

This instrument was prepared by:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

THIS MORTGAGE IS EXEMPT FROM FLORIDA DOCUMENTARY STAMP TAX UNDER SECTION 201.08, F.S., AND FLORIDA NON RECURRING INTANGIBLE TAX UNDER CHAPTER 199, F.S. PURSUANT TO SECTION 159.621, F.S.

**MORTGAGE AND SECURITY AGREEMENT  
for Second Mortgage Loan**

**THIS MORTGAGE** is made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_, between the Mortgagor(s) \_\_\_\_\_ and \_\_\_\_\_ (herein the "**Borrower**"), whose street address is \_\_\_\_\_, and the Mortgagee, **ESCAMBIA COUNTY HOUSING FINANCE AUTHORITY**, a public body corporate and politic created pursuant to the laws of the State of Florida, its successors and assigns, whose street address is 700 South Palafox Street, Suite 310, Pensacola, Florida 32502 and mailing address is P.O. Box 1026, Pensacola, FL 32591-1026 (herein the "**Authority**").

**WHEREAS**, the Borrower has applied to \_\_\_\_\_ ("Mortgage Lender") for a loan under the Authority's Single Family Mortgage Revenue Bond Program, Series 2010 (the "Single Family Loan Program"), for the purchase of the Property (as defined herein), a single family residence, which Mortgage Loan shall be secured by a first mortgage lien (the "First Mortgage") in favor of Mortgage Lender or assigns; and

**WHEREAS**, the Borrower has applied to the Authority for a loan under the Authority's Second Mortgage Program (the "Second Mortgage Program") in the original principal amount of \_\_\_\_\_ (\$ \_\_\_\_\_) (the "Second Mortgage Loan"); which loan is to be used by Borrower for down payment and closing cost assistance in connection with Borrower's acquisition of the Property through the Single Family Loan Program; and Borrower intends to occupy and use the Property as Borrower's principal place of residence and homestead throughout the terms of the First and Second Mortgages; and

**WHEREAS**, the Authority has agreed to extend and has extended this Second Mortgage Loan to the Borrower for the purposes described above; with the knowledge and understanding that the Property is subject to the First Mortgage in favor of Mortgage Lender or assigns in the original principal amount of \$ \_\_\_\_\_; and that this Second Mortgage is subordinate and inferior to said First Mortgage; and

**WHEREAS**, the Borrower is indebted to the Authority in the principal sum of \_\_\_\_\_ (\$ \_\_\_\_\_), without interest, which

indebtedness is evidenced by the borrower's Promissory Note dated \_\_\_\_\_, and extensions and renewals dated thereof (herein "Note"), providing for payment of principal indebtedness as stated therein;

**TO SECURE** to the Authority the repayment of the indebtedness evidenced by the Note; the payment of all other sums, advanced in accordance herewith to protect the security of this Mortgage; and the performance of the covenants and agreements of the Borrower herein contained, the Borrower does hereby grant, bargain, sell, convey, assign, transfer, pledge and set over unto the Authority, and its successors, successors in title, and assigns, all of those certain tracts, pieces or parcels of land and interests in land (herein "Property") located in the County of \_\_\_\_\_, State of Florida, having County Property ID # \_\_\_\_\_, described as follows:

**See attached Exhibit A for Legal Description**

which Property has the following street address: (Street Address) \_\_\_\_\_  
(City) \_\_\_\_\_, Florida (Zip Code) \_\_\_\_\_ (herein the "Property Address");

**TOGETHER** with all the improvements now or hereafter erected on the Property, and all easements, rights, appurtenances and rents, all of which shall be deemed to be and remain a part of the Property covered by this Mortgage; and all of the foregoing, together with said Property (or the leasehold estate if this Mortgage is on a leasehold) are hereinafter collectively referred to as the "Property."

**BORROWER COVENANTS** represents and warrants to the Authority and its successors and assigns, that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property, and that the Property is unencumbered, except for the mortgage lien of the First Mortgage in favor of Mortgage Lender, and for other permitted encumbrances of record. Borrower covenants, represents and warrants to the Authority and its successors and assigns that Borrower will defend the title to the Property against all claims and demands of all persons whomsoever, subject to the mortgage lien of the First Mortgage and other permitted encumbrances of record.

**BORROWER FURTHER COVENANTS** and agrees with the Authority as follows:

**1. Payment.** The Borrower shall promptly pay when due the indebtedness evidenced by the Note. It is understood and agreed that the payments due on the Note may be combined with the payments due under the First Mortgage obtained by Borrower under the Authority's Single Family Loan Program (as defined herein), with the result that Borrower will make a single consolidated payment each month to the Servicer, its successors and assigns, for the Single Family Loan Program. The initial Servicer is U.S. Bank National Association d/b/a U.S. Bank Home Mortgage MRBP Division. Borrower agrees to pay each and every consolidated payment in the amount and on the terms directed by the Servicer, and that failure to make such payments in full when due will be a default under the Note. Payments made will be applied first to the amounts due under the First Mortgage, then second to the payment of the Note.

**2. Prior Mortgages and Deeds of Trust; Charges; Liens.** The Borrower shall perform all of the Borrower's obligations under the First Mortgage and any other mortgage, or other security agreement with a lien which has priority over this Mortgage, including the Borrower's covenants to make payments when due. The

Borrower shall pay or cause to be paid all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Mortgage, and leasehold payments or ground rents, if any.

**3. Hazard Insurance.** The Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage", and such other hazards as the Authority may require and in such amounts and for such periods as the Authority may require.

The insurance carrier providing the insurance shall be chosen by the Borrower subject to approval by the Authority; provided, that such approval shall not be unreasonably withheld. All insurance policies and renewals thereof shall be in a form acceptable to the Authority and shall include a standard mortgage clause in favor of, and in a form acceptable to the Authority. The Authority shall have the right to hold the policies and renewals thereof, subject to the terms of the First Mortgage and any other mortgage, or other security agreement with a lien which has priority over this Mortgage.

In the event of loss, the Borrower shall give prompt notice to the insurance carrier and to the Authority. The Authority may make proof of loss if not made promptly by the Borrower.

If the Property is abandoned by the Borrower, or if the Borrower fails to respond to the Authority within thirty (30) days from the date notice is mailed by the Authority to the Borrower that the insurance carrier offers to settle a claim for insurance benefits, the Authority is authorized to collect and apply the insurance proceeds at the Authority's option either to restoration or repair of the Property or to the sums secured by this Mortgage.

**4. Preservation and Maintenance of Property; Leaseholds; Condominiums, Planned Unit Developments.** The Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property and shall comply with the provisions of any lease if this Mortgage is on a leasehold. If this Mortgage is on a unit in a condominium or a planned unit development, the Borrower shall perform all of the Borrower's obligations under the declaration or covenants creating or governing such condominium or planned unit development, and constituent documents.

**5. Protection of Authority's Security.** If the Borrower fails to perform the covenants and agreements contained in this Mortgage, or if any action or proceeding is commenced which materially affects the Authority's interest in the Property, then the Authority, at the Authority's option, upon notice to the Borrower, may make such appearances, disburse such sums, including reasonable attorneys' fees, and take such action as is necessary to protect the Authority's interest in the Property. If the Authority required mortgage insurance as a condition of making the Second Mortgage Loan secured by this Mortgage, the Borrower shall pay the premiums required to maintain such insurance in effect until such time as the requirement for such insurance terminates in accordance with the Borrower's and the Authority's written agreement or applicable law.

Any amounts disbursed by the Authority pursuant to this Paragraph 5, with interest thereon, at the statutory rate of interest established from year to year under section 55.03, Florida Statutes, shall become additional indebtedness of the Borrower secured by this Mortgage. Unless the Borrower and the Authority agree to other terms of payment, such amounts shall be payable upon notice from the Authority to the Borrower requesting payment thereof. Nothing contained in this Paragraph 5 shall require the Authority to incur any expense or take any action hereunder.

**6. Inspection.** The Authority may make or cause to be made reasonable entries upon and inspections of the Property by authorized representatives of the Authority or its assigns; provided that the Authority shall give the Borrower notice prior to any such inspection specifying reasonable cause therefor related to the Authority's interest in the Property.

**7. Condemnation.** The proceeds of any award or 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, are hereby assigned and shall be paid to the Authority, subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage.

**8. Borrower Not Released; Forbearance by Authority Not a Waiver.** Extension of the time for payment or modification of the sums secured by this Mortgage granted by the Authority to any successor in interest of the Borrower shall not operate to release, in any manner, the liability of the original Borrower and the Borrower's successors in interest. The Authority shall not be required to commence proceedings against such successor or refuse to extend time for repayment or otherwise modify amortization of the sums secured by this Mortgage by reason of any demand made by the original Borrower and the Borrower's successors in interest. Any forbearance by the Authority in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy.

**9. Successors and Assigns Bound; Joint and Several Liability; Co-Signers.** The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of the Authority and the Borrower, subject to the provisions of Paragraph 14 hereof. If more than one Borrower executes this Mortgage, all covenants, representations, warranties and agreements of Borrower shall be joint and several. Any Borrower who co-signs this Mortgage, but does not execute the Note; (a) is co-signing this Mortgage only to mortgage, grant and convey that Borrower's interest in the property to the Authority under the terms of this Mortgage, (b) is not personally liable on the Note or under this Mortgage, and (c) agrees that Authority and any other Borrower hereunder may agree to extend, modify, forbear, or make any other accommodations with regard to the terms of this Mortgage or the Note without that Borrower's consent and without releasing that Borrower or modifying this Mortgage as to that Borrower's interest in the Property.

**10. Notice.** Except for any notice required under applicable law to be given in another manner: (a) any notice to the Borrower provided for in this Mortgage shall be given by delivering it or by mailing such notice by certified or registered mail, postage prepaid, addressed to the Borrower at the Property Address or at such other address as the Borrower may designate by notice to the Authority as provided herein, and (b) any notice to the Authority shall be given by certified mail, postage prepaid, to the Authority's mailing address stated on page 1 hereof **with a copy to U.S. Bank Home Mortgage MRBP Division, P. O. Box 468002, Bedford, OH 44146-8002 Attention: Payment Processing**, or to such other address as the Authority may designate by notice to the Borrower as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to the Borrower or the Authority when given in the manner designated herein.

**11. Governing Law; Severability; Costs.** This Mortgage shall be governed by the laws of the state of Florida, and, to the extent applicable hereto, the laws and regulations of the United States of America. In the event that any provision or clause of this Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Note which can be given effect without the conflicting provision, and to this end the provisions of this Mortgage and the Note are declared to be severable. As used herein, "costs," "expenses," and "attorneys' fees" include all sums to the extent not prohibited by applicable law or limited herein.

**12. Borrower's Copy.** Borrower shall be furnished a conformed copy of the Note and of this Mortgage at the time of execution or after recordation thereof.

**13. Rehabilitation Loan Agreement.** Borrower shall fulfill all of Borrower's obligations under any home rehabilitation, improvement, repair other loan agreement which Borrower enters into with the Mortgage Lender, the Authority, at the Authority's option, may require Borrower to execute and deliver to the Authority, in a form acceptable to the Authority, an assignment of any rights, claims or defenses which Borrower may have against parties who supply labor, materials or services in connection with improvements made to the Property.

**14. Transfer of the Property.** If all or any part of the Property or any interest in it is sold, transferred, gifted or otherwise conveyed, whether by voluntary act, involuntarily, by operation of law or otherwise, or if the Borrower is divested of title by judicial sale, levy or other proceeding, or if foreclosure action is instituted against the Property, or if the First Mortgage is satisfied or refinanced, or if the Property is leased or rented, all sums secured by this Mortgage shall immediately become due and payable as provided herein. **THIS MORTGAGE IS NOT ASSUMABLE.**

The Authority or Servicer on behalf of the Authority (see paragraph 1 for description of Servicer) shall give Borrower notice of any acceleration. The acceleration notice shall provide a period of not less than thirty (30) days from the date the notice is given in accordance with Paragraph 10 hereof within which the Borrower must pay all sums secured by this Mortgage. If Borrower fails to pay these sums prior to the expiration of this period, the Authority may invoke any remedies permitted by this Mortgage without further notice or demand on the Borrower.

**15. Acceleration; Remedies.** Except as provided in Paragraph 14 hereof, upon the Borrower's breach of any covenant or agreement of the Borrower in this Mortgage, including the covenants to pay when due any sums secured by this Mortgage, or in the event that the Borrower shall have made material misrepresentations or materials omissions in his/her/their application for a Second Mortgage Loan, the Authority, at the Authority's option, may declare all of the sums secured by this Mortgage to be immediately due and payable without further demand and may foreclose this Mortgage by judicial proceeding. Prior to acceleration of this Mortgage, the Authority shall give notice to the Borrower as provided in Paragraph 10 hereof specifying (1) the breach (if the breach is curable); (2) the action required to cure such breach; (3) a date, not less than ten (10) days from the date the notice is mailed to 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 proceeding, and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and, the right to assert in the foreclosure proceeding the nonexistence of a default or any other defense of Borrower to collect in such proceeding all expenses of foreclosure, including, but not limited to, reasonable attorneys' fees, court costs, and costs of documentary evidence, abstracts and title reports.

**16. Borrower's Right to Reinstate.** Notwithstanding the Authority's acceleration of the sums secured by this Mortgage due to the Borrower's breach, the Borrower shall have the right to have any proceedings begun by the Authority to enforce this Mortgage discontinued at any time prior to entry of a judgment enforcing this Mortgage if: (a) the Borrower pays the Authority all sums which would be then due under this Mortgage and the Note had no acceleration occurred; (b) the Borrower cures all breaches of any other covenants or agreements of the Borrower contained in this Mortgage; (c) the Borrower pays all reasonable expenses incurred by the Authority in enforcing the covenants and agreements of the Borrower contained in this Mortgage, and in enforcing the Authority's remedies as provided in Paragraph 15 hereof, including, but not limited to, reasonable attorneys' fees and court costs; and (d) the

Borrower takes such action as the Authority may reasonably require to assure that the lien of this Mortgage, the Authority's interest in the Property and the Borrower's obligation to pay the sums secured by this Mortgage shall continue unimpaired. Upon such 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.

**17. Assignment of Revenues; Appointment of Receiver.** As additional security hereunder, the Borrower hereby assigns to the Authority the rents of the Property, provided that the Borrower shall, prior to acceleration under Paragraph 15 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable. Upon acceleration under Paragraph 15 hereof or abandonment of the Property, the Authority shall be entitled to have a receiver appointed by a court to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. All rents collected by the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Mortgage. The receiver shall be liable to account only for those rents actually received.

**18. Release.** Upon payment of all sums secured by this Mortgage, the Authority shall release this Mortgage. Borrower shall pay all costs of preparation or recordation of the satisfaction, if any.

**19. Attorneys' Fees.** As used in this Mortgage and in the Note, "attorneys' fees" shall include attorneys' fees, if any, incurred in connection with the collection or enforcement of this Mortgage or of the Note, whether or not suit is brought and whether incurred at trial, on appeal, in bankruptcy proceedings or otherwise.

**20. Special Second Mortgage Program Assistance Covenants, Representations.** The Borrower covenants, represents and warrants to the Authority that: (a) the Borrower, along with his/her/their family, shall occupy and use the Property as Borrower's principal place of residence and homestead (b) the Property is a single-family residence and (c) the Borrower is participating in the Authority's Single Family Loan Program and its Second Mortgage Program thereunder, as defined above.

**21. Subordination.** The Authority and Borrower acknowledge and agree that this Security Instrument is subject and subordinate in all respects to the liens, terms, covenants and conditions of the First Mortgage and to all advances heretofore made or which may hereafter be made pursuant to the First Mortgage including all sums advanced for the purpose of (a) protecting or further securing the lien of the First Mortgage, curing defaults by the Borrower under the First Mortgage, or for any other purpose expressly permitted by the First Mortgage or (b) constructing, renovating, repairing, furnishing, fixturing or equipping the Property. The terms and provisions of the First Mortgage are paramount and controlling, and they supersede any other terms and provisions hereof in conflict therewith. In the event of a foreclosure or deed in lieu of foreclosure of the First Mortgage, any provisions herein or any provisions in any other collateral agreement restricting the use of the Property to low or moderate income households or otherwise restricting the Borrower's ability to sell the Property shall have no further force or effect on subsequent owners or purchasers of the Property. Any person, including his successors or assigns (other than the Borrower or a related entity of the Borrower), receiving title to the Property through a foreclosure or deed in lieu of foreclosure of the First Mortgage shall receive title to the Property free and clear from such restrictions.

Further, if the Senior Lien Holder acquires title to the Property pursuant to a deed in lieu of foreclosure, the lien of this Security Instrument shall terminate at the discretion of the Authority upon the Senior Lien Holder's acquisition of title, such termination will not be unreasonably withheld provided that (i) the Authority has been given written notice of a default under the First Mortgage, (ii) the Authority shall not have cured the default under the First

Mortgage within the thirty (30)-day period provided in such notice sent to the Authority, and (iii) there is not sufficient equity in the Property to satisfy the senior lien (assuming reasonable costs) and the lien of this Second Mortgage Loan.

**IN WITNESS WHEREOF**, the Borrower has executed this Mortgage.

**NOTICE TO BORROWER  
DO NOT SIGN THIS MORTGAGE IF IT CONTAINS BLANK SPACES.  
ALL SPACES SHOULD BE COMPLETED BEFORE YOU SIGN.**

**Signed, sealed and delivered in the presence of:**

Witnesses:

Borrower(s):

\_\_\_\_\_  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Print Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Print Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_

**STATE OF FLORIDA  
COUNTY OF \_\_\_\_\_**

The foregoing was acknowledged before me on this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by Borrower \_\_\_\_\_, and Borrower \_\_\_\_\_, who are personally known to me or who produced \_\_\_\_\_ as identification.

[seal]

\_\_\_\_\_  
Name: \_\_\_\_\_  
My Commission expires: \_\_\_\_\_

Loan Amount \$ \_\_\_\_\_ (Principal)

**PROMISSORY NOTE**  
**ESCAMBIA COUNTY HOUSING FINANCE AUTHORITY**  
**SECOND MORTGAGE LOAN PROGRAM**

Date: \_\_\_\_\_ City: \_\_\_\_\_, Florida

\_\_\_\_\_  
Property Street Address

\_\_\_\_\_  
City State Zip Code

**THIS PROMISSORY NOTE IS EXEMPT FROM FLORIDA DOCUMENTARY STAMP TAX UNDER 201.08, F.S. AND FLORIDA NONRECURRING INTANGIBLE TAX UNDER 199, F.S. PER 159.621 FLORIDA STATUTES**

**1. MORTGAGOR'S PROMISE TO PAY**

I/We promise to pay \_\_\_\_\_ (\$ \_\_\_\_\_)  
(this amount will be called "principal") to the order of the **ESCAMBIA COUNTY HOUSING FINANCE AUTHORITY** (the "Authority"), a public body corporate and politic of the State of Florida, whose street address is 700 South Palafox Street, Suite 310, Pensacola, Florida 32502 (or to any other legal holder of this Note). The Authority or anyone who takes this Note by transfer and who is entitled to receive payments under this Note will be called the "Note Holder."

**2. INTEREST**

This is a non-interest bearing note. Provided, however, in the event that this Note is not repaid in accordance with the terms hereof and as stated in the Second Mortgage (as defined herein), this note will bear interest at the statutory rate of interest as established from year to year under Section 55.03, Florida Statutes, from the date of the default, and said sums shall be additional indebtedness of the Borrower under this Note.

**3. PAYMENTS**

This Note has a term of Twenty (20) years (240 months) from the date hereof. Principal due on this Note shall be paid in equal monthly installments on the first day of \_\_\_\_\_, 20\_\_, in the amount of U.S. \$ \_\_\_\_\_ until all principal and any other charges, described below, are paid in full. If on \_\_\_\_\_ (the "Maturity Date"), I still owe amounts under this Note, I will pay all those amounts in full, on that date. In the event that I sell, transfer, or rent my home, or refinance or satisfy the first mortgage loan or another default occurs under the Second Mortgage, I agree to immediately pay the entire sum due under this Note.

It is understood and agreed that the payments due on this Note may be combined with the payments due under the First Mortgage obtained by Borrower under the Authority's Single Family Loan Program (as defined in the Second Mortgage), with the result that Borrower will make a single consolidated payment each month to the Servicer, its successors and assigns, for the Single Family Loan Program. The initial Servicer is U.S. Bank National Association d/b/a U.S. Bank Home Mortgage MRBP Division. Borrower agrees to pay said the consolidated monthly

payment in such amount and on the terms set by the Servicer, as the same becomes due, and that failure to make such payments will be a default under this Note. Payments received shall be applied first to the payments due under the First Mortgage, then second to payment of the Note.

I will make my payments to U.S. Bank Home Mortgage MRBP Division, P. O. Box 468002, Bedford, OH 44146-8002 or at a different place if required by the Note Holder.

**4. MORTGAGOR'S PAYMENT BEFORE PAYMENT IS DUE**

I have the right to make payment, in full, on this Note at any time before it is due. A payment of principal only is known as a "prepayment." When I make a prepayment, I will tell the Note Holder in a letter that I am doing so. A prepayment of all of the unpaid principal is known as a "full prepayment." A prepayment of only part of the unpaid principal is known as a "partial prepayment."

**5. MORTGAGOR'S FAILURE TO PAY AS REQUIRED**

(A) Late Charges for Overdue Payments - If the Note Holder has not received the full amount of any of my monthly payments by the end of fifteen (15) calendar days after the date it is due, I will promptly pay a late charge to the Note Holder. The amount of the charge will be five percent (5%) of my overdue payment. I will pay this late charge only once on any late payment.

(B) Notice from Note Holder - If I do not pay any amount when due, the Note Holder may send me a written notice telling me that if I do not pay the overdue amount by a certain date I will be in default. That date must be at least 10 days after the date on which the notice is delivered or mailed to me.

(C) Default - If I do not pay the overdue amount by the date stated in the notice described in (B) above, I will be in default. If I am in default, the Note Holder may require me to pay immediately the full amount of principal which has not been paid. Even if, at a time when I am in default the Note Holder does not require me to pay immediately in full as described above, the Note Holder will have the right to do so if I am in default at a later time.

(D) Payment of Note Holder's Costs and Expenses - If the Note Holder takes such actions as described above, the Note Holder will have the right to be paid back for all of its costs and expenses, including but not limited to reasonable attorney's fees.

**6. THIS NOTE SECURED BY A MORTGAGE**

In addition to the protections given to the Note Holder under this Note, a Mortgage and Security Agreement for Second Mortgage Loan (the "Second Mortgage"), dated the same day as this Note, protects the Note Holder from possible losses which might result if I do not keep the promises which I make in this Note. That Second Mortgage describes how and under what conditions I may be required to make immediate payment in full of all amounts that I owe under this Note.

Some of those conditions are described as follows:

Transfer of the Property or a Beneficial Interest in Mortgagor. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Mortgagor is sold or transferred and Mortgagor is not a natural person), the Authority shall require immediate payment in full of all sums secured by the Second Mortgage.

The Authority (or Servicer on behalf of Authority) shall give Mortgagor notice of any acceleration. The notice shall provide a period of not less than thirty (30) days from the date the notice is delivered to or mailed within which Mortgagor must pay all sums secured by the Second Mortgage. If Mortgagor fails to pay these sums prior to the expiration of this period, the Authority may invoke any remedies permitted by the Second Mortgage without further notice or demand on Mortgagor. Restrictions on transfers and rights to accelerate are subject to those certain exceptions as stated in the Second Mortgage. **This Note and the Second Mortgage are non-assumable.**

**7. MORTGAGOR'S WAIVERS**

I waive my rights to require the Note Holder to do certain things. Those things are (A) to demand payment of amount due (known as "presentment"); (B) to give notice that amounts due have not been paid (known as "notice of dishonor"); (C) to obtain an official certification of nonpayment (known as a "protest"). Any co-signer, guarantor, surety or endorser who agrees to keep the promises I have made in this Note, by signing this Note or by executing a separate agreement to make payments to the Note Holder if I fail to keep my promises under this Note, or who signs this Note to transfer it to someone else also waives these rights.

**8. GIVING OF NOTICES**

Any notice that must be given to me under this Note will be given by delivering it or by mailing it by certified mail, postage prepaid, addressed to me at the Property Address above. A notice will be delivered or mailed to me at a different address if I give the Note Holder a notice in writing of my different address.

Any notices that must be given to the Note Holder under this Note will be given by mailing it by certified mail, postage prepaid, to the Note Holder at the Authority's address stated in Section 1 above. A notice will be mailed to the Note Holder at a different address if I am given a notice of that different address.

(The rest of this page intentionally left blank.)

**9. RESPONSIBILITY OF PERSONS UNDER THIS NOTE**

If more than one person signs this Note, each of us is fully and personally obligated to pay the full amount owed and to keep all of the promises made in this Note. Any co-signer, guarantor, surety, or endorser of this Note (as described in Section 7 above) is also obligated to do these things. The Note Holder may enforce its rights under this Note against each of us individually or against all of us together and may enforce its rights against any of us in any order. This means that any one of us may be required to pay all of the amounts owed under this Note.

**NOTICE TO MORTGAGOR  
DO NOT SIGN THIS NOTE IF IT CONTAINS BLANK SPACES.  
ALL SPACES SHOULD BE COMPLETED BEFORE YOU SIGN.**

\_\_\_\_\_  
**MORTGAGOR**

\_\_\_\_\_  
**MORTGAGOR**

\_\_\_\_\_  
**MORTGAGOR**

\_\_\_\_\_  
**MORTGAGOR**

**(SIGN ORIGINAL ONLY)**