

COMFORT OF HOME
SECOND MORTGAGE PROMISSORY NOTE
JEFFERSON PARISH FINANCE AUTHORITY

[Insert Property Address]

\$ _____ USD _____, 20 _____
[Insert Date Note Signed]

For value received, the undersigned, _____ ("**Borrower**"), promises to pay to the Jefferson Parish Finance Authority, a legally and regularly created, established, organized and existing public trust and public corporation under the Constitution and statutes of the State of Louisiana, as beneficiary (the "**Lender**"), or order, the principal sum of _____ **Thousand** _____ **and** _____/100 **Dollars (\$ _____ USD) (the "Original Principal Amount")** (the "**Loan**"). Borrower promises to pay the principal in accordance with the terms and conditions of this Second Mortgage Promissory Note (the "**Note**"). The Borrower's obligation to repay the Loan is secured by the Second Mortgage instrument (the "**Second Mortgage**") signed by Borrower on the same date as this Note. Maker hereby understands that the Loan is forgivable at the end of the Loan Period. The Loan shall bear interest at the per annum rate of 0.0%. No payments of principal or interest are due and owing by Maker with respect to the Loan unless:

1. **Promise to pay principal.** Borrower hereby understands that the Loan is forgivable at its maturity. Borrower promises to and shall pay Lender the entire principal pursuant to this Note upon occurrence of an Event of Default (defined below in Section 4) prior to the last day of the 60th month following the date of this Note (collectively referred to as "**maturity**" or the "**Maturity Date**"). The Loan shall bear interest at the rate of 0%. No payments of any kind are due hereunder until the Maturity Date. **BORROWER ACKNOWLEDGES AND AGREES THAT A SUBSTANTIAL PAYMENT MAYBE DUE PRIOR TO THE MATURITY DATE IN THE EVENT OF DEFAULT.** So long as no Event of Default occurs, the entire Loan will be forgiven in full on the Maturity Date and Borrower will not have to re-pay any portion of the Loan.

2. **Payments.** All payments, if any, including Prepayments, shall be made by Borrower payable to the Lender, and submitted to the mailing address appearing on the Borrower's related first mortgage billing statement. Any check, draft, money order, or other instrument given in payment of all or any portion of this Note may be accepted by Lender and handled for collection, but the acceptance of the check, draft, money order, or other instrument will not constitute payment under the Note or diminish any of Lender's rights under the Note unless and until actual cash proceeds are unconditionally received by Lender and applied to the indebtedness evidenced by this Note.

3. **Prepayment.** Borrower shall have the privilege to prepay the obligation represented by the Note in part or in full, at any time, without any premium or penalty.

4. **Acceleration upon default.** If (each an "**Event of Default**" hereunder):

(a) Borrower shall default in the performance of any of the terms, agreements, covenants, or conditions in this Note or in the Second Mortgage which is not cured within thirty (30) days after written notice from Lender.

(b) Borrower prepays or refinances his or her first mortgage loan on the real property collateral securing this Note (the "**Property**"), which first mortgage loan is secured by a first deed of trust or mortgage senior to the Second Mortgage, or defaults on his or her first mortgage loan and fails to cure the default on or before the last day of the sixtieth (60th) month following the date of this Note;)

(c) Borrower sells, transfers or otheiwise disposes of the Property, including, without limitation, through foreclosure or transfer pursuant to any power of sale before the last day of the sixtieth (60th) month following the date of this Note; or

- (d) Borrower fails to reside in the Property within sixty (60) days of the date hereof;

Then the entire unpaid principal of this Note, and all other sums owed hereunder or under the Second Mortgage, shall, at the election of the Lender, without further notice of such election, become immediately due and payable and Lender may exercise any remedy set forth herein, under the Second Mortgage, or otherwise available at law or in equity.

Due on Sale or Transfer. The outstanding unpaid principal balance of this Note shall be due and payable immediately without further notice upon sale or transfer of all of, or any ownership interest in, the property prior to the Maturity Date of this Note.

5. **Remedies cumulative; no waiver by Lender.** The rights or remedies of Lender as provided in this Note and the Second Mortgage, or otherwise available at law or in equity, shall be cumulative and concurrent, and may be pursued singularly, successively, or together against Borrower and all sureties, guarantors, and endorsers of the Note, or any of them, and any other funds, property, or security held by Lender for the payment hereof at the sole, absolute, and uncontrolled discretion of Lender. The failure to exercise any such right or remedy shall in no event be construed as a waiver or release of said rights or remedies or of the rights to exercise them at any later time.

6. **Consent and waiver of defenses.** To the maximum extent permitted by law, Borrower and all sureties, guarantors, endorsers, and accommodation parties (each a "Surety") of this Note each: (i) agree that the liability for payment under this Note is joint and several; (ii) waive all formalities in connection with collection on this Note, to the fullest extent permitted by law, including presentment, protest and demand, notice of protest, demand and dishonor, and nonpayment of this Note; all applicable appraisal, valuation exemption rights, notices of whatsoever kind or nature, including, but not limited to, notice of intention to accelerate, notice of acceleration, notice of dishonor, or other notice which Lender might otherwise be obligated to provide Borrower following an Event of Default, specifically excepting such notice requirements as are expressly set forth in this Note or in the Second Mortgage; and (iii) all homestead and exemption rights, if applicable, affecting the full collection of this Note. Borrower and each Surety agree to all renewals, modifications, extensions, partial payments, discharges, releases, or substitutions of security of or for this Note that are made before or after the Maturity Date, all of which may be made without prejudice to the rights of the Lender under this Note.

7. **Fees and expenses.** Borrower and each Surety promise to pay all reasonable and customary costs of collection, including trustee's fees, title fees, reasonable attorneys' fees (whether suit be instituted or not), and all reasonable costs of demand, collection, or suit, in case the unpaid principal sum of this Note, or any payment of principal is not paid when due, or in case it becomes necessary to protect the security for the indebtedness evidenced hereby, or for the enforcement by Lender, in which Lender shall be successful, or in the event Lender is made party to any litigation because of the existence of the indebtedness evidenced by this Note, or because of the existence of the Second Mortgage, whether suit be brought or not, and whether through courts of original jurisdiction, as well as courts of appellate jurisdiction, or through a bankruptcy court or other legal proceedings. Further, Borrower hereby agrees to reimburse Lender (or, at Lender's direction, pay directly to the applicable third-party legal counsel) upon demand for the reasonable attorneys' fees incurred by Lender in connection with the documentation of the Loan.

8. **Amendment.** This Note may not be amended, modified, or changed, nor shall any waiver of any provision hereof be effective, except only by an instrument in writing and signed by the party against whom enforcement of any waiver, amendment, change, modification, or discharge is sought.

9. **Successors and assign.** Whenever used herein, the words "Borrower" and "Lender" shall be deemed to include their respective heirs, personal representatives, successors, and assigns.

10. **Choice of law.** This Note shall be governed by the laws of the State of Louisiana.

11. **Notice.** All notices required hereunder shall be in writing and shall be deemed given (a) when received by certified or registered mail, first-class, return receipt requested, postage prepaid; or (b) when received by hand, messenger or overnight courier service, addressed to said party or parties at the addresses as Borrower or Lender may designate; provided, the notices to Borrower may be sent to the Property.

12. **Headings.** The paragraph headings used herein are for convenience only and are not to be used to interpret or construe this Note.

13. **Time is of the essence.** Time is of the strictest essence in the payment and performance by Borrower under this Note and each and every other provision hereof.

14. **Severability.** In case any one or more of the provisions contained in this Note shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof.

15. **Replacement Promissory Note.** In the event of the loss, theft, destruction or mutilation of this Note, Borrower will execute and deliver to Lender in lieu thereof, a replacement note dated as of the date of this Note, identical in form and substance to this Note and upon such execution and delivery all references to this Note shall be deemed to refer to such replacement note.

Borrower has executed this Note on the day first hereinbefore written.

BORROWER:

Printed or Typed Name: _____

BORROWER:

Printed or Typed Name: _____

"Ne Varietur"
For identification with an Act of
Second Mortgage.

____ day of _____, 20____,
at _____, Louisiana.

[Name of Notary]

Notary Public (# _____)