

DEFERRED PAYMENT NOTE

\$TBD

Geneva, Illinois

TBD

THIS LOAN IS PAYABLE IN FULL AT THE TIME THE PROPERTY IS SOLD, THE TITLE TO THE PROPERTY IS TRANSFERRED OR IT IS NO LONGER YOUR PRIMARY RESIDENCE. YOU MUST REPAY THE ENTIRE PRINCIPAL BALANCE OF THE LOAN.

Permanent Real Estate Index Number(s): **TBD**

Address of Real Estate: **TBD, TBD**

1. BORROWER'S PROMISE TO PAY

In return for a loan that I have received, I, **TBD TBD TBD**, hereinafter referred to as "BORROWER," promise to pay U.S. **TBD (\$TBD)**, (this amount is called "PRINCIPAL"). The LENDER is **COUNTY OF KANE THROUGH ITS OFFICE OF COMMUNITY REINVESTMENT**.

I understand that the LENDER may transfer this Note. The LENDER or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is also called the "NOTE HOLDER."

2. TERMS, Deferred

I understand that I am not required to make regular monthly payment of principal or interest on this loan. I promise to pay the full amount of principal if the property securing this note, or any interest in the property, is sold or transferred or I no longer use the property as my primary residence. If the property is transferred or sold, the principal is due on sale or transfer. If the property is no longer used as my primary residence, the principal is due within 30 days of such change of use. BORROWER must notify LENDER of any change in residence immediately. The terms described by this Section 2 are the terms I will pay both before and after any default described in Section 6 of this Note.

3. PAYMENTS

All payments under this Note shall be sent to the County of Kane, Kane County Office of Community Reinvestment, 143 First Street, Batavia IL 60510 or to such other place required by LENDER.

4. BORROWER'S RIGHT TO PREPAY

I have the right to make payments of principal at any time before it is due. A payment of principal only is known as a "prepayment." When I make a prepayment, I will tell the NOTE HOLDER in writing that I am doing so.

I may make a full prepayment or partial prepayments without paying any prepayment charge. The NOTE HOLDER will use all of the prepayments to reduce the amount of principal that is owed under this Note. If I make a partial prepayment, there will be no changes in the due date unless the NOTE HOLDER agrees in writing to those changes.

5. REFINANCING SUPERIOR LOANS

I have made a note payable to **TBD** in the amount of **\$TBD** dated as above, which is secured by a lien superior to the mortgage securing this Note ("Superior Lien"). In the event I wish to refinance the Superior Lien, I must receive approval from the LENDER, in advance and in writing. I may not refinance the Superior Lien for the purpose of taking equity out of the Property so long as this Note, and the Mortgage securing this Note, remain unpaid.

6. BORROWER'S FAILURE TO PAY AS REQUIRED

If I violate the provisions of this Note or a Covenant, Condition or Provision of the Mortgage securing this Note, I shall be in default under this Note. I promise to make full payment of principal under this Note immediately upon NOTE HOLDER'S demand if NOTE HOLDER declares me in default under the terms of this Note or the Mortgage securing this Note.

A. Notice of Default

If BORROWER is in default, the Note Holder may, but is not required to, send BORROWER a written notice telling BORROWER that if BORROWER does not cure my default by a certain date, the Note Holder may require BORROWER to pay immediately the full amount of principal that has not been paid.

B. No Waiver By Note Holder

Even if the Note Holder does not require BORROWER to pay immediately in full as described above, at a time when BORROWER is in default, the Note Holder will still have the right to do so if BORROWER is in default at a later time.

C. Payment of Note Holder's Costs and Expenses

If the Note Holder has required BORROWER to pay immediately in full as described above, the Note Holder will have the right to be paid back by BORROWER for all of its costs and expenses in enforcing this Note to the extent not prohibited by applicable law. Those expenses include, for example, reasonable attorneys' fees.

D. Default Interest

If a Default occurs by reason of BORROWER selling, transferring, assigning, conveying the property for purposes not specified in the First Time Homebuyer funding agreement or no longer using the property for the purposes as specified in First Time Homebuyer funding agreement, then in addition to other available remedies, default interest shall be due and payable at the annual rate of ten percent (10%) or the maximum annual interest rate permitted by law, whichever is greater, from the date of default to the date of full repayment of the principal.

7. GIVING OF NOTICES

Unless applicable law requires a different method, any notice given to me under this Note will be given by delivering it or by mailing it by prepaid first class mail to me at the Property Address above.

Any notice that must be given to the NOTE HOLDER under this Note will be given by mailing it by prepaid first class mail to the NOTE HOLDER at the address stated in Section 3 above or at a different address if I am given a notice of that different address.

8. OBLIGATIONS OF PERSONS UNDER THIS NOTE

If more than one person signs this Note, each of us are fully and personally obligated to keep all of the promises made in this Note, including the promise to pay the full amount owed. Any person who is a guarantor, surety or endorser of this Note is also obligated to do these things. Any person who takes over these obligations, including the obligations of a guarantor, surety or endorser of this Note, is also obligated to keep all of the promises made in this Note. The NOTE HOLDER may enforce its rights under this Note

against each of us individually or against all of us together. This means that any one of us may be required to pay the entire amount owed under this Note.

9. WAIVERS

Each of us and any other person who has obligations under this Note waive the rights of presentment and notice of dishonor. "Presentment" means the right to require the NOTE HOLDER to demand payment of amounts due. "Notice of dishonor" means the right to require the NOTE HOLDER to give notice to other persons that amounts due have not been paid.

10. SECURED NOTE

In addition to the protections given to the NOTE HOLDER under this Note, a Mortgage, discussed above, dated the same date as this Note, protects the NOTE HOLDER from possible losses which might result if I do not keep the promises which I have made in this Note. That Mortgage describes how and under what conditions I may be required to make immediate payment in full of all amounts I owe under this Note.

WITNESS THE HAND(S) AND SEAL(S) OF THE UNDERSIGNED.

Please sign below:

TBD

TBD

Mail this instrument to:

Program Manager, Kane County OCR, 143 First Street, Batavia IL 60510

TBD