

MULTIFAMILY PROMISSORY NOTE DEFERRED/FORGIVABLE LOAN

Dated: _____

In this Note, the words "I", "me", "mine", and "my" mean each and all of those who signed it.

The words "you" "your" and "yours" mean _____ (Financial Institution) whose address is _____ and any other person to whom this Note is assigned including, without limitation, the Maine State Housing Authority, whose address is 353 Water Street, Augusta, Maine 04333.

1. Promise to pay. In return for a loan that I have received, I promise to pay to your order the amount of _____ Dollars ("principal") with no interest (0%) as set forth below. Most of the proceeds of the loan are being deposited in a construction escrow pursuant to a Construction Escrow Agreement among you, my contractor, and me. Upon close of the construction escrow, you will send me a Notice of Final Escrow Disbursement in the form attached as Appendix A to notify me of any unused proceeds being applied to reduce the loan balance. There will be no monthly payments of principal and interest on this loan. **This loan will be forgiven upon conversion of the property to an income eligible owner occupied single family dwelling or three years from the date set forth above unless prior to that date one or more of the following events occur:**

- a. The property described in the mortgage or leasehold mortgage and security agreement (the "Mortgage") I have given to secure this Note (the "Property") is transferred or sold. Refinancing the loan is a sale or transfer of the Property for purposes of this Note.
- b. I am in default of this Note or the Mortgage.

I agree to give you notice of any sale or transfer of the Property or any change in the use of the Property. In order for the property to be treated as a single family dwelling for forgiveness purposes as outlined above I must provide proof of such a change to the satisfaction of Maine State Housing Authority. Such proof shall consist of confirmation from the local Code Enforcement Officer and a change in the municipality's assessment of the property that it has been converted.

The loan evidenced by this Note is made pursuant to the U.S. Department of Housing and Urban Development Lead Hazard Control Program. Repayments shall be deposited to the Maine State Housing Authority's Lead Hazard Control Trust Account. You may release me from all obligations under this Note and the Mortgage if, prior to the sale or transfer of the Property, you and the person to whom the Property is to be sold or transferred agree in writing that such person is eligible to assume such obligations and if my successor in interest has executed a written agreement accepted in writing by you.

2. Right to Prepay. I have the right to make payments of principal at any time before they are due. A payment of principal only is known as a "prepayment." When I make a prepayment, I will send you a notice that I am doing so. A prepayment of all the unpaid principal is known as a "full prepayment." A prepayment of only part of the unpaid principal is known as a "partial prepayment." I may make a full prepayment or a partial prepayment at any time without paying any penalty. You will use all of my prepayments to reduce the amount of principal that I owe under this Note.

3. Security Agreement. The Mortgage securing this Note further describes my responsibilities and it describes how and under what conditions I may be required to make immediate payment in full of all amounts I owe under this Note. If I default under this Note, you may foreclose on the Property. A default under any Mortgage I have given you is also a default under this Note. I hereby convey a security interest in the following property which secures this Note:

4. Default. I shall be in default if for any reason I fail to make any payment on time or if I make any false statements or break any promises in the Note, Mortgage, Borrower Affidavit or any other document that I have signed to obtain this loan. I am also in default if I die, become insolvent, or go into bankruptcy. If I am in default you can demand immediate payment of the entire remaining unpaid balance of this loan. If you require immediate payment in full you will send me a notice which states this requirement. The notice will give me at least thirty (30) days to make payment in full. The 30-day period will begin on the date which is three (3) days after the day the notice is mailed or, if it is not mailed, on the date the notice is delivered. If I do not make payment in full during that period, you may, without any further notice or demand for payment, bring a lawsuit against me for collection of the amount due.

5. Waivers. I waive my rights to require you to do certain things. Those things are: (A) to demand payment of amounts due (known as "presentment"); (B) to give notice that amounts due have not been paid (known as "notice of dishonor"); and (C) to obtain an official certification of nonpayment (known as "protest"). Anyone else who agrees to keep the promises made in this Note, or who agrees to make payments to you if I fail to keep my promises under this Note also waives these rights. These persons are known as "guarantors, sureties and endorsers."

6. Giving of Notices. Any notice that must be given to me under this Note will be given by delivering it or by mailing it to me at the Borrower Address below. A notice will be delivered or mailed to me at a different address if I give you a written notice of my different address. Any notice that must be given to you under this Note will be given by mailing it to you at your address set forth above or a different address if you give me written notice of your different address.

7. Each Signer Liable. All persons who sign this Note are responsible for keeping the promises made in this Note. Although more than one person may have signed this Note, I understand that I, as an individual, am responsible for paying back the full amount according to the terms of this Note. You may take legal action against all persons who have signed this Note or only me to collect all amounts due under this Note even though I have not received any direct personal benefit from the loan. All persons who sign this Note are entitled to a copy of it.

8. Successors and Assigns. I agree that I will not transfer this Note to another person without your consent. If I transfer this Note to another person, that person will be responsible for keeping all of my promises under this Note. If I die, any person who inherits my property by law (known as "heirs") or by will (known as "devisees") and any person appointed to dispose of my property to my heirs or devisees by the court (known as "administrator" or "administratrix") or by me in my will (known as "executor" or "executrix") will be responsible for paying the full amount due under this Note.

NOTICE TO CONSUMER: (1) DO NOT SIGN THIS AGREEMENT BEFORE YOU READ IT. (2) YOU ARE ENTITLED TO A COPY OF THIS AGREEMENT.

Property Address: _____ Borrower: _____

_____ Borrower: _____

Payable without recourse to the order of the Maine State Housing Authority.

Date: _____ Financial Institution: _____
Signature: _____
Name of Signatory: _____
Title of Signatory: _____

NOTICE OF ESCROW FINAL DISBURSEMENT

NOTICE TO BORROWER

Dear Borrower:

The proceeds of your Promissory Note, dated _____, _____ in the amount of \$ _____ have now been fully disbursed. As agreed under the terms of the Note you are notified of the following key information:

Amount of any unused proceeds being applied to reduce the loan balance: \$ _____

Lender

cc Maine State Housing Authority