

**VERMONT HOUSING FINANCE AGENCY
ZERO INTEREST ASSIST NOTE**

THIS NOTE IS NOT ASSUMABLE.

Date: _____ **Property Address:** _____

PROMISE TO PAY

The undersigned (individually and collectively, jointly and severally, "Borrower") in return for a loan in the amount of \$ _____ (the "Principal") promise(s) to pay Vermont Housing Finance Agency and its successors and assigns (the "Note Holder"), the Principal, plus any additional costs, in a form acceptable to the Note Holder.

This obligation has been incurred in consideration of an advance of funds for the purpose of down payment, closing cost or similar home buyer assistance concurrently with a first mortgage deed executed by Borrower on or about the date hereof (the "First Mortgage").

INTEREST

No interest (0%) shall accrue or be payable with respect to this obligation.

BALLOON PAYMENT DUE ON MATURITY

The principal amount of this Note, together with any other amounts payable hereunder shall be payable in full at 164 Saint Paul Street, Burlington, VT 05401, or such other place as the Note Holder may designate, upon the earliest to occur of: (i) payment in full or refinancing of the debt secured by the First Mortgage, (ii) acceleration of the indebtedness secured by the First Mortgage by the holder thereof, or (iii) any change in the ownership of the property securing this Note, or (iv) 360 months from the date of this Note.

RIGHT TO PREPAY

Borrowers may make payments to the Principal at any time before they are due. This is known as prepayment. When making a prepayment, the Borrower will notify the Note Holder in writing of the prepayment.

FAILURE TO PAY AS REQUIRED

If this Note is not paid when due and remains unpaid 30 days after the date of a notice to Borrower from the Note Holder, the entire principal amount outstanding shall at once become due and payable at the option of the Note Holder 30 days after a Notice of Acceleration from the Note Holder. Note Holder may exercise this option to accelerate during any default by Borrower regardless of any prior forbearance. If a suit is brought to collect this Note, the Note Holder shall be entitled to collect all reasonable costs and expenses of suit including but not limited to, reasonable attorney's fees.

Presentment, notice of dishonor, and protest are hereby waived by all makers, sureties, guarantors and endorsers hereof. This Note shall be the joint and several obligation of all makers, sureties, guarantors and endorsers, and shall be binding upon them and their successors and assigns.

Any notice to Borrower provided for in this Note shall be given by mailing such notice by certified mail addressed to Borrower at the Property Address stated above, or to such other address as Borrower may designate by written notice to the Note Holder. Any notice to the Note Holder shall be given by mailing such notice by certified mail, return receipt requested, to the Note Holder at the address stated above, or at such other address as may have been designated by written notice to Borrower.

The indebtedness evidenced by this Note is secured by a Mortgage, of even date herewith, and reference is made to the Mortgage for additional rights as to acceleration of the indebtedness evidenced by this Note.

NOTICE TO CO-SIGNER: YOUR SIGNATURE ON THIS NOTE MEANS THAT YOU ARE EQUALLY LIABLE FOR REPAYMENT OF THIS LOAN. IF THE BORROWER DOES NOT PAY, THE NOTE HOLDER HAS A LEGAL RIGHT TO COLLECT FROM YOU.

Witness: _____

Borrower: _____

Print Borrower Name: _____

Borrower: _____

Print Borrower Name: _____