

**PROMISSORY NOTE
SECURED BY DEED OF TRUST
(FORGIVABLE LOAN)**

Borrower(s): _____

Lender: City of St. Louis

Address: _____

Address: c/o

St. Louis, MO 631 _____

Community Development Administration
1520 Market Street, Suite 2000
St. Louis, MO 63103
Attn: Executive Director

Date: _____, 20____

For value received, the undersigned jointly and severally promises to pay to the order of the City of St. Louis, the principal sum of _____ **Thousand and 00/100 Dollars** (\$_____.00) ("Loan") together with interest on the unpaid principal balance from time to time outstanding from the date hereof until the entire principal amount hereunder is paid in full, together with all fees and costs provided herein, to be paid as follows:

1. Recapture Agreement & Covenant of Residency. This Promissory Note is made pursuant to the SLFRF loan Recapture Agreement & Covenant of Residency ("Agreement"), of even date herewith, between Borrower and Lender and is subject to the terms thereof.

2. Interest on the Loan. This Note shall bear no interest.

3. Term of Loan. The loan shall become effective as of the date first written above and shall have a term of _____ () years ("Affordability Period").

4. Repayment of the Loan. All outstanding principal on the Loan shall be due and payable in full upon the occurrence of one or more of the following: (i) the sale or transfer of the Property; (ii) the failure of Borrower to occupy the Property as its principal residence during the Affordability Period; (iii) conversion of the Property to rental property; (iv) refinancing of the Property without the prior written approval of Lender; or (v) failure of Borrower to perform any covenant or agreement contained in any security agreement or deed of trust or restrictive covenant to which Borrower is a party ((i), (ii), (iii), (iv) and (v) hereinafter referred to as "Default(s)"). In the event this note becomes due and payable upon the occurrence of an event of Default, this amount shall be reduced by a pro rata amount on each anniversary of the Closing Date (as defined in the Agreement) during the Affordability Period. In the event the net proceeds from an approved sale of the Property are not sufficient to fully recapture the Loan as reduced above, the City and the Borrower shall share the net proceeds, 75% of which shall be refunded to the City of St. Louis and the remaining 25% of which shall be retained by the Borrower.

5. Forgiveness. Upon the expiration of the Affordability Period, Lender will waive the obligation to repay the Loan in its entirety, provided that at such time, there is no uncured event of Default under this Note.

6. Prepayment. Borrower shall have the right to prepay all or a portion of the principal and interest due under this Promissory Note without any fee or penalty.

7. Default and Acceleration. Upon the occurrence of an event of Default, after applicable cure periods, Lender may, at its option, declare the entire principal sum under this

Promissory Note immediately due and payable. No delay or omission on the part of Lender in exercising any right under this Promissory Note, the Deed of Trust, or the Agreement shall operate as a waiver of that right or any other right under this Promissory Note. A waiver on any one occasion shall not be construed as a bar to or waiver of any right or remedy on any future occasion.

8. Security. Payment on this Promissory Note is secured by a Deed of Trust of even date herewith executed by Borrower.

9. Waiver. Borrower and all endorsers, sureties and guarantors hereby jointly and severally waive presentment for payment, demand, notice of demand, notice of nonpayment or dishonor, protest and notice of protest of this Promissory Note, and all other notices in connection with the delivery, acceptance, performance, default or enforcement of the payment of the Promissory Note. They agree that the liability of each of them shall be unconditional, without regard to the liability of any other party, and shall not be affected in any manner by any indulgence, extension of time, renewal, waiver or modification granted or consented to by Lender. Borrower and all endorsers, sureties and guarantors consent to any and all extensions of time, renewal, waivers or modifications granted by Lender with respect to the payment of this Promissory Note, and to the release of collateral securing the Promissory Note or any part thereof, with or without substitution, and agree that additional makers, endorsers, guarantors or sureties may become parties hereto without notice to them or affecting their liability hereunder.

10. Place of Payment. All payments of principal and interest, if any, shall be due and payable to the City of St. Louis in lawful money of the United States of America at Lender's place of business located within the Community Development Administration at 1520 Market, Suite 2000, St. Louis, MO 63103, or such other address as Lender may from time to time designate in writing.

11. Costs of Collection. In the event any legal action or proceeding is required to enforce or interpret any provision of this Promissory Note, Borrower shall pay Lender all costs of collection and reasonable attorneys' fees incurred by Lender in connection therewith.

12. Severability. If any provision of this Promissory Note is held to be invalid or unenforceable by a court of competent jurisdiction, the other provisions of this Promissory Note shall remain in full force and effect and shall be liberally construed in favor of Lender to affect the provisions of this Promissory Note.

13. Choice of Law and Venue. This Promissory Note shall be governed by and construed and interpreted in accordance with the laws of the State of Missouri. In the event any legal action or proceeding is required to enforce or interpret any provision of this Promissory Note, Borrower consents to the exclusive jurisdiction of the Circuit Court of the City of St. Louis, Missouri.

14. Waiver of Jury Trial. Borrower hereby waives any right to trial by jury in any action, proceeding or counterclaim or cross-claim arising in connection with, out of, or otherwise relating to this Promissory Note, the Deed of Trust or the Agreement, or any transaction arising therefrom or related thereto.

15. Oral Agreements. The following notice is given pursuant to Section 432.047 of the Missouri Revised Statutes; nothing contained in such notice shall be deemed to limit or modify the terms of this Promissory Note:

ORAL AND UNWRITTEN AGREEMENTS OR COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT

INCLUDING PROMISES TO EXTEND OR RENEW SUCH DEBT ARE NOT ENFORCEABLE, REGARDLESS OF THE LEGAL THEORY UPON WHICH THEY ARE BASED THAT IS IN ANY WAY RELATED TO THE CREDIT AGREEMENT. TO PROTECT YOU (BORROWER(S)) AND US (LENDER) FROM MISUNDERSTANDING OR DISAPPOINTMENT, ANY AGREEMENTS WE REACH COVERING SUCH MATTERS ARE CONTAINED IN THIS WRITING, WHICH IS THE COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN US, EXCEPT AS WE MAY LATER AGREE IN WRITING TO MODIFY IT.

IN WITNESS WHEREOF, Borrower has executed this Promissory Note as of the date first written above.

BORROWER:

Date: _____
