

PROMISSORY NOTE

\$25,000

Date: _____

The undersigned, Thomas A. Hernandez and Jasmin L. Fernandez, husband and wife (the "Maker"), hereby jointly and severally promise to pay to the order of the Community Development Authority of the City of Whitewater ("Payee") at 312 West Whitewater Street, Whitewater, WI 53190, or at such other place as Payee may from time to time designate in writing, the sum of Twenty-Five Thousand and no/100 Dollars (\$25,000).

This Promissory Note ("Note") bears no interest on the unpaid balance before maturity. All unpaid principal outstanding under this Note shall be due and payable on the earlier of (i) Maker's sale of the Property (as defined below) or (ii) the time at which the Property is no longer the Maker's primary residence (the "Maturity Date"). The funds loaned to Maker by Payee pursuant to this Note shall be used solely for the purchase of the real property commonly known as 675 Stonefield Lane, City of Whitewater, Jefferson County, Wisconsin and legally described on Exhibit A attached hereto and incorporated herein (the "Property").

If payment is not made on or before the Maturity Date, or Payee violates any term, condition or provision of this Note or the Mortgage (defined below), Maker shall be in default and Payee may give Maker written notice thereof. If Maker fails to cure said default within ten (10) days of the date of such notice, the unpaid balance shall, at the option of Payee and without further notice, mature and become immediately payable. The unpaid balance shall automatically mature and become immediately payable in the event Maker becomes the subject of bankruptcy or other insolvency proceedings. Payee's receipt of any payment under this Note after the occurrence of an event of default shall not constitute a waiver of the default or the Payee's rights and remedies upon such default. Principal not paid when due shall bear interest after the Maturity Date at the then current Applicable Federal Rate for long term notes, compounding annually, set forth under IRC Sec. 7520 from time to time.

Without affecting the liability of Maker, Payee may, without notice, renew or extend the time for payment, accept partial payments, release or impair any collateral security for the payment of this Note or agree not to sue any party liable on it.

Maker agrees to pay all costs of collection, including reasonable attorneys' fees incurred by Payee in enforcing this Note. Maker hereby waives presentment, protest, demand and notice of dishonor. Maker may at any time and from time to time prepay all or any part of the unpaid principal of this Note, without penalty.

This Note is secured by a second Mortgage on the Property of even date herewith executed by Maker ("Mortgage"). Payee agrees that this Note is subordinate to Maker's obligations to Fort Community Credit Union in connection with Loan Number _____ secured by a first mortgage lien on the Property. Upon payment in full of this Note, Payee shall promptly release the collateral security.

This Note shall be governed by and construed in accordance with the laws of the State of Wisconsin.

Thomas L. Hernandez, Mortgagor

Jasmin A. Fernandez, Mortgagor

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EXHIBIT A

Legal Description of Property

Lot 123 in Park Crest Subdivision, being a redivision of all of the Northeast 1/4 of the Southeast 1/4 of Section 31, and part of the Northwest 1/4 of the Southwest 1/4 of Section 32, Township 5 North, Range 15 East, City of Whitewater, Jefferson County, State of Wisconsin.

(675 Stonefield Lane).

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