

**PROMISSORY NOTE**  
**HOMEBUYER PROGRAM – PURCHASE ASSISTANCE**  
**VERY-LOW OR LOW-INCOME HOMEBUYER**  
**SHIP COMMUNITY LAND TRUST**

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\_\_\_\_\_ (Date)

**1. Principal.** FOR VALUE RECEIVED, the undersigned, \_\_\_\_\_, and, if more than one party, jointly and severally (“Borrower”), whose address is \_\_\_\_\_, promises to pay to \_\_\_\_\_, a municipal corporation, (“Lender”), whose address is \_\_\_\_\_, the principal sum of \_\_\_\_\_ (\$ \_\_\_\_\_), (“Principal”). All sums owing under this Note are payable in lawful money of the United States of America. Said principal sum shall bear no interest and the balance due on the deferred loan, if not previously paid, shall be reduced by ten (10%) percent per year at the beginning of the second year of the ten (10)-year loan term until the balance is reduced to zero as defined in paragraph 7 of this Note.

**2. Interest.** No interest is accrued on this Note.

Any amount required to be paid under Lender’s Note shall be payable at Lender’s office located at \_\_\_\_\_, or at another place as Lender, from time to time, may designate in writing.

**3. Monthly Installments.** No monthly installments are required.

**4. Maturity Date.** This Note is a deferred payment loan made at zero (0) percent interest, which amount shall be forgiven by Lender ten (10) years after date of this Note unless it becomes due and payable in whole or part upon Borrower’s default, or upon the sale, lease or transfer of any interest in the Property except as set forth in this Note.

**5. Security**

(a) This Note is secured by a Second Mortgage (“Mortgage”) bearing the date of this Note, executed and delivered by Borrower, as Mortgagor, to Lender, as Mortgagee, encumbering property in \_\_\_\_\_, as more fully described in the Mortgage.

(b) All of the agreements, conditions, covenants, provisions, and stipulations contained in the Mortgage that are to be kept and performed by Borrower are made hereby a part of this Note to the same extent and with the same force and effect as if they were set forth fully herein, and Borrower covenants and agrees to keep and perform them or cause them to be kept and performed strictly in accordance with their terms.

**6. Prepayment**

Borrower may prepay the whole or any portion of this Note on any date without a penalty.

**7. Default and Remedies**

If Borrower fails to pay principal on the date on which it falls due or to perform any of the agreements,

conditions, covenants, provisions, or stipulations contained in this Note, and Mortgage, or any First Mortgage as defined in paragraph 2 of the Mortgage, then Lender, at its option and without notice to Borrower, may declare immediately sums due and payable as set forth in the table below. If all or any part of the Property or any interest in it is sold, transferred, or conveyed (or if a beneficial interest in the Property is sold, transferred, or conveyed and Borrower is not a natural person) without the prior written consent of \_\_\_\_\_, the approved Community Land Trust (CLT), if the Borrower converts the Property to a rental property, if the Borrower loses homestead exception status, or if the Property is no longer the primary residence of the Borrower, Lender may, at its option, require immediate payment in full of all sums secured by this Mortgage. However, this option shall not be exercised by Lender if such exercise is prohibited by state or federal law as of the date of the Mortgage securing this Note.

YEAR OF DEFAULT	PRINCIPAL AMT. DUE	YEAR OF DEFAULT	PRINCIPAL AMT. DUE
1	100%	6	50%
2	90%	7	40%
3	80%	8	30%
4	70%	9	20%
5	60%	10	10%

Payment of this sum may be enforced and recovered in whole or in part at any time by one or more of the remedies provided to Lender in this Note and the Mortgage. The remedies of Lender and the warrants provided in this Note and the Mortgage shall be cumulative and concurrent, and they may be pursued singly, successively, or together at the sole discretion of Lender. They may be exercised as often as occasion shall occur, and failing to exercise one shall in no event be construed as a waiver or release of it.

**8. Attorneys' Fees and Costs.** If Lender engages any attorney to enforce or construe any provision of this Note or the Mortgage, or as a consequence of any default whether or not any legal action is filed, Borrower shall immediately pay on demand all reasonable attorneys' fees and other Lender's costs, together with interest from the date of demand until paid at the highest rate of interest then applicable to the unpaid principal, as if the unpaid attorneys' fees and costs had been added to the principal.

**9. Death of Borrower.** If the Borrower/Owner of the housing unit assisted under this program dies during the loan term, the obligations under this Note may be assumed by a SHIP eligible heir and the deferred loan shall continue in force as long as the heir occupies the home as a primary residence. If the legal heir is not SHIP eligible or chooses not to occupy the home, the unforgiven balance shall become immediately due and payable.

**10. Assumption.** This Note is assumable by income-eligible subsequent purchasers with the prior written approval by \_\_\_\_\_, the approved Community Land Trust, without constituting a default under this Note. The Borrower and CLT jointly shall promptly notify Lender prior to the assumption of this Note by a subsequent purchaser.

**11. Waivers.**

(a) Borrower hereby waives and releases all benefit that might accrue to Borrower by virtue of any present or future laws of exemption with regard to real or personal property or any part of the proceeds arising from any sale of that property, from attachment, levy, or sale under execution, or providing for any stay of execution, exemption from civil process, or extension of time for payment. Borrower agrees that any real estate

that may be levied on under a judgment obtained by virtue hereof, on any writ of execution issued thereon, may be sold on any writ in whole or in part in any order desired by Lender.

(b) Borrower and all endorsers, sureties, and guarantors jointly and severally waive presentment for payment, demand, notice of demand, notice of nonpayment or dishonor, protest, notice of protest of this Note, and all other notices in connection with the delivery, acceptance, performance, default, or enforcement of the payment of this Note. They agree that each shall have unconditional liability without regard to the liability of any other party and that they shall not be affected in any manner by any indulgence, extension of time, renewal, waiver, or modification granted or consented to by Lender. Borrower and all endorsers, sureties, and guarantors consent to any and all extensions of time, renewals, waivers, or modifications that may be granted by Lender with respect to the payment or other provisions of this Note, and to the release of any collateral or any part thereof, with or without substitution, and they agree that additional borrowers, endorsers, guarantors, or sureties may become parties hereto without notice to them or affecting their liability hereunder

(c) Lender shall not be considered by any act of omission or commission to have waived any of its rights or remedies hereunder, unless the waiver is in writing and signed by Lender, and then only to the extent specifically set forth in writing. A waiver on one event shall not be construed as continuing or as a bar to or waiver of any right or remedy to a subsequent event

**12. Notices.** All notices required under or in connection with this Note shall be delivered or sent by certified or registered mail, return receipt requested, postage prepaid, to the addresses set forth in Paragraph 1 hereof, or to another address that any party may designate from time to time by notice to the others in the manner set forth herein. All notices shall be considered to have been given or made at either the time of delivery thereof to an officer or employee or on the third business day following the time of mailing in the aforesaid manner.

**13. Costs and Expenses.** Borrower shall pay the cost of any revenue tax or other stamps now or hereafter required by law at any time to be affixed to this Note.

**14. No Partnership or Joint Venture.** Nothing contained in this Note or elsewhere shall be construed as creating a partnership or joint venture between Lender and Borrower or between Lender and any other person or as causing the holder of the Note to be responsible in any way for the debts or obligations of Borrower or any other person.

**15. Number and Gender.** In this Note the singular shall include the plural and the masculine shall include the feminine and neuter gender, and vice versa, if the context so requires.

**16. Headings.** Headings at the beginning of each numbered paragraph of this Note are intended solely for convenience of reference and are not to be construed as being a part of the Note.

**17. Governing Law.** This Note shall be construed and enforced in accordance with the laws of the State of Florida, except to the extent that Federal law preempts the laws of the State of Florida.

IN WITNESS WHEREOF, Borrower has executed this Promissory Note on the date set forth above.

BORROWER

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Signature

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Print Name