

NEIGHBORHOOD STABILIZATION PROGRAM  
DOWN PAYMENT ASSISTANCE  
PROMISSORY NOTE

\$ \_\_\_\_\_, North Carolina

FOR VALUE RECEIVED the undersigned promises to pay to the \_\_\_\_\_ ("the Program") or order, the principal sum \_\_\_\_\_ (\$ \_\_\_\_\_), without interest until default, on the unpaid balance until paid or until default, both principal and interest payable in lawful money of the United States of America, at the office of Forsyth County, located at 201 N. Chestnut Street, Winston-Salem, NC 27101, or at such place as the legal holder hereof may designate in writing. It is understood and agreed that additional amounts may be advanced by the holder hereof as provided in the instruments, if any, securing this Note and such advances will be added to the principal of this Note and will accrue interest at the above specified rate of interest from the date of advance until paid. The principal and interest shall be due and payable as follows:

As long as the undersigned (the "Owner;-Occupant") continuously owns and occupies the House (defined below) as his/her primary residence, no payment or principal or interest shall be due.

On \_\_\_\_\_, said date being the 11<sup>th</sup> anniversary of the Note, and each anniversary thereafter, the Owner-Occupant shall receive a credit in the amount of \$ \_\_\_\_\_, said sum being 10% of the Note amount until the 20<sup>th</sup> anniversary of the Note at which time the Note shall have a zero balance. No amounts will be forgiven for partial years of ownership.

Notwithstanding the foregoing, if prior to \_\_\_\_\_, said date being the 11<sup>th</sup> anniversary of the Note: (i) the house is sold or transferred; or (ii) Owner-Occupant ceases to use the house as his/her primary residence, then the full principal balance of this Note shall be due and payable in full.

If on or after \_\_\_\_\_, said date being the 11<sup>th</sup> anniversary of the Note, the House is sold or transferred or Owner-Occupant ceases to use the House as his/her primary residence, the uncredited balance of the Note shall be immediately due and payable in full.

**On or before May 1<sup>st</sup> of each calendar year**, Owner-Occupant shall provide an annual certification and/or documentation to the Neighborhood Stabilization Program that the Owner-Occupant continues to own and occupy the House as his/her primary residence. The annual certification shall include a certified copy of Schedule A of Owner-Occupant's filed federal income tax return for the preceding year. Failure of Owner-Occupant to furnish a satisfactory annual certification to Forsyth County Housing shall be deemed to be a default under this Note and Deed of Trust requiring immediate payment in full of the remaining unpaid or uncredited principal balance of this Note.

Unless otherwise provided, this Note may be prepaid in full or in part at any time without penalty or premium. Partial prepayments shall be applied to installments due in reverse order of their maturity.

Upon default, the unpaid principal of this Note and any part thereof, accrued interest and all other sums due under this Note and the Deed of Trust, if any, shall bear interest at the rate of twelve percent (12%) per annum beginning thirty (30) days following default until paid.

All parties to this Note, including maker and any sureties, endorsers, or guarantors hereby waive protest, presentment, notice of dishonor, and notice of acceleration of maturity and agree to remain bound for the payment of principal, interest and all other sums due under this Note and Deed of Trust notwithstanding any change or changes by way of release, surrender, exchange, modification or substitution of any security for this Note or by way of any extension or extensions of time for the payment of principal and interest; and all such parties waive all and every kind of notice of such change or changes and agree that the same may be made without notice or consent of any of them.

Upon default the holder of this Note may employ an attorney to enforce the holder's rights and remedies and the maker, principal, surety, guarantor and endorsers of this Note hereby agree to pay to the holder reasonable attorneys fees not exceeding a sum equal to fifteen percent (15%) of the outstanding balance owing on said Note, plus all other reasonable expenses incurred by the holder in exercising any of the holder's rights and remedies upon default. The rights and remedies of the holder as provided in this Note and any instrument securing this Note shall be cumulative and may be pursued singly, successively, or together against the property described in the Deed of Trust or any other funds, property or security held by the holder for payment or security, in the sole discretion of the holder. The failure to exercise any such right or remedy shall not be a waiver or release of such rights or remedies or the right to exercise any of them at another time.

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

This Note is given for money loaned, and is secured by a Deed of Trust to Gloria Woods, Trustee, which is a \_\_\_\_\_ lien upon the property located at \_\_\_\_\_, \_\_\_\_\_, **North Carolina 27\_\_\_\_\_ (the "House")**.

IN WITNESS WHEREOF, each individual maker has hereunto set his hand and adopted as his seal the word "SEAL" appearing beside his name, the day and the year first above written.

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

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