

DEED OF TRUST NOTE

_____, 200__

\$ _____

FOR

VALUE

RECEIVED,

(whether one or more, the "Borrower"), jointly and severally, promise to pay to THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT OF THE STATE OF MARYLAND (the "Lender"),

or order, having its principal office at 100 Community Place, Crownsville, Maryland 21032, or any other place that the holder of this Note (the "Holder") may designate in writing, the principal sum of

_____ Dollars (the "Loan"). There will be no interest charged on the Loan.

Payment of principal shall be deferred until the first to occur of the following: (i) _____, 20__ (the "Maturity Date"); (ii) prepayment of Borrower's first mortgage loan; (iii) the sale or other transfer of Borrower's home or any interest therein; or (iv) a default under this Note, the Deed of Trust or any other document executed by Borrower in connection with the Loan. At that time, the entire principal balance of the Loan will be due.

The Borrower shall repay the Loan in lawful money of the United States of America to the Lender at its principal place of business stated above or any other place that the Holder, or its loan servicer, shall designate in writing.

The Borrower shall also pay costs of collection, including a reasonable attorney's fee if this Note is referred to any attorney for collection after default.

The Borrower may prepay this Note in part or in whole at any time without incurring any prepayment penalty.

If the Borrower fails to make any payment under this Note when due, or upon any other event of default under any covenant or provision of this Note or the Deed of Trust, the entire unpaid principal amount plus accrued interest (if any) shall at once become due and payable without notice, at the option of the Lender. Failure of the Lender to exercise this option shall not constitute a waiver of the right to exercise the option in the event of any subsequent default. If suit is brought to collect any amount due under this Note or the Deed of Trust, the Holder may collect all reasonable costs and expenses of suite, including, but not limited to, reasonable attorney's fees.

The Borrower hereby jointly and severally waives diligence, presentment for payment, demand, protest, notice of protest, and notice of dishonor, and expressly agrees that the Maturity Date of this Note, or any payment under it, may be extended from time to time without any way affecting Borrower's liability.

If more than one person signs this Note as Borrower, each 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 Lender may enforce its rights under this Note against each of the Borrowers individually or against all of the Borrowers together, and any one of the Borrowers may be required to pay all of the amounts owed under this Note.

This Note is secured by a Deed of Trust, dated the same date as this Note, from Borrower as grantor to Mark S. Petrauskas and Anthony J. Mohan, as trustees, for the principal amount set forth in this Note, and covering real property situated in _____, Maryland. The Deed of Trust provides additional protection to the Lender if the Borrower fails to keep promises it made in this Note or in the Deed of Trust, or other loan documents described in the Deed of Trust. The Deed of Trust describes how and under what circumstances I may be required to make immediate payment in full of all amounts I owe under this Note.

IN WITNESS WHEREOF, the Borrower has executed this Note under Seal as of the date shown above.

WITNESS:

BORROWER(S):

_____(SEAL)

Name:

_____(SEAL)

Name:

_____(SEAL)

Name:

THIS IS TO CERTIFY that this is the Deed of Trust Note described in, and secured by, the Deed of Trust of even date, and is in the same principal amount, covering real estate in _____, Maryland.

Dated this ____ day of _____, 200__.

—

Notary Public

My Commission Expires: _____