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STATE OF INDIANA
LAKE COUNTY
MORTGAGE RECORD

2008 064564 City of Hammond Homebound Program
Forgivable Loan

2008 SEP 15 AM 9:26

MICHAEL A. BROWN
RECORDER

This Mortgage made this 5th day of September, 2008, between the Mortgagor, Cari A. Terpstra, and the Mortgagee, **City of Hammond, by and through its Redevelopment Commission**, whose address is 649 Conkey Street, Hammond, Indiana, 46324 (hereinafter called "Lender").

DEFINITIONS

Words used in multiple sections of this document are defined below.

- (A) "Applicable Law" means all controlling applicable federal state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as applicable final, non-appeasable judicial opinions.
- (B) "Lender" means the City of Hammond its successors and or assigns.
- (C) "Borrower" means the signer(s) of this any and all City of Hammond documents, forms and or affidavits associated with the addresses and parcel numbers in attached hereto.

Lender has made available to Borrower the sum of Two Thousand Five Hundred (\$2,500.00) Dollars to be used by Borrower for the acquisition of the property located at 3839 165th Street, Hammond, Indiana ~~46320~~. 46323

Borrower is indebted to lender in the principal sum of Two Thousand Five Hundred (\$2,500.00) Dollars for sixty (60) months from the date of execution. To secure to Lender the repayment of said indebtedness and insure the performance of the covenants and agreements of Borrower as contained in the City of Hammond Homebound Program and this Mortgage. Borrower does hereby mortgage, grant and convey to Lender the following described property located in the County of Lake, State of Indiana.

Situated in the State of Indiana in the County of Lake and in the City of Hammond and legally described as follows:

Lot 26, except the West 5 feet thereof, and all of Lot 25 in Block 3 in Russell's Addition to the City of Hammond, as per plat thereof, recorded in Plat Book 11, Page 31, in the Office of the Recorder of Lake County, Indiana

Said Property is commonly referred to as: 3839 165th Street, Hammond, Indiana.

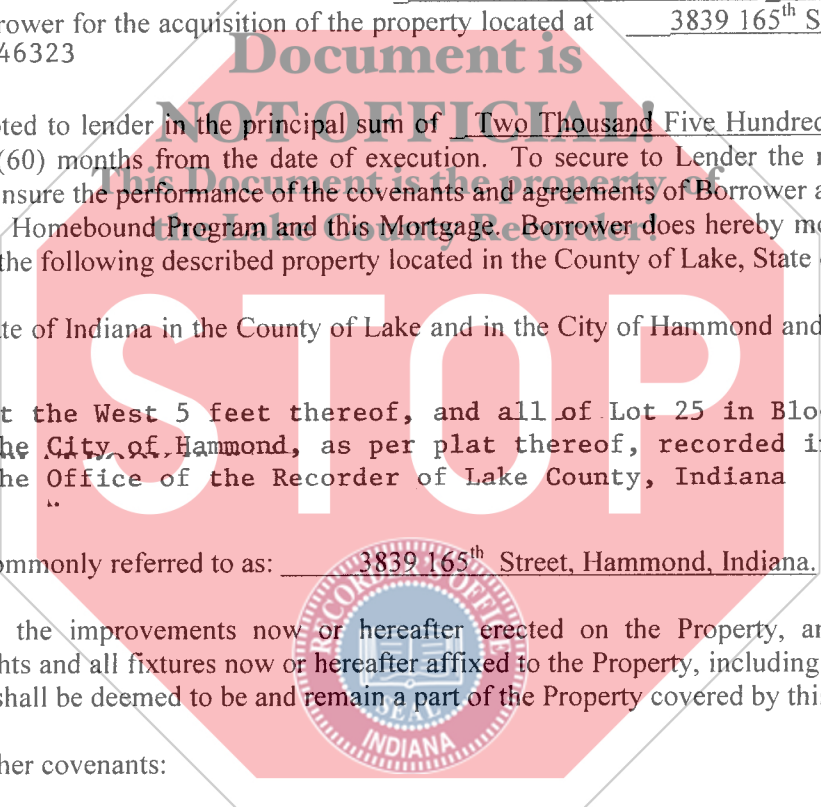
Together with all the improvements now or hereafter erected on the Property, and all easements, appurtenances, rights and all fixtures now or hereafter affixed to the Property, including replacements and additions thereto, shall be deemed to be and remain a part of the Property covered by this Mortgage.

The Borrower further covenants:

1. To promptly pay if and when due the principal on the indebtedness as evidenced by this agreement. This deferred loan will become due if any conditions of repayment are triggered within sixty (60) months from the date of this mortgage. Any deviation in this policy shall be at the discretion of the City of Hammond, by and through its Redevelopment Commission. This deferred loan will require no payments toward the

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principal and accrue no interest as long as the present mortgagors own the title and reside in said property.

2. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within sixty days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence.
3. Except where otherwise required or permitted by the Note Holder in connection with a transfer on death, divorce, legal separation, legal incapacity of a Borrower, the Note and this Mortgage may not be assumed.
4. To keep the property fully insured against casualty loss or damage normally insured by those engaged in the business of the Borrower. The insurance shall be to the benefit of the Lender with an insurance company acceptable to the Lender. The Lender shall be named beneficiary on the face of said insurance policy. Upon the occurrence of any loss or damage to the physical structure of the property, the Borrower with the concurrence of the Lender shall have a period not to exceed one (1) year to return the property to its former or better condition than before the occurrence of the casualty loss.

If the property is located in an area that has been identified by HUD as an area having special flood hazards and if the sale of flood insurance has been made available under the National Flood Insurance Act of 1968, the Owner agrees that the property will be covered, during the term of this mortgage, by flood insurance in an amount at least equal to the balance of the mortgage on/or to maximum limit of coverage made available with respect to the particular type of property under the National Flood Insurance Act of 1968, whichever is less.

5. To assign to the Lender (subject to any Senior Mortgagee's rights) the proceeds of any claim for damages, direct or consequential in connection with any condemnation or other taking of the property or part thereof, or for conveyance in lieu of condemnation. The proceeds shall be applied to the sums secured by this Mortgage, with the excess, if any, paid to the Borrower. In the event of a partial taking of the Property, there shall be applied to the sums secured by this Mortgage such proportions of the proceeds as is equal to that proportion which the amount of the sums secured by this Mortgage immediately prior to the date of taking bears to the fair market value of the Property immediately before the taking with the balance of the proceeds paid to the Borrower.

6. On the breach of any condition or covenant of this Mortgage, the Lender has the following remedies:

Foreclosure proceedings may be instituted at the option of the Lender and the reasonable fees and charges of the Lender's attorneys shall be a further lien and charge upon the Property under this Mortgage, and all such expenses shall become additional indebtedness secured by this Mortgage and be allowed in any decree foreclosing this Mortgage.

7. To pay to the Lender or its designated agent the total amount of principal due under this Mortgage upon demand, should the Lender accelerate the indebtedness pursuant to paragraph 8 below.
8. Not to sell, transfer, dispose or alter the intended use of all or any part of the above described premises without first obtaining the written consent of the Lender. If there shall

be any such sale, transfer, disposition or change in program without the written consent of the Lender, the entire principal indebtedness secured hereby, shall become due and payable at the election of the Lender, or foreclosure proceedings may be instituted hereon.

9. To keep Property in as good order and condition as it is now, together with any improvements thereon, reasonable wear and tear accepted, and will not commit or permit waste. Lender may make or cause to be made reasonable entries upon and inspection specifying reasonable cause therefore related to Lender's interest in the Property.
10. On the breach of any condition or covenant of this mortgage the Lender has the following remedies:
 - a. Foreclosure proceedings may be instituted at the option of the Lender, and the reasonable fees and charges of the Lender's attorneys shall be a further lien and charge upon the Property under this Mortgage, and all such expenses shall become additional indebtedness secured by this Mortgage and be allowed in any decree foreclosing this Mortgage.
 - b. Acceleration of the unpaid principal balance together with all interest and charges thereon, may, at the option of the Lender, be declared immediately due and payable.
 - c. Prior to foreclosure or Acceleration, the Lender shall mail notice to the Borrower specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, not less than 30 days from the date the notice is mailed to the borrower, by which such breach must be cured; and (4) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage, foreclosure by judicial proceedings and sale of the property. Upon payment and cure by the borrower, this Mortgage and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.
11. The Lender shall have the right at its option to pay any ground rents, taxes, water rates, other governmental charges, insurance policy, prior liens, and charges thereon, which the Borrower has agreed to pay under paragraphs 1 and 4 above, and any amount so paid by the Lender shall be added to the principal debt named herein and bear interest at the rate charged by the prior lien-holder, payable monthly, from the date of such payment, and secured by this Mortgage.
12. Any forbearance by the Lender in exercising any right or remedy hereunder, or otherwise provided by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy. All remedies provided in this Mortgage are distinct and cumulative to any other right or remedy under this Mortgage or afforded by law or equity, and may be exercised concurrently, independently or successively.
13. Borrower shall be furnished a copy of the Note and of this Mortgage at the time of execution or after recordation hereof.
14. The covenants contained herein shall bind, and the benefits and advantages shall insure to, the respective heirs, executors, successors, assigns and agents of the parties hereto. Whenever used, the singular number shall include the plural, and the use of any gender shall include all genders.

15. Upon payment of all sums secured by this Mortgage, Lender shall discharge this Mortgage, without charge to Borrower. Borrower shall pay all costs of recordation, if any.

MORTGAGOR:


Cari A. Terpstra

STATE OF INDIANA, COUNTY OF LAKE) SS:

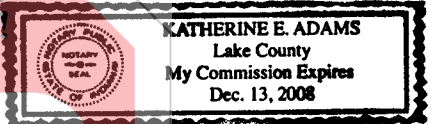
Before me, the undersigned, a Notary Public, in and for said county and state, personally appeared Cari A. Terpstra, who acknowledged the execution of the foregoing mortgage.

WITNESS MY HAND AND NOTARIAL SEAL this same date.

Document is *paid*
NOT OFFICIAL

This Document is the property of
My Commission expires: 12-13-08
the Lake County Recorder

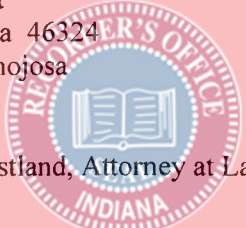
County of Residence: Lake



MAIL:

City of Hammond
Department of Planning and Development
Rehabilitation Section
649 Conkey Street
Hammond, Indiana 46324
Attn: Jennifer Hinojosa

Document prepared by: David Westland, Attorney at Law



"I affirm, under the penalties for perjury, that I have taken reasonable care to redact each Social Security number in this document, unless required by law." Janet McDonald