

PGCPAP DPCCA PROMISSORY NOTE

\$«Loan_Amount» «SettlementMonth» ____, «Settlement_Year»

FOR VALUE RECEIVED, **«BUYER_1» «Buyer_2»** (“Borrower” or “Promisor”) promise(s) to pay PRINCE GEORGE'S COUNTY, MARYLAND (the “County” or “Noteholder”), a body corporate and politic, the principal sum of **«Long Loan Amount» (\$«Loan_Amount»)** (the “PGCPAP DPCCA Loan” or the “Loan”) to be advanced to the Borrower in accordance with the PGCPAP DPCCA Regulatory Agreement, and Deed of Trust (the “Deed of Trust”), dated **«SettlementMonth» ____, «Settlement Year»**, granted from the Borrower to M. Andree Green and Gail D. Francis (“Trustees”) for the benefit of Prince George’s County, Maryland (the “Beneficiary”).

1. This **PGCPAP DPCCA Promissory Note** (the “Note”) is secured by a **PGCPAP Deed of Trust**, covering the land and improvements commonly known as **«Street Address», «City State Zip»** (and as more specifically defined in the Deed of Trust, the “Property”), to which Deed of Trust reference is made for a description of the Property, the nature and extent of the security, and the rights of the County and its successors and assigns, in respect of such security.
2. Borrower promises to pay the County the principal sum of this Note, together with assessments, taxes and premiums and other sums due in accordance with the terms of this Note, as follows:
 - A. Program Purpose. The **PGCPAP DPCCA Loan Program** is intended to expand the supply of decent, safe, sanitary and affordable housing, by providing down payment and closing costs assistance loans to income eligible, first time borrowers to purchase residential properties in Prince George’s County, Maryland
 - B. Term of Loan. The term of the Loan evidenced hereby shall commence on the date hereof and continue until the all amounts outstanding hereunder (or under any Loan Document) become due and payable, at which time Borrower will immediately pay such amounts to the Noteholder. Borrower understands that the Loan is not forgiven over time and is fully due and payable upon the occurrence of the foregoing specified events. All outstanding amounts will become due upon the occurrence of any of the following events (a “Triggering Event”):
 1. the Property ceases to be the Borrower’s primary residence; or
 2. the Property is sold, assigned, leased (in its entirety), or otherwise transferred; or
 3. the first trust loan is refinanced with consent of the County and the County determines sufficient equity is available for repayment; or

4. an Event of Default occurs, and the Trustee or Beneficiary (as applicable) declares all amounts due hereunder to be immediately due and payable under Paragraph 4 of the Note and/or Paragraph 6 of Section 2 of the Deed of Trust.
- C. Rate of Interest. Interest shall only be charged if an Event of a Default occurs. The rate of interest charged on the outstanding balance shall be at an annual rate of **5.75% simple interest**, which shall accrue on a monthly basis, from the date of the Event of Default until all amounts due are paid in full.
- D. Payment. Payments shall be due upon the occurrence of any Triggering Event, at which point the outstanding principal balance together with all accrued interest thereon, and any other sums due, shall be due and payable in full.
- E. Late Fees. Any payment due during the term of this Loan not paid within fifteen (15) days of the due date shall incur a late fee of five percent (5%) of the amount due.
- F. Application of Payment. Any payment made on account of this Note shall be applied (i) first to the payment of late charges and interest, if any, (ii) second, to any amounts advanced by the Noteholder pursuant to Paragraph 6 of Section 2 of the Deed of Trust, and (iii) third, to the principal balance of the Loan.
- G. Place of Payments. Any payment made on account of the Note shall be made by money order, certified check, bank check, or cashier's check, which at the time is legal tender for the payment of public debt. Other forms of payment may be accepted upon prior approval by the County. Payments shall be made during regular business hours at such offices designated by the County or any other place as the County may designate in writing.
3. Use of Funds. The Borrower confirms that the proceeds of the Loan will be expended solely for the purposes approved by the **PGCPAP**.
 5. Acceleration upon Event of Default. The Trustee and/or the Beneficiary may declare the entire principal balance of this Loan, together with all other sums secured by the Deed of Trust immediately due and payable on the occurrence of any Event of Default. Failure to exercise this option shall not constitute a waiver of the right to exercise this option in the event of any subsequent default. The occurrence of any one or more of the following events shall be deemed an "Event of Default" for the purpose of this Note:

- A. The determination by the County, at any time during the life of the Loan, that the Borrower did not meet one or all of the **PGCPAP DPCCA** Program qualifications at the time of making this **PGCPAP DPCCA** Loan; or
- B. The refinancing of any outstanding loan(s) secured by, or any lien on, the Property, or portion thereof, during the term of this Loan, **without the prior written consent of the County (which consent shall not be deemed to be given in the absence of a County-approved subordination agreement recorded in the County land records)**; or
- C. Failure to repay the outstanding amounts due under the Loan upon the occurrence of any Triggering Event; or
- D. The use of the proceeds of this Loan for any other purpose other than down payment and closing costs assistance to acquire the Property; or
- E. Occurrence of any other default of any agreement or obligations (beyond applicable rights of notice and cure) set forth in the Deed of Trust, this Note or any other Loan Documents.

Borrower's Initials

5. **PGCPAP Recapture Provision.** As stated above, upon a Triggering Event (as defined in Section 2.B above), the **PGCPAP** will recapture the **full** amount of the Loan (including all unpaid interest, fees and costs charged under the terms of the Loan Documents). The **PGCPAP** uses the Recapture Provision to ensure that the assistance provided hereunder shall be used to make housing affordable to middle and low income families. **WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, IF THE PROPERTY IS SOLD OR REFINANCED AT ANY TIME WITHOUT THE CONSENT OF THE COUNTY (AND IN THE CASE OF A REFINANCING, WITHOUT A COUNTY-APPROVED SUBORDINATION AGREEMENT RECORDED IN THE LAND RECORDS AT THE TIME OF REFINANCING), THE BORROWER AGREES TO REPAY THE LOAN IMMEDIATELY UPON SUCH SALE OR REFINANCE.**

6. **Prepayment.** The Note may be prepaid in whole or in part at any time. Such prepayment shall be without premium or penalty; provided, however, that the foregoing shall in no way limit accruing interest charges for an Event of Default or late fees. If any Event of Default occurs, the Trustee or Beneficiary (as applicable) shall have the right to declare the entire outstanding balance of the Loan, together with all other sums secured by this Note, due and payable immediately.

7. Waiver of Conditions Precedent. As to this Note, the Purchase Money **PGCPAP DPCCA Deed of Trust and Regulatory Agreement**, (the “Deed of Trust”), the **PGCPAP** Loan application, and any other documents evidencing the indebtedness (collectively, the “Loan Documents”), Borrower severally waives all applicable exemption rights, whether under any State constitution, homestead laws or otherwise, and also severally waives valuation and appraisal, presentment, protest and demand, notice of protest, demand and dishonor and nonpayment of this Note, and expressly agrees that the maturity of this Note, or any payment under this Note, may be extended from time to time without in any way affecting the liability of Borrower and any guarantors.

8. Confession of Judgment. If the outstanding amounts under this Note are not paid when due, the Borrower authorizes the Clerk of the Court or any attorney of record to appear before the court and enter a judgment by confession for the balance then due on this Note together with court costs and reasonable attorney fees.

9. Joint and Several Liability. If the Borrower consists of more than one party, then the obligations and liabilities of each such party under this Note shall be joint and several.

10. Governing Law. This Note shall be governed by the laws of the State of Maryland and all applicable Federal and County laws, regulations and requirements to which the Borrower agrees to comply.

11. Capitalized Terms. Unless noted otherwise, every capitalized term in this Note shall have the same meaning ascribed to it in the Deed of Trust; in the event of any conflict between the terms, definitions, conditions, or provisions of the Deed of Trust and this Note, the terms of the Deed of Trust shall prevail.

IN WITNESS, WHEREOF, the Borrower has caused this **PGCPAP DPCCA Promissory Note** to be executed and delivered to Prince George’s County, Maryland on the date first written above.

BORROWER:

«Buyer_1»

«Buyer_2»

STATE OF MARYLAND:

COUNTY OF PRINCE GEORGE'S: to wit:

I HEREBY CERTIFY that on this _____ day of _____, 2018, before me, the undersigned, a Notary Public of the State of Maryland in and for the County aforesaid, personally appeared **«BUYER 1» «BUYER 2»** who identified himself/herself/themselves as the Borrower and executed the foregoing **PGCPAP DPCCA** Promissory Note.

My Commission expires: _____

WITNESS my hand and seal.

Notary Public