

ARIZONA HOME FORECLOSURE PREVENTION FUNDING CORPORATION

SAVE OUR HOME AZ PROGRAM

PROMISSORY NOTE

_____	_____	_____
Principal Amount	Maturity Date	Date

Subject Real Property Street Address		

_____	_____	_____
City	State	Zip Code

1. The subject real property ("the Property") identified above is more fully described in Exhibit A to this Promissory Note.

2. In return for assistance, according to the disbursement,

_____ the undersigned Borrower(s) hereby promises to pay to the order of the Arizona Home Foreclosure Prevention Funding Corporation ("Lender"), the Principal Amount stated above, which shall be payable upon the earliest occurrence of any of the following Events of Default:

- a) Date of sale of the Property. If the Property is conveyed, sold, transferred, subjected to a mortgage or deed of trust, whether voluntary, involuntary or by operation of law, Lender shall have the right in its sole and absolute discretion to declare the entire indebtedness secured by a deed of trust of even date herewith naming Lender as the beneficiary and Borrower as trustor (the "Deed of Trust") to be immediately due and payable;
- b) Date upon which Borrower no longer occupies the Property as his and/or her principal residence; or
- c) Breach of any provision of this Promissory Note ;
- d) Default under the Deed of Trust executed in connection with this Promissory Note.

3. The Principal Amount shall accrue interest at the rate of 0% interest per year.

4. In the event that no Event of Default described in paragraph 2 occurs before the Maturity Date, Borrower's duty to repay the unpaid Principal Amount shall be satisfied in its entirety.

5. Payment of this Promissory Note may be enforced solely out of the proceeds of sale of the Property, whether the sale constitutes a voluntary sale or a Default under the security interest that is superior to the Deed of Trust. However, the Lender may, at its option, seek and obtain a personal judgment for all amounts payable under this Promissory Note against any Borrower responsible for any fraud or misrepresentation that constitutes a default under the Deed of Trust executed in connection with this Promissory Note. This right shall be in addition to any other remedies available to the Lender for such fraud or misrepresentation.

6. So long as Borrower is not in default of this Promissory Note or the Deed of Trust, no interest shall be charged on the unpaid principal balance. In the event Borrower is in default of this Promissory Note or the Deed of Trust, then at the election of, and without prior notice by, Lender, interest shall be computed on the principal balance of this Promissory Note at the default

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interest rate of 10% *per annum*, not to exceed the maximum lawful rate, from the date of default until this Promissory Note is paid in full.

7. If the Borrower(s) is not and has not been in default of this Promissory Note or Deed of Trust, _____ of the principal shall be forgiven on _____, being 60 months after the date of the Promissory Note.
8. If the Borrower(s) is not and has not been in default of this Promissory Note or Deed of Trust, 0.00 of the principal shall be forgiven on N/A, being 360 months after the date of the Promissory Note, in which case the Lender shall cancel and return the Promissory Note to Borrower and shall record a deed of release of the Deed of Trust.
9. This Promissory Note shall be construed in accordance with the laws of the State of Arizona.
10. All funds due hereunder shall be paid to Promissory Note holder in U.S. Dollars.
11. This Promissory Note may not be partially prepaid.
12. Borrower(s) waive(s) the rights of presentment and notice of dishonor.
13. In addition to the protections given to the Promissory Note Holder under this Promissory Note, a Deed of Trust dated the same date as this Promissory Note, secures this Promissory Note.
14. The Deed of Trust describes the conditions under which Borrower may be required to make immediate payment in full of all amounts owed under this Promissory Note.
15. This Promissory Note and the Deed of Trust shall be governed by the law of the State of Arizona and the local jurisdiction in which the Property is located.
16. Time is of the essence in this Promissory Note, and every term, condition, covenant and provision hereof.

SIGNATURES ON FOLLOWING PAGE

SAMPLE

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BY SIGNING BELOW, Borrower accept and agrees to the terms and covenants contained in this Promissory Note.

Borrower

Signature

Print/Type Name

Date

STATE OF ARIZONA, COUNTY OF

Acknowledgement: On this date, before me, a Notary Public, personally appeared

Known to me as satisfactorily proven to be the person whose name is subscribed to this instrument and acknowledged that he/she executed the same. If this person's name is subscribed in a representative capacity, it is for the principal named and in the capacity indicated.

Signature of Notary Public

Date of this Acknowledgement

Notary / Expiration Date

Co-Borrower

Signature

Print/Type Name

Date

STATE OF ARIZONA, COUNTY OF

Acknowledgement: On this date, before me, a Notary Public, personally appeared

Known to me as satisfactorily proven to be the person whose name is subscribed to this instrument and acknowledged that he/she executed the same. If this person's name is subscribed in a representative capacity, it is for the principal named and in the capacity indicated.

Signature of Notary Public

Date of this Acknowledgement

Notary / Expiration Date