

PROMISSORY NOTE

Loan Amount \$ _____ (Principal)

_____, 20____, Florida
[City]

1. BORROWER’S PROMISE TO PAY

_____, (“ *Borrower*”), whose address is _____, for value received, hereby promises to pay to the order of the Housing Finance Authority of Manatee County, Florida (“*Lender*”); Lender and any subsequent holder of this Promissory Note (this “*Note*”) being referred to herein as “*Note Holder*”), at Lender’s office at 6150 State Road 70 East, Bradenton, Florida 34203, or at such other address as Note Holder may from time to time designate in writing, the principal sum of \$ _____ (the “*Loan*”), as herein provided.

The Loan is secured by a certain Second Mortgage dated as of the date of this Note between Borrower and Lender (the “*Mortgage*”) covering the real property and other assets (the “*Property*”) described therein, and by certain other documents executed and delivered in connection herewith (this Note, the Mortgage and such other documents are collectively called the “*Loan Documents*”).

2. PAYMENTS

This Note shall be paid in its entirety by a single payment due upon one of the following events occurring:

- (a) the note to (_____), hereinafter the First Lien Note (“*FLN*”) is paid in full upon its maturity and according to its terms; or
- (b) the FLN is refinanced in whole or in part or is assumed by a new borrower without the consent of Housing Finance Authority of Manatee County, Florida; or
- (c) the unpaid balance of the FLN becomes due and payable in full for any reason (whether by acceleration or according to its terms, and including, without limitation, because any maker of the FLN is in default); or
- (d) all or any part of the Property, or any interest in it, is sold, leased, transferred, or foreclosed, except that this clause (d) will not apply to:
 - (i) the creation of a lien subordinate to the Mortgage securing this Note, or
 - (ii) a transfer (not upon death) between joint tenants in the Property who are also co-makers, of this Note, or
 - (iii) a transfer by devise, descent or operation of law upon the death of a joint tenant in the Property if at least one other joint tenant who is also a maker of this Note remains alive and continues to occupy the Property at his or he principal residence.

3. BORROWER'S RIGHT TO PREPAY

Borrower may prepay the principal amount outstanding under this Note, in whole or in part, at any time without penalty or premium (a "*Prepayment*").

4. INTEREST RATE; LOAN CHARGES

The rate of interest on this Note shall be zero percent (0.0%) per annum. With the intent to comply with any applicable usury laws, it is agreed that, any provisions in this Note or any other Loan Document to the contrary notwithstanding, in no event shall this Note or any other Loan Document require the payment or permit the collection of interest or any amount in the nature of interest or fees.

5. EVENTS OF DEFAULT AND REMEDIES

(a) Each of the following shall be deemed an event of default by Borrower (each, an "Event of Default"):

(i) If any principal, or other monetary sum due under this Note or any other Loan Document is not paid within five days after the date when due;

(ii) If Borrower fails to observe or perform any covenant, condition, or obligation of this Note, the Mortgage or any of the other Loan Documents;

(ii) If any representation or warranty of Borrower set forth in this Note, the Mortgage or any of the other Loan Documents is false in any material respect or if Borrower renders any statement or account that is false in any material respect; or

(iv) If any default occurs under the FLN or under the mortgage securing the FLN.

(b) Upon the occurrence and during the continuance of an Event of Default, subject to the limitations set forth in subsection (a), Lender shall have all rights and remedies of a secured party in, to and against the Property available at law or in equity, including, without limitation: (i) the right to declare any or all payments due under this Note, the other Loan Documents and all other documents evidencing the obligations immediately due and payable; and (ii) the right to recover all fees and expenses (including reasonable attorney fees) in connection with the collection or enforcement of the obligations due under this Note, the Mortgage and the other Loan Documents, which fees and expenses shall constitute additional obligations of Borrower hereunder. Provided, however, upon the occurrence of a monetary Event of Default, Lender shall not be entitled to exercise its rights and remedies set forth above unless and until Lender shall have given Borrower notice thereof and a period of thirty (30) days from the delivery of such notice shall have elapsed without such monetary Event of Default being cured.

(c) Should Lender exercise the rights and remedies specified in the preceding subsection (b), any proceeds received thereby shall be first applied to pay the costs and expenses, including reasonable attorneys' fees, incurred by Lender as a result of the Event of Default. The remainder of any proceeds, after payment of Lender's costs and expenses, shall be applied to the satisfaction of the obligations and any excess paid over to Borrower.

(d) Until an Event of Default shall occur, Borrower may retain possession of the Property and may use it in any lawful manner not inconsistent with this Note, the Mortgage, the provisions of any policies of insurance thereon or the other Loan Documents.

(e) A waiver by either party of a breach of a provision of this Note shall not constitute a waiver of or prejudice the party's right otherwise to demand strict compliance with that provision or any other provision. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and all remedies of Lender under this Note are cumulative and not exclusive. An election to make expenditures or take action to perform an obligation of Borrower shall not affect Lender's right to declare a default and exercise its remedies under this Note.

6. OBLIGATIONS OF PERSONS UNDER THIS NOTE; WAIVERS

Except as otherwise provided in Section 5(b) above, presentment, notice of dishonor, and protest are hereby waived by Borrower and all other makers, sureties, guarantors and endorsers hereof. This Note shall be the joint and several obligation of Borrower and all other makers, sureties, guarantors and endorsers, and their successors and assigns.

7. UNIFORM SECURED NOTE

This Note is a uniform instrument with limited variations in some jurisdictions. In addition to the protections given to the Note Holder under this Note, the Mortgage protects the Note Holder from possible losses which might result upon the occurrence and during the continuance of an Event of Default. The Mortgage describes how and under what conditions the Note Holder may accelerate this Note and require Borrower to make immediate payment in full of the Loan and all other amounts owing under this Note, the Mortgage and the Loan Documents.

8. GOVERNING LAW

This Note shall be governed and construed in accordance with the laws of the State of Florida applicable to contracts made and to be performed therein (excluding choice-of-law principles). Borrower hereby irrevocably submits to the jurisdiction of any state or federal court sitting in Florida in any action or proceeding brought to enforce or otherwise arising out of or relating to this Note, and hereby waives any objection to venue in any such court and any claim that such forum is an inconvenient forum.

9. ASSIGNMENT

BORROWER ACKNOWLEDGES AND AGREES THAT NOTE HOLDER MAY SELL OR ASSIGN ITS INTEREST IN THIS NOTE, THE MORTGAGE AND THE OTHER LOAN DOCUMENTS TO ONE OR MORE THIRD PARTIES, RELATED OR UNRELATED TO NOTE HOLDER, AND BORROWER HEREBY CONSENTS TO SUCH SALE OR ASSIGNMENT. IN FURTHERANCE OF NOTE HOLDER'S RIGHT, NOTE HOLDER MAY DISCLOSE TO A POTENTIAL OR ACTUAL ASSIGNEE ANY INFORMATION SUPPLIED TO NOTE HOLDER BY OR ON BEHALF OF BORROWER.

This obligation shall bind Borrower and its successors and assigns, and the benefits hereof shall inure to Lender and its successors and assigns.

[REMAINDER OF PAGE INTENTIONALLY BLANK;
EXECUTION PAGE FOLLOWS]

IN WITNESS WHEREOF, Borrowers have executed and delivered this Note effective as of the date first set forth above.

BORROWER:

Print Name_____

Print Name_____

Print Name_____