

**FORSYTH COUNTY HOME  
AFFORDABLE HOME OWNERSHIP PROGRAM  
PROMISSORY NOTE  
DEFERRED PAYMENT LOAN**

STATE OF NORTH CAROLINA  
COUNTY OF FORSYTH

DATE:

***“Property Address”***

FOR VALUE RECEIVED, the undersigned (the “Borrower”), jointly and severally, promises to pay to FORSYTH COUNTY (the “Lender”) the amount of \_\_\_\_\_ **Dollars (\$ \_\_\_\_\_)** (the “Principal Amount”) with interest at the rate of Zero Percent (0%) per annum according to the terms herein, at the office of the Lender at 201 North Chestnut Street, Winston-Salem, North Carolina 27101, or at such other address designated from time to time in writing by the Lender.

1. **Loan.** This Note evidences a loan made by Lender to Borrower under the HOME Investment Partnerships Act and is subject to the regulations issued thereunder (Title II, the Cranston-Gonzalez National Affordable Housing Act, Public Law No. 1010625, 104 Stat. 4079 (1990), 24 CFR Part 92) (the “HOME Program”). The loan is secured by a Deed of Trust (the “Deed of Trust”) dated the same date as this Note, and which is a second lien on the property (the “Property”) described in the Deed of Trust. The Trustee is **Gloria Woods**. All terms of the Deed of trust are incorporated in this Note by reference, and any default under the Deed of Trust is a default under this Note.

2. **Amount Due.** The amount owed under this Note is the Principal Amount paid on behalf of the Borrower by Lender in accordance with Rule 24 CFR Part 92 and the Lender regulations, together with any interest which accrues pursuant to Paragraph 6 below, as part of a special home ownership program.

3. **Assumptions.** The Note May be assumed only on the prior written approval of the Lender. Housing purchased with assistance from a HOME Program must remain affordable to assumers according to the provisions of 24 CFR 92.254. Any assumer of this Note must meet the low-income home buyer income limits, occupancy and any other applicable requirements of the HOME Program and the Lender. All terms and conditions of the Note and the Deed of Trust shall remain in effect for any successor to Borrower and any successor shall assume all duties and obligations of the Borrower.

4. **Payment.** No monthly principal or interest payments are required. All unpaid Principal Amount of the loan shall only be due and payable on the earlier of the following dates (the “Due Date”):

1. The date the Property is sold or transferred by the Borrower, whether voluntarily or involuntarily or by operation of law, other than to a qualified assumer under Paragraph 3; or
2. The date a default occurs under the terms of any loan secured by a lien to which the Deed of Trust is subordinated (the “First Loan”); or
3. The date the Property ceases to be the principal residence of the Borrower; or
4. The date the debt evidenced by the First Loan is refinanced; or
5. The maturity date of **the first mortgage or upon the sale of this residence.**

5. **Right to Prepay.** The Amount Due under this Note can be prepaid without any prepayment charge.

6. **Interest Payment.** Once the Principal Amount owed under this Note becomes due and payable pursuant to Paragraph 4, and is unpaid, the Borrower will pay interest on such amount from the Due Date at the rate of ten percent (10%) per annum, until fully paid.

7. **Default Remedies.** On default, the Lender May employ an attorney and the Borrower agrees to pay to the Lender all reasonable attorney fees plus all other reasonable expenses incurred by

the Lender in exercising any of the Lender's rights and remedies on default. The rights and remedies of the Lender as provided by law, by this Note, and by the Deed of Trust shall be cumulative any may be pursued singly, successively, or together. The failure to exercise any such right or remedy shall not be a waiver or release of such rights or remedies.

8. **Governing Law.** This Note is to be governed and construed in accordance with the laws of the State of North Carolina.

9. **Assignment.** The Borrower consents to the assignment of this Note, transferring the Lender's right, title and interest.

**IN TESTIMONY WHEREOF,** Borrower has executed this instrument under seal on the date first above written.

BORROWER:

\_\_\_\_\_ (SEAL)

\_\_\_\_\_ (SEAL)

\_\_\_\_\_ (SEAL)