

**CONTRA COSTA COUNTY
5TH AND GIARAMITA HOMES**

**AMENDED AND RESTATED
FORGIVABLE PROMISSORY NOTE
(Secured by Deed of Trust)**

\$ _____, 20____

Address: [insert street address]
[insert city, state, zip code]

For value received, the undersigned ("Borrower"), jointly and severally, unconditionally promises to pay to the order of the County of Contra Costa, a political subdivision of the State of California ("Lender") the principal sum of _____ Dollars (\$_____) (the "Loan") plus interest thereon pursuant to Section 2 below.

This Amended and Restated Forgivable Promissory Note ("Note") replaces in its entirety that promissory note executed by [Borrower] in the principal amount of _____ Dollars (\$_____) dated _____ (the "Original Note"). Upon execution of this Note by Borrower, Lender shall cancel and return the Original Note to Borrower.

The Original Note is secured by a deed of trust dated _____ and recorded in the Official Records of Contra Costa County as Document No. _____ (the "Original Deed of Trust"). Upon execution of this Note by Borrower, Lender shall reconvey the Original Deed of Trust and enter into a new deed of trust of even date herewith against the above-referenced property (the "Property") that will be recorded in the official records of the County of Contra Costa and secure Borrower's obligations under this Note (the "Deed of Trust").

1. Loan Repayment Terms. The "Term" of this Note begins on the date of the Original Note and ends on the date that immediately precedes the thirtieth anniversary of the Original Note. No periodic payments are required under this Note. Subject to Section 3 – Loan Forgiveness, Borrower agrees to pay the unpaid principal balance, unpaid accrued interest, if any, and any other amounts due under this Note on or before _____, 20____.

Borrower is to make payment to:

Contra Costa County
Neighborhood Preservation Program
30 Muir Road

Martinez, California 94553

or to such other address as may be designated by Lender.

2. Default Interest. If a default occurs under this Note or the Deed of Trust, interest will accrue on all amounts due under this Note at the rate of ____ percent (____%) per annum (the "Default Rate") until the default is cured by Borrower or waived by Lender.
3. Loan Forgiveness. Provided Borrower has continuously occupied the Property throughout the Term of this Note, the Loan will be forgiven in equal increments on the Forgiveness Dates. For the purpose of this Note, the "Forgiveness Dates" are _____, _____, _____, _____, _____, _____, _____, _____, _____, and _____. The amount forgiven on each Forgiveness Date and the then-outstanding principal balance is as follows:

<u>Forgiveness Date</u>	<u>Amount Forgiven</u>	<u>Remaining Balance</u>
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4. Prepayment. Borrower may prepay this Note, in full or in part, at any time, without any prepayment penalty being charged by Lender.
5. Deed of Trust as Security. This Note is secured by the Deed of Trust.
6. Due on Sale. Subject to Section 4.11 of the Deed of Trust, Lender may, at Lender's option, declare all sums secured by the Deed of Trust to be immediately due and payable upon the sale or transfer of the Property, or any interest in the Property, without Lender's prior written consent.
7. Default. Subject to the requirements for notice and opportunity for cure under Section 5.2 of the Deed of Trust, Lender may, in its sole discretion, declare all unpaid and unforgiven loan principal and accrued interest to be immediately due and payable if, during the term of this Note, there occurs any of the following:
 - a. Borrower fails to occupy the Property as the Borrower's principal residence.
 - b. Borrower defaults or breaches any of the terms of this Note or the Deed of Trust.
 - c. The sale, transfer, hypothecation, assignment or encumbrance by Borrower of the Property or any interest therein, other than as permitted in Section 4.11 of the Deed of Trust.
 - d. Lender discovers that Borrower, in any application to Lender in connection with the loan, failed to disclose or misrepresented any fact deemed by Lender to be material or which would have prevented Borrower from being eligible for the loan.

- e. The occurrence of any event that, under the terms of any deed of trust that is senior to the Deed of Trust or the note such deed of trust secures, entitles a senior lender to exercise its rights or remedies thereunder.

The failure of the Lender to exercise the option to accelerate payment as provided in this Section will not constitute a waiver of the right to exercise the option.

- 8. Waiver. Borrower, any endorser of this Note, and all others who may become liable for all or any part of the obligations evidenced by this Note hereby severally waive demand, presentment for payment, demand and protest, notice of protest, demand and of dishonor and non-payment and consent to any number of renewals or extensions of this Note. Any such renewals or extensions may be made without notice to any of said parties and without affecting their liability.
- 9. Collection Costs. Borrower shall pay Lender for all costs and expenses incurred by Lender in enforcing this Note to the extent not prohibited by law. These expenses include, for example, reasonable attorneys' fees.
- 10. Notices. Notices are to be given under this Note in the manner prescribed in the Deed of Trust.

Borrower is signing this Note on the date first above written, intending to be legally bound hereby.

(Insert Borrower's Name)

(Insert Borrower's Name)