

Affordable Plus Mortgage
Exhibit B
PROMISSORY NOTE
Secured by a Subordinate Second Mortgage

Insert Date

Insert Property Address, City, State, Zip

1. BORROWER'S PROMISE TO PAY

I/We, Insert Borrower Name(s), a Insert Marital Status, in return for a loan in the amount of Insert Dollar Amount XXXXXX Thousand Dollars and no/100 (U.S. \$XX,XXX.00) that we have received (the "Loan") from the **AFFORDABLE HOUSING CORPORATION OF LAKE COUNTY** (the "Lender"), through its Affordable Plus Mortgage, promise to pay to the order of the Lender \$35,000 (this amount is called "principal balance") plus interest. 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 called the "Note Holder."

A. Loan Authority

The Loan evidenced by this Note is being made pursuant to the Affordable Plus Mortgage in accordance with the "Affordable Plus Mortgage for Lake County Illinois Low-Income Homebuyers - Investor Consortium Lending Agreement".

B. Use of Funds

The Loan is being made in order to assist me with the purchase of the Property under the Lender's Affordable Plus Mortgage. I/We represent to Lender that the true and actual sales price of the Property is Insert Purchase Price and we intend to occupy the property as our principal residence; and that we qualify as borrowers under the guidelines that Lender has established for participation in the Affordable Plus Mortgage; and that we agree to post-purchase intervention in the event of a delinquency as described in the Investor Consortium Lender Agreement.

2. INTEREST

Interest will be charged in unpaid principal until the full amount of principal has been paid. I will pay interest at a yearly rate of 4.0%. The interest rate required by this Section 2 is the rate I will pay both before and after any default described in of this Note.

3. PAYMENTS

A. Amount, Time and Place of Monthly Payments

I/We will pay principal and interest payments in the amount of Insert Dollar Amount U.S. \$XXX.XX every month. Monthly payments are due by the FIRST day of each month beginning on Insert First Payment Date at 1590 S. Milwaukee Avenue, Suite 312, Libertyville, IL 60048 or to such other address as Lender may designate in writing or at a different place if required by the Note Holder. I will make these payments every month until I have paid all the principal and interest and any other charges described below that I may owe on this Note. My monthly payments will be amortized over the life of the loan. If on, Insert End Payment Date, I still owe amounts under this Note, I will pay those amounts in full on that date, which is called the "Maturity Date".

B. Payment on Maturity Date

I/We agree to pay the total outstanding principal and interest of this Note on the Maturity Date. The Maturity Date shall be the date upon which: (i) all or any part of the Property, or any interest in the Property, is sold or transferred; (ii) I/we cease to occupy the Property as our principal place of residence; (iii) any default occurs under the Subordinate Mortgage, which defaults remains uncured even after we have received notice of default; (iv) any default occurs under the First Mortgage Loan Documents (as herein defined) which default remains uncured even after we have received notice of default; (v) it is determined, if ever, that we have made a material misrepresentation to Lender in this Note or in any other documentation delivered to Lender in connection with the making of the Loan, or; (vi) the final monthly payment is due.

4. BORROWER'S RIGHT TO PREPAY

I/We have the right to make payments of principal at any time before they are due. A payment of principal only is known as a "prepayment." When I/we 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 my prepayments to reduce the amount of principal that I owe under this Note. If I make a partial prepayment, there will be no changes in the due date or in the amount of my monthly payment unless the Note Holder agrees in writing to those changes.

5. LOAN CHARGES

If a law, which applies to this loan and which sets maximum loan charges, is finally interpreted so that the interest or other loan charges collected or to be collected in connection with this loan exceed the permitted limits, then: (i) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (ii) any sums already collected from me which exceeded permitted limits will be refunded to me. The Note Holder may choose to make this refund by reducing the principal I owe under this Note or by making a direct payment to me. If a refund reduces principal, the reduction will be treated as a partial prepayment.

6. REFINANCE OF FIRST MORTGAGE

In the event that the Borrower refinances the First Mortgage on the Property, the Lender will not subordinate its lien unless all of the following conditions are met: (i) the Borrower takes out no cash; (ii) the new first mortgage is a fixed rate of 30 years or less; (iii) the Borrower's new monthly mortgage payment (including principal and interest) is at least \$75 or 10% less than the existing first mortgage, whichever is less, or a lower term makes such subordination reasonable as determined by the sole discretion of the Lender.

7. OCCUPANCY REQUIREMENT

I/We understand that we must occupy the Property as our principal place of residence for so long as the principal balance of the Note is outstanding and that the Property may not be used as a rental property. I/We further understand that if we fail to occupy the Property as our principal residence, such failure shall constitute default under this Note and that the entire principal balance shall then become immediately due and payable.

8. BORROWER'S FAILURE TO PAY AS REQUIRED

A. Late Charges for Overdue Payments

If the Note Holder has not received the full amount of any monthly payment by the end of fifteen calendar days after the date is due, I/we will pay a late charge to the Note Holder in the amount of 4.00% of my overdue payment of principal and interest.

B. Default

If I/we do not pay the full amount of each monthly payment on the date it is due, I/we will be in default. I/we will be in default if any conditions as outlined in Sections 3B, 6 and 7 on this Note occur or are discovered to have occurred.

C. Notice of Default

If I/we are in default, the Note Holder may send me/us a written notice stating that if I/we do not pay the overdue amount by a certain date, the Note Holder may require me/us to pay immediately the full amount of principal which has not been paid, and all the interest that I/we owe on that amount. The date must be at least 30 days after the date on which the notice is delivered or mailed to me/us.

D. No Waiver by Note Holder

Even if, at a time when I/we are in default, the Note Holder does not require me/us to pay immediately in full as described above, the Note Holder will still have the right to do so if I/we are in default at a later time.

E. Payment of Note Holder's Cost and Expenses

If the Note Holder has required me/us to pay immediately in full as described above, the Note Holder will have the right to be paid back by me/us 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 attorney's fee.

8. GIVING OF NOTICES

Unless applicable law requires a different method, any notice that must be given to me/us under this Note will be given by delivering it or by mailing it by first class mail to me at the Property Address above or at a different address if I/we give the Note Holder a different address. Any notice that must be given to the Note Holder under this Note will be given by mailing it by first class mail to the Note Holder at the address stated in Section 3(A) above or at a different address if I/we are given a notice of that different address.

9. OBLIGATIONS OF PERSONS UNDER THIS NOTE

If more than one person signs this Note, each person is 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 person individually or against all of us together. This means that any one of us may be required to pay all of the amounts owed under this Note.

10. WAIVERS

I/We 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. UNIFORM SECURED NOTE

This Note is a uniform instrument with limited variations in some jurisdictions. In addition to the protections given to the Note Holder under this Note, a second subordinate mortgage (the "Subordinate Mortgage"), dated the same date as this Note, protects the Note Holder from possible losses which might result if we do not keep the promises which we make in this Note. The Subordinate Mortgage is and shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of a first mortgage which has also been recorded against the title to the Property (that first mortgage, and all documents executed to evidence the debt secured by the First mortgage are referred to herein as the "First Mortgage Loan Documents"). The Subordinate Mortgage describes how and under what conditions we may be required to make immediate payment in full of all amounts we owe under this Note.

BY SIGNING BELOW, the Borrower(s) accepts and agrees to the terms and covenants contained in this Note.

Borrower's Signature

Date

Borrower's Signature

Date

Borrower's Signature

Date

Borrower's Signature

Date

WITNESS

Date