement of the Estate unless a written agreement is entered into by the LENDER and the successor of the BORROWER to allow the loan to continue.

The BORROWER has the right to pay any remaining portion of this Note without the payment of penalties.

If suit is instituted by the Department of Planning and Community Development on this Note, the Borrower agrees to pay all costs of such collections, including reasonable attorney's fees and court costs.



During the term of this Note, the BORROWER shall make no payments PROVIDED HOWEVER, that if the BORROWER shall be found in default of any of the terms or conditions of this Note, then the unpaid and remaining balance shall become immediately due and payable; and PROVIDED FURTHER ,

that if the instance of default be the sale of the property, title is transferred foreclosure proceedings instituted by the LENDER or **Primary Mortgagor** or the conversion of said unit to commercial, industrial, or rental use, or cooperative ownership, then the deferred payment loan shall be due and payable on a pro-rated basis in accordance with the pre-established repayment schedule.

The deferred payment loan evidenced by this Note may not be assigned or assumed by anyone.

The recapture of the downpayment and closing costs assistance shall be pro-rated based on the following schedule:

<u>Sale After Year</u>	<u>% of Funds to be Recovered</u>
1	80%
2	60%
3	40%
4	20%
5	0%



Upon satisfactory completion of all terms and conditions of this Note by the Borrower, or upon payment of any and all balances due, the BORROWER shall be entitled to a release and satisfaction of this Note by the LENDER at no cost to the BORROWER.

In witness whereof and agreement herewith the BORROWER has executed this Promissory Note:

12/15/99
DATE

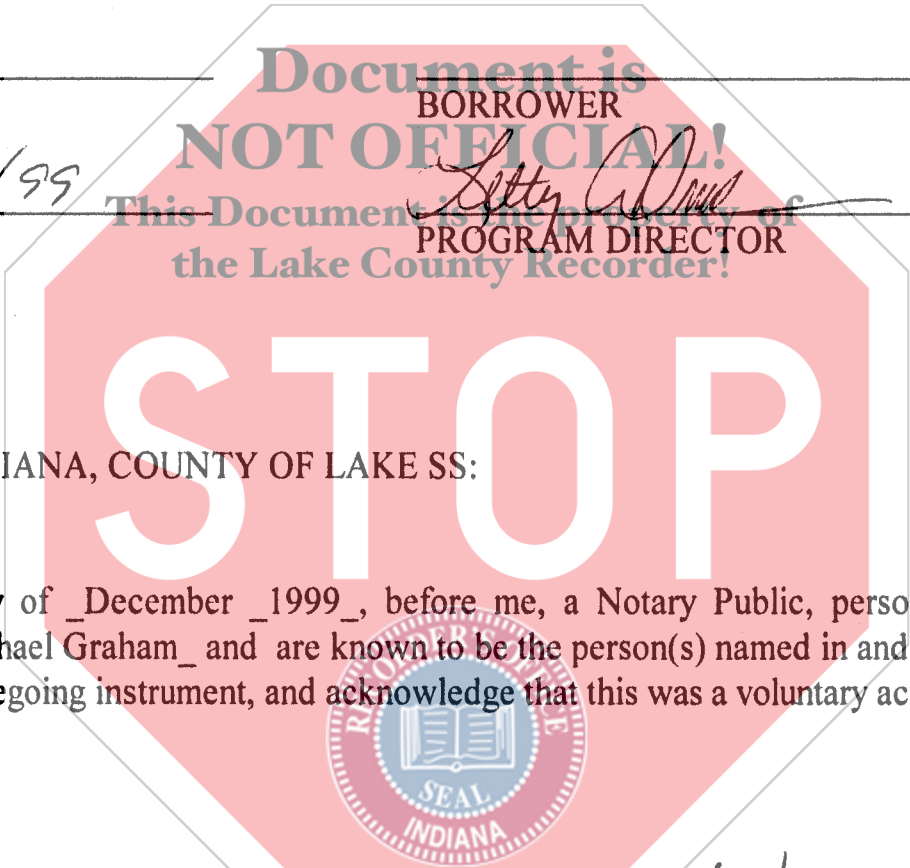
Michael Graham
BORROWER

DATE

BORROWER

12/15/99
DATE

Letty Ann
PROGRAM DIRECTOR



STATE OF INDIANA, COUNTY OF LAKE SS:

On the 15th day of December 1999, before me, a Notary Public, personally appeared Michael Graham and are known to be the person(s) named in and who executed the foregoing instrument, and acknowledge that this was a voluntary act and deed.

My Commission expires: 2-6-2000

Marcus J. Hubbard
NOTARY PUBLIC
Resident of Lake County