

SATISFACTION: The debt evidenced by this Note has been satisfied in full this _____ day of _____, _____
Signed: _____

PROMISSORY NOTE

(Queen City Accessory Dwelling Unit Program)

Charlotte, N. C.

October __, 2025

\$ _____

FOR VALUE RECEIVED the undersigned, jointly and severally, promise to pay to CITY OF CHARLOTTE, a municipal corporation or order, the principal sum of _____ and No/100 Dollars (\$ _____), with interest from October __, 2025, at the rate of Zero per cent (0.00%) per annum on the unpaid balance until paid or until default, both principal and interest payable in lawful money of the United States of America, at the office of 600 East Trade Street, Charlotte, NC 28202 or at such place as the legal holder hereof may designate in writing. It is understood and agreed that additional amounts may be advanced by the holder hereof as provided in the instruments, if any, securing this Note and such advances will be added to the principal of this Note and will accrue interest at the above specified rate of interest from the date of advance until paid. The principal and interest shall be due and payable as follows:

The loan shall be forgivable so long as the undersigned remains in compliance with the terms of the Loan Agreement of even date herewith. No payments are due and the balance due under this Note shall be discounted and reduced by \$10,000 per year beginning on the first anniversary date of this Note. If the subject property is sold, otherwise transferred, or the undersigned ceases to reside on the subject property or rent out the Accessory Dwelling Unit ("ADU") in violation of the Loan Agreement prior to October __, 2033, the full loan balance plus 3% interest will be immediately due and payable upon such event in accordance with the terms of the Loan Agreement. Should any term of this Note conflict with those of the Loan Agreement, the terms of the Loan Agreement shall control.

If not sooner paid, the entire remaining indebtedness shall be due and payable on **October __, 2033**.

If payable in installments, each such installment shall, unless otherwise provided, be applied first to payment of interest then accrued and due on the unpaid principal balance, with the remainder applied to the unpaid principal.

Unless otherwise provided, this Note may be prepaid in full or in part at any time without penalty or premium. Partial prepayments shall be applied to installments due in reverse order of their maturity.

In the event of (a) default in payment of any installment of principal or interest hereof as the same becomes due and such default is not cured within ten (10) days from the due date, or (b) default under the terms of any instrument securing this Note, and such default is not cured within fifteen (15) days after written notice to maker, then in either such event the holder may without further notice, declare the remainder of the principal sum, together with all interest accrued thereon and, the prepayment premium, if any, at once due and payable. Failure to exercise this option shall not constitute a waiver of the right to exercise the same at any other time. The unpaid principal of this Note and any part thereof, accrued interest and all other sums due under this Note and the Deed of Trust, if any, shall bear interest at the rate of _____ three _____ per cent (3.00%) per annum after default until paid.

All parties to this Note, including maker and any sureties, endorsers, or guarantors hereby waive protest, presentment, notice of dishonor, and notice of acceleration of maturity and agree to continue to remain bound for the payment of principal, interest and all other sums due under this Note and the Deed of Trust notwithstanding any change or changes by way of release, surrender, exchange, modification or substitution of any security for this Note or by way of any extension or extensions of time for the payment of principal and interest; and all such parties waive all and every kind of notice of such change or changes and agree that the same may be made without notice or consent of any of them.

Upon default the holder of this Note may employ an attorney to enforce the holder's rights and remedies and the maker, principal, surety, guarantor and endorsers of this Note hereby agree to pay to the holder reasonable attorneys fees not exceeding a sum equal to fifteen percent (15%) of the outstanding balance owing on said Note, plus all other reasonable expenses incurred by the holder in exercising any of the holder's rights and remedies upon default. As used herein, the terms "reasonable attorneys' fees" or "attorneys' fees," or words of similar meaning, shall mean attorneys' fees actually incurred and based on such attorneys' customary hourly rates, including without limitation, paralegal fees incurred at such paralegals' customary hourly rates and expenses actually incurred by such attorney. The rights and remedies of the holder as provided in this Note and any instrument securing this Note shall be cumulative and may be pursued singly, successively, or together against the property described in the Deed of Trust or any other funds, property or security held by the holder for payment or security, in the sole discretion of the holder. The failure to exercise any such right or remedy shall not be a waiver or release of such rights or remedies or the right to exercise any of them at another time.

This Note is to be governed and construed in accordance with the laws of the State of North Carolina.

This Note is given as an actual loan in the above amount and is secured by a Deed of Trust of even date herewith to Susan Y. Ellinger, Trustee, which is a _____ position lien upon the property therein described.

IN TESTIMONY WHEREOF, each corporate maker has caused this instrument to be executed in its corporate name by its _____ President, attested by its _____ Secretary, and its corporate seal to be hereto affixed, all by order of its Board of Directors first duly given, the day and year first above written.

(Corporate Name)
By: _____

President

ATTEST:

Secretary (Corporate Seal)

(Corporate Name)

By: _____

President
ATTEST:

Secretary (Corporate Seal)

IN TESTIMONY WHEREOF, each individual maker has hereunto set his hand and adopted as his seal the word "SEAL" appearing beside his name, the day and year first above written.

[PROPERTY OWNER NAME] (SEAL)

