

HDF PROMISSORY NOTE

MSHDA MOD Program
HDF Repayable Grant No. *****

US \$200,000

Lansing, Michigan

FOR VALUE RECEIVED, the [Grantee] (the "Borrower"), promises to pay to the **MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY**, a public body corporate and politic of the State of Michigan (the "Authority"), or to order, the maximum principal sum of Two Hundred Thousand (\$200,000) plus interest at the rate of Three and No/100 percent (3.0%) per annum, computed on an annual basis on the unpaid balance of the principal balance outstanding from time to time.

This HDF Promissory Note ("Note") is given to evidence a repayable grant made by the Authority to the Borrower (the "Repayable Grant") for the acquisition and construction of a modular single-family dwelling to be located at [Property Address] in the City of [City], County of [County], Michigan (the "Property"). This Note is secured by an HDF Mortgage of even date (the "Mortgage") encumbering the Property.

No monthly payments will be required under this Note until the Maturity Date. The Maturity Date shall be the first to occur of (1) the date on which the Property is sold, transferred or otherwise conveyed to an eligible homebuyer, as determined by the Authority, following the completion of construction, and (2) December 31, 2022. On the Maturity Date, the entire balance of principal owing under this Note and all accrued interest shall be due and payable in full, subject to the limitations on repayment set forth in the Repayable Grant Agreement between the Authority and the Borrower dated [Grant signing date], (the "Grant Agreement").

The entire balance of principal and all accrued interest shall also be due and payable in full in the event of any of the following: (i) the Property or any interest therein is sold, transferred or otherwise conveyed to a person who is not an eligible homebuyer; (ii) the Property is occupied by a person or family who is not an eligible homebuyer or is used for other than residential purposes, as determined by the Authority; (iii) the Property is refinanced; or (iv) the Borrower is in default of the Grant Agreement or the Mortgage securing this Note, and such default continues beyond any applicable grace or cure period. Any required repayment shall be made to the Authority within thirty (30) days following the event triggering the repayment.

Payments shall be applied first to interest, and the balance shall be applied on account of principal. Both principal and interest shall be payable at the offices of the Authority in Lansing, Michigan, or such other place as an Authorized Officer of the Authority or holder of this Mortgage Note may designate in writing.

In the event of default in the payment of this Note, the undersigned hereby agrees to pay all costs of collection and of the enforcement of any of the Authority's rights under this Note, including reasonable attorney fees, whether a lawsuit is brought or not.

Any forbearance by the Authority with respect to any of the terms and conditions of this Note shall in no way constitute a waiver of the right to exercise the same in the event of any continuing or subsequent default or of any of the Authority's rights or privileges granted hereunder.

All parties to this Note, whether principal, surety, guarantor or endorser, hereby waive presentment for payment, demand, protest, notice of protest and notice of dishonor and consent to any number of renewals or extensions of the time of payment of the amounts due under this Note. Any such renewals or extensions may be made without notice to any of the parties and without affecting their liability.

This Note may be prepaid at any time, in whole or in part, without penalty.

Signed as of the ____ day of _____, 2021.

[Grantee Name]

By: _____

Its: _____