

Second Mortgage Promissory Note

(City-Funded Homeownership Incentive Program Loan)

\$30,000.00

Date: April 21, 2015

FOR VALUE RECEIVED, the undersigned ("Borrower") promises to pay to the order of the City of East Chicago Department of Redevelopment ("Lender"), with offices at 400 E. Chicago Avenue, East Chicago, Indiana 46312, the principal sum of **Thirty Thousand and No Cents (\$30,000.00)** with interest on such amount of Principal as may be advanced from time to time, computed at the rate of Zero Percent (0%) per annum ("Loan Rate") for so long as the Principal, or any part thereto, shall remain outstanding and not forgiven ("Loan Term"), from and after this date as hereinafter provided.

1. PAYMENTS & RECAPTURE

A. Borrower acknowledges that Lender is assisting Borrower in financing the purchase of Borrower's residence from funds made available to Lender under the City-Funded Homeowner Incentive Program ("CHIP"), as described in Resolution No. 2014-RED-1457, and pursuant to rules and regulations promulgated there under and requirements of Lender.

B. Borrower must reside in the home as his or her primary residence throughout the forgiveness period (ten (10) years for new constructions; five (5) years for existing or re-constructed homes). If the Borrower fails to comply with the requirements of CHIP, the Borrower shall be in default.

Among the occurrences which shall constitute default are:

1. Foreclosure or sale of the property.
2. The Borrower ceases to reside in the property as his or her primary residence.
3. Converting the property to use as a rental.

Repayment Schedule Under CHIP

1. If a City-Funded Homeowner Incentive Program, Part A (CHIP, Part A) funded home is sold at any time within the ten-year forgiveness period, the home ceases to be used as a primary residence, or the Borrower otherwise defaults, the following repayment schedule shall apply:



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STATE OF INDIANA
 LAKE COUNTY
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 MICHAEL J. BERRY
 RECORDER

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YEAR (Until anniversary of closing date.)	PERCENTAGE of Mortgage Loan Due and Payable to City of East Chicago upon default of Borrower
Year 1	100%
Year 2	90%
Year 3	80%
Year 4	70%
Year 5	60%
Year 6	50%
Year 7	40%
Year 8	30%
Year 9	20%
Year 10	10%
Tenth anniversary of closing date	0%

2. If a **City-Funded Homeowner Incentive Program, Part B (CHIP, Part B)** funded home is sold at anytime within the five-year forgiveness period, the home ceases to be used as a primary residence, or the Borrower otherwise defaults, the following repayment schedule shall apply:

YEAR (Until anniversary of closing date.)	PERCENTAGE of Mortgage Loan Due and Payable to City of East Chicago upon default of Borrower
Year 1	100%
Year 2	80%
Year 3	60%
Year 4	40%
Year 5	20%
Fifth anniversary of closing date	0%

2. **NOTE SECURED BY SECOND MORTGAGE**

The indebtedness evidenced by this Note is secured by a Second Mortgage, on even date with this Note and reference is made to the Mortgage for rights as to acceleration of the indebtedness evidenced by this Note.

3. **BORROWER'S FAILURE TO PAY AS REQUIRED**

If any payment under this Note is not paid when due and remains unpaid after a date specified by a notice to Borrower, the Lender may proceed with any remedy available at law or in equity, including foreclosure. The date specified shall not be less than 30 days from the date such notice is mailed. If suit is brought to collect this Note, the Lender shall be entitled to collect all reasonable costs and expenses of suit, including, but not limited to, reasonable attorneys' fees.

Presentment, notice of dishonor, and protest are hereby waived by all makers, sureties, guarantors and endorsers hereof.

4. GIVING OF NOTICES

Any notice to Borrower provided for in this Note shall be given by mailing such notice by certified mail addressed to Borrower at the Property Address stated below, or to such other address as Borrower may designate by notice to the Lender. Any notice to the Lender shall be given by mailing such notice by certified mail, return receipt requested, to the Lender at the address stated in this Note, or at such other address as may have been designated by notice to Borrower.

5. RESPONSIBILITIES OF PERSONS UNDER THIS NOTE

This Note shall be the joint and several obligations of all makers, sureties, guarantors and endorsers, and shall be binding upon them and their successors and assigns.


Signature

Jose L. Rivera
Printed Name


Signature

Joana E. Rivera
Printed Name

Parcel No.: 45-03-27-183-002.000-024

Common Address: 2105 Purdue Drive - East Chicago, IN 46312

Description: Prairie Park unit 1 Block 1 Lot 18 Ex. S. 26ft & Lot 16 Ex. N. 10ft.

