

JEFFERSON PARISH FINANCE AUTHORITY
SINGLE FAMILY MORTGAGE REVENUE BOND PROGRAM
SECOND MORTGAGE PROMISSORY NOTE

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 of this Note 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. This Note bears interest at the rate of 0% per annum.

1. **Promise to pay principal.** Borrower promises to and shall pay Lender the principal balance of this Note upon occurrence of an Event of Default (as defined below in Section 4) prior to the last day of the 60th month following the date of this Note (the “**Maturity Date**”). No principal payments are due under this Note until the Maturity Date unless there is an Event of Default.

BORROWER ACKNOWLEDGES AND AGREES THAT A REPAYMENT OF THIS NOTE WILL BE DUE PRIOR TO THE MATURITY DATE IF AN EVENT OF DEFAULT OCCURS (AS DEFINED IN SECTION 4 BELOW) PRIOR TO THE MATURITY DATE.

BORROWER FURTHER ACKNOWLEDGES AND AGREES THAT LENDER WILL FORGIVE THE ENTIRE PRINCIPAL BALANCE OF THIS NOTE ON THE MATURITY DATE IF NO EVENT OF DEFAULT HAS OCCURRED ON OR BEFORE THE MATURITY DATE.

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. **Events of Default, Acceleration. Events of Default; Acceleration.**

Event of Default. If any of the following events (each an “**Event of Default**”) occurs:

(a) Borrower shall default in the performance of any of the terms, agreements, covenants or conditions in the 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 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 otherwise 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 balance of this Note, without further notice and all other sums owed hereunder and under the Second Mortgage shall become immediately due and payable and Lender may exercise any remedy set forth in this Note or in the Second Mortgage, or otherwise available at law or in equity.

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 collection 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 Assigns.** 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 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 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 promissory 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.

[Remainder of page intentionally left blank]

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 _____, _____,

at _____, Louisiana.

[Name of notary]
Notary Public (# _____)