

**PROMISSORY NOTE**  
**JACKSONVILLE HOUSING FINANCE AUTHORITY**  
**SECOND MORTGAGE PROGRAM**

LOAN AMOUNT \$ \_\_\_\_\_ (Principal)

\_\_\_\_\_

Date

Maturity Date: \_\_\_\_\_

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Property Address	City	State	Zip Code
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**1. BORROWER'S PROMISE TO PAY**

I/We, the Borrower, promise to pay \_\_\_\_\_  
\_\_\_\_\_ 0/100THs Dollars (\$ \_\_\_\_\_)

(this amount will be called "Principal"), plus interest, if any, as provided herein to the order of the JACKSONVILLE HOUSING FINANCE AUTHORITY, whose address is c/o 214 N. Hogan Street., Jacksonville, Florida 32202 (the "Lender"), or to any other legal holder of the Note. The Lender 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**

The interest rate on this Note shall be zero percent (0%) per annum.

**3. PAYMENTS**

Borrower understands that principal payments shall be deferred for the term of the First Mortgage (as defined in the Mortgage) and shall become due and payable upon the maturity date of the First Mortgage or until the first to occur of the following events: (a) Borrower sells, transfers or disposes of the property or home either voluntarily or involuntarily; (b) Borrower fails or ceases to occupy the home as a principal residence; (c) Borrower or surviving spouse of Borrower, dies; or (d) Borrower refinances the first mortgage loan, at which time the remaining principal balance is due. Provided, however, a transfer to a person who is an heir or devisee of Borrower, upon the death of Borrower, shall be permissible provided that this Note and the Mortgage are not then in default and that said person: (a) occupies the Property (as defined in the Mortgage) as their principal place of residence; (b) qualifies under the income eligibility requirements set forth in the Program (as defined in the Mortgage); and (c) executes such documents (including, without limitation, an agreement assuming the obligations under this Note and the Mortgage) and pays such fees and charges as Lender may reasonably require.

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

Borrower has the right to make payment, in full, on this Note at any time before it is due. This payment is known as a "full prepayment." No partial prepayments can be made at any time on the principal of the loan. When Borrower makes a full prepayment, Borrower will tell the Note Holder in a letter that Borrower is doing so.

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

(A) **Default** - If Borrower does not pay the full amount as required in Section 3 above, or if Borrower otherwise fails to timely perform any obligations under this Note or the Mortgage securing this Note, Borrower will be in default. If Borrower is in default, the Note Holder may bring about any actions not prohibited by applicable law and require Borrower to pay the Note Holder's costs and expenses as described in (D) below.

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**THIS 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.**

- (B) **Notice of Default** - If Borrower is in default, the Note Holder may send Borrower a written notice telling Borrower that if the Borrower does not cure the default by a certain date, the Note Holder may require Borrower to pay immediately the full amount of principal which has not been paid. That date must be at least 30 days after the date on which the notice is delivered or mailed to Borrower.
- (C) **No Waiver By Note Holder** - Even if, at a time when Borrower is in default, the Note Holder does not require Borrower to pay immediately in full as described above, the Note Holder will still have the right to do so if Borrower is in default at a later time.
- (D) **Payment of Note Holder's Costs and Expense** - 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, whether incurred by the Note Holder before filing suit, at trial or an appeal.

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

In addition to the protections given to the Note Holder under this Note, a Mortgage, dated the same date as this Note, protects the Note Holder from possible losses which might result if Borrower does not keep the promises which Borrower makes in this Note. That Mortgage describes how and under what conditions Borrower may be required to make immediate payment in full of all amounts that Borrower owes under this Note. This Note is assumable only under the same terms and conditions as set forth in Section 16 of the Mortgage that secures this Note.

**7. BORROWER'S WAIVERS**

Borrower waives any rights that 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 Borrower has made in the Note, by signing this Note or by executing a separate agreement to make payments to the Note Holder if Borrower fails to keep the promises under this Note, or who signs this Note to transfer it to someone else, waives these rights.

**8. GIVING OF NOTICES**

Any notice that must be given to Borrower under this Note will be given by delivering it or by mailing it by certified or registered mail, addressed to Borrower at the Property Address above. A notice will be delivered or mailed to Borrower at a different address if Borrower gives the Note Holder a notice in writing of Borrower's different address. Any notices that must be given to the Note Holder under this Note will be given by mailing it by certified or registered mail to the Note Holder at the Lender's address stated in Section 1 above with a copy to U.S. Bank, N.A., 17500 Rockside Road, Bedford, OH 44146 or such other address as the Note Holder may designate by notice to the Borrower. A notice will be mailed to the Note Holder at a different address if Borrower is given a notice of that different address.

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

If more than one person signs this Note, each signatory is fully and personally obligated to pay the full amount owed and to keep all of the promises made in this Note. Any 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 party individually or against all parties together and may enforce its rights under this Note against all parties together and may enforce its rights against any party, in any order. This means that any one party may be required to pay all of the amounts owed under this Note.

10. **WAIVER OF JURY TRIAL. BORROWER AND LENDER (BY ACCEPTANCE OF THIS NOTE), HAVING BEEN REPRESENTED BY COUNSEL, EACH KNOWINGLY AND VOLUNTARILY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS (a) UNDER THIS NOTE OR ANY RELATED AGREEMENT OR UNDER ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION WITH THIS NOTE OR (b) ARISING FROM ANY BANKING RELATIONSHIP EXISTING IN CONNECTION WITH THIS NOTE, AND AGREES THAT ANY SUCH ACTION OR PROCEEDING WILL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. BORROWER AGREES THAT IT WILL NOT ASSERT ANY CLAIM AGAINST LENDER ON ANY THEORY OF LIABILITY FOR SPECIAL, INDIRECT, CONSEQUENTIAL, INCIDENTAL OR PUNITIVE DAMAGES.**

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

_____ <b>BORROWER</b>	_____ <b>BORROWER</b>
_____ <b>Printed Name of BORROWER</b>	_____ <b>Printed Name of BORROWER</b>
_____ <b>BORROWER</b>	_____ <b>BORROWER</b>
_____ <b>Printed Name of BORROWER</b>	_____ <b>Printed Name of BORROWER</b>