

WHERE LANGUAGE IS BRACKETED, SELECT ONE OF THE OPTIONS, DELETE THE OTHER(S), AND INSERT ANY INFORMATION REQUESTED. PLEASE CONTACT THE OFFICE OF LAW BEFORE MODIFYING THIS FORM. Rev. 1/21/2020



Chartered 1708

City of Annapolis
160 Duke of Gloucester Street
Annapolis, MD 21401

DEED OF TRUST NOTE WITH [INSERT THIRD PARTY NAME(S)]

Amount: \$ _____.

Annapolis, Maryland
_____, 20__

For Value Received, [_____], a [Maryland] [_____] [resident] [corporation] [limited liability company] [partnership] (the "Borrower"), whose address is [_____], promises to pay to the City of Annapolis, a municipal corporation of the State of Maryland (the "City") at 160 Duke of Gloucester Street, Annapolis, Maryland 21401, Attn: Finance Director, or at such other place as may be designated by the City, the principal sum of _____ Dollars and _____ Cents (\$_____.__) (the "Principal Sum").

1. Disbursement; Payment; Forgiveness.

(a) I understand that the City will disburse the Principal Sum proceeds at the closing of the Loan, as further described in the Deed of Trust defined below.

(b) The entire Principal Sum of this Deed of Trust Note ("Note") shall be due and payable in full no later than _____, 20__, and in accordance with the terms set forth in the _____ Deed of Trust dated _____, _____ between the parties (the "Deed of Trust"), and record in the Land Records of Anne Arundel County, Maryland in liber _____, folio _____.

(c) The amount of the Principal Sum shall be forgiven by the City if: (i) the Borrower owns and lives in the Property, as defined in the Deed of Trust, for ten (10) consecutive years from the date of this Note, and (ii) the Borrower is not in default under the terms of this Note, the Deed of Trust or any other document signed by the Borrower in connection with the Principal Sum.

2. Rate of Interest.

[The Borrower shall pay zero percent (0%) interest on the monthly unpaid balance of the Principal Sum of this Note.] [The Borrower shall not be required to pay interest on the monthly unpaid balance of the Principal Sum of this Note.]

3. Pre-Payment.

(a) This Note may be pre-paid in whole or in part at any time and from time to time, without penalty or premium, without any change in any of the other terms of this Note.

(b) Any partial pre-payments shall be applied against the Principal Sum.

4. Breach or Default.

(a) In the event of a breach or default by the Borrower in the payment of this Note or of any term of the Deed of Trust, the entire Principal Sum with accrued interest, as applicable, shall at once become due and payable, without notice, at the option of the City.

(b) In the event of a breach or default by the Borrower in the payment of this Note or of any term of the Deed of Trust, the City, in its sole discretion, before declaring the entire Principal Sum immediately due and payable, may send the Borrower a written notice indicating that the Borrower has thirty (30) calendar days to cure the breach or default, and then in the event of failure to cure timely, the entire Principal Sum shall at that time become at once due and payable without further notice, at the option of the City.

(c) The City's failure to exercise such option as aforesaid shall not constitute a waiver of its right to exercise such option in the event of any subsequent breach or default.

5. Deed of Trust.

This Note is subject to the terms of the Deed of Trust.

6. Waiver of Remedies for Breach; Borrower's Waiver.

(a) No failure or delay by the City to insist upon the strict performance of any term, condition or covenant of this Note, or to exercise any right, power or remedy consequent upon a breach or default thereof, shall constitute a waiver of any such term, condition or covenant or of any such breach or default, or preclude the City from exercising any such right, power or remedy at any later time or times.

(b) The Borrower hereby waives diligence, presentment for payment, demand, protest, notice of protest, and notice of dishonor, and the Borrower further expressly agrees that the maturity of this Note, or any payment under it, may be extended from time to time without in any way affecting the Borrower's liability.

7. Assignment.

The Borrower shall not assign or transfer the rights it has or the obligations imposed on it by this Note without the City's prior written consent.

8. Binding Effect.

(a) The terms of this Note shall be binding upon the Borrower's heirs, personal representatives, successors and assigns and shall inure to the benefit of the City and its successors and assigns.

(b) If more than one person signs this Note, each of those persons is fully and personally obligated to pay the full amount owed and to keep all of the promises made in this Note. Any guarantor, surety, or endorser of this Note is also obligated to do these things. The City may enforce its rights under this Note against each of those persons individually or against all of those persons together, and any one of those persons may be required to pay all of the amounts owed under this Note.

9. Governing Law.

In all actions arising from this Note, the laws of the State of Maryland shall govern, and the venue for all actions initiated pursuant to this Note shall be exclusively the Courts of Anne Arundel County, Maryland. The parties hereby waive jury trial in all actions initiated pursuant to this Note.

10. Severability.

If any of the provisions of this Note are declared by a court or other lawful authority to be unenforceable or invalid for any reason, the remaining provisions hereof shall not be affected thereby and shall remain enforceable to the full extent permitted by law.

11. Amendment or Modification.

This Note and the Deed of Trust set forth the entire agreement between the parties relative to the subject matter hereof. No representation, promise or condition, whether oral or written, not incorporated herein shall be binding upon either party to this Note. This Note shall not be waived, amended or modified except in writing and signed by the authorized representative(s) of the parties.

12. Notice.

Any notice required to be delivered shall be deemed to have been received when the notice has been sent by certified mail, return receipt, overnight carrier, or hand delivered with signed receipt to the parties and the addresses specified above or such other address and/or such other individual as a party may identify in writing to the other party.

13. Collection.

The Borrower shall pay the City's costs and reasonable attorney's fees incurred in collection matters resulting from breach or default of this Note, whether or not litigation is initiated.

(Signatures on following page.)

Witness the signature and seal of the BORROWER.

Witness [By:] _____
[Name, Title] (Seal)

State of _____, County of _____, to wit:

I hereby certify that on this ____ day of _____, 20__, before me, the subscriber, a Notary Public in and for the State and County aforesaid, personally appeared _____, known to me or satisfactorily proven to be the person whose signature is written above, and he/she has signed this Note in my presence and acknowledged that it is his/her free and voluntary act made for the purposes stated therein.

Witness my signature and Notary Seal.

Notary Public
My Commission Expires:

Attest and Acceptance: CITY OF ANNAPOLIS

Regina Watkins-Eldridge, City Clerk By: _____
Gavin Buckley, Mayor(Seal)

APPROVED FOR SUFFICIENT APPROPRIATIONS
AND AVAILABILITY OF FUNDS:

Joanna D. Dickinson, Director
Finance Department
Source of Funds: _____

APPROVED FOR FORM AND LEGAL SUFFICIENCY:

Office of Law
D. Michael Lyles, City Attorney