**FOR USE IN MA, ME, NH, RI, and VT**

**Remove this notice before executing and recording this document.**

PLEASE CONSULT LEGAL COUNSEL TO ENSURE FULL COMPLIANCE WITH RECORDING AND OTHER REQUIREMENTS OF STATE LAW. BY PROVIDING YOU WITH THESE DOCUMENTS, THE FEDERAL HOME LOAN BANK OF BOSTON (FHLBank Boston or Bank) IS IN NO WAY PROVIDING LEGAL ADVICE OR MAKING ANY REPRESENTATION AS TO THE EFFECTIVENESS OF THE DOCUMENTS.

**Pay particular attention to the following:**

1. **No modifications are allowed without agreement of FHLBank Boston prior to execution.**
2. **The parties identified in this document must reflect the parties, as applicable, to the executed AHP Agreement related to this transaction.**
3. **The legal description of the property(ies) should match the legal description included in the associated first mortgage. Please contact FHLBank Boston if this will not be the case.**
4. **If this is a leasehold transaction, please update the document appropriately.**
5. **FYI FOR LOW INCOME HOUSING TAX CREDIT INITIATIVES ONLY:**
* It is FHLBank Boston’s experience that LIHTC counsel or others may have multiple questions or concerns regarding the AHP Regulation and these legal documents, including but not limited to the 15-year retention period. Please review all questions with your Community Investment Manager well in advance of closing to avoid any delays.
* When the Lender is the Sponsor, you must delete any reference to Lender “as a shareholder of FHLBank Boston.”
1. **ERRORS TO THIS OR ANY OTHER RELATED LEGAL DOCUMENTS REGARDING FHLBank Boston AHP FUNDING WILL DELAY FUNDING AND REQUIRE CORRECTION AT THE BORROWER’S SOLE EXPENSE.**

**For more information, contact your Community Investment Manager at FHLBank Boston.**

FEDERAL HOME LOAN BANK OF BOSTON
AFFORDABLE HOUSING PROGRAM

PROMISSORY NOTE
FOR RENTAL PROJECTS

 **, ,**

(DATE) (CITY) (STATE)

FOR VALUE RECEIVED, (the “Borrower”), promises to
pay UNITED STATES DOLLARS ($ ) to
 (the “Lender”), organized and existing under the
laws of the State or Commonwealth of , with principal offices at
 , and promises to abide by the terms contained below.

1. SECURITY AGREEMENT

As security for the payment of amounts due under this Note and the performance of all promises contained in this Note, the Borrower is giving the Lender a Mortgage and Security Agreement, of even date herewith (as amended from time to time, the “Security Agreement”). The Security Agreement encumbers a certain parcel of real estate which is owned by the Borrower, the legal description of such real estate being contained in the Security Agreement, which has an address of
 , and which is known as
 (“the Project”).

1. BORROWER’S OBLIGATIONS
2. This Note implements requirements applicable to assistance furnished for the benefit of the Project to the Borrower under the Affordable Housing Program (“AHP”) of the Federal Home Loan Bank of Boston (“FHLBank Boston or Bank”) as provided in the Affordable Housing Program Agreement For A Rental Project (as amended from time to time, the “AHP Agreement”) entered into in connection with the Project.
3. This Note, the Security Agreement, and the Related Documents (as defined in the AHP Agreement) to which the Borrower is a party have been or will be duly executed and delivered and are, or upon execution will be, valid and legally binding obligations of the Borrower, enforceable against the Borrower in accordance with their terms.
4. The consummation of the transactions contemplated hereby and the execution, delivery and performance of this Note, the Security Agreement, and the Related Documents by the Borrower will not violate or constitute or result in a material breach of or a default under any agreement, mortgage, deed of trust, lease, loan or security agreement, or any other instrument towhich the Borrower is a party or by which it may be bound or affected.
5. Pursuant to the federal regulations which govern the operation of the AHP, 12 CFR Part 1291 et seq. (as may be amended from time to time, the “AHP Regulations”), the Project is to be owned and operated in accordance with the approved levels of performance which were originally committed in the AHP Agreement for a period of fifteen (15) years from the later of: (a) the date the project reports an 80% occupancy rate, (b) the date a certificate of occupancy (CO) is issued by the local jurisdiction, or (c) the date of final disbursement of AHP subsidy, as determined by the Bank in its sole discretion, subject to the AHP Regulations and the Bank’s AHP Implementation Plan, as amended from time to time (the ”Retention Period”).

All terms used but not defined herein shall be in accordance with the definitions provided in the AHP Regulations.

1. The Borrower hereby acknowledges receipt of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ United States Dollars ($\_\_\_\_\_\_\_\_\_\_\_\_), herein called the “AHP Subsidy.” Borrower hereby agrees that any repayments of principal and payments of interest (if applicable) must be paid forthwith to the Lender or FHLBank Boston, as specified in the AHP Agreement and the AHP Regulations. Unless repaid sooner in accordance with this Note and the Security Agreement, this Note shall be deemed satisfied and the Borrower shall be entitled to a release of the Security Agreement upon the expiration of fifteen (15) years of operation of the Project as set forth in Paragraph 2.D, above.
2. By executing this Note, the Borrower hereby agrees that the Lender and FHLBank Boston or its designee shall be given thirty (30) days prior written notice of a sale, transfer, assignment of title or deed, or refinancing of the Project occurring prior to the end of the Retention Period. In the case of a sale, transfer, assignment of title or deed, or refinancing of the Project prior to the end of the Retention Period, an amount equal to one hundred percent of the AHP Subsidy shall be repaid to FHLBank Boston, unless:
3. The Project continues to be subject to a deed restriction or other legally enforceable mechanism that incorporates the income-eligibility and affordability restrictions committed to in the approved AHP application and AHP Agreement for the duration of the Retention Period; or
4. If authorized by FHLBank Boston, in its sole discretion, the households are relocated due to the exercise of eminent domain, or for the expansion of housing or services, to another property that is made subject to a deed restriction or other legally enforceable retention agreement or mechanism incorporating the income-eligibility and affordability restrictions committed to in the approved AHP application and AHP Agreement for the remainder of the Retention Period.
5. If the Borrower causes the AHP Subsidy to be misused, the Borrower shall, if so directed by the Lender or FHLBank Boston in each party’s sole discretion, repay the AHP Subsidy, plus interest as may be required by FHLBank Boston, directly to FHLBank Boston. Recovery of the AHP Subsidy is not required if any of the conditions set forth in Paragraph 11 of the AHP Agreement are satisfied.
6. If the Project is funded with Federal Low Income Housing Tax Credits (LIHTC), the Borrower hereby agrees to provide prompt written notice to the Lender and FHLBank Boston, or its designee, and any other parties to the AHP Agreement, if the Project is in material and unresolved noncompliance with the LIHTC income targeting or rent requirements at any time during the Retention Period.
7. The Project’s rental units will remain occupied by and affordable for households with incomes at or below the levels committed to be served in the AHP Agreement for the duration of the Retention Period. These income levels, as committed to be served in the AHP Agreement, are established at initial income qualification for the household desiring eligibility to rent.
8. The income-eligibility and affordability restrictions applicable to the Project shall terminate after any foreclosure.
9. AMENDMENT AND WAIVERS

No modification, amendment, or waiverof any provision of this Note or consent to any departure therefrom shall be effective unless an agreement in writing is executed by the parties to this Note. Any forbearance, failure, or delay by a party, in exercising any right, power, or remedy hereunder or under law or regulationshall not be deemed to be a waiver thereof, and any single or partial exercise by a party of any right, power, or remedy shall not preclude the exercise of any right or remedy hereunder. Every right, power, and remedy of a party shall continue in full force and effect until specifically waived by the party, in writing.

1. JURISDICTION AND DEFAULT INTEREST AND FEES
2. If an Event of Noncompliance (as defined in the Security Agreement) has been declared by either the Lender or FHLBank Boston, or any designee of the Bank, a default rate of interest may be charged thereafter on the AHP Subsidy, as required by the Lender or determined by local legal default rate limits, until the required amount of AHP Subsidy is either repaid by the Borrower or until the Project is restored to conformity with the AHP Regulations. In the event that any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower is interpreted so that any charge provided for in this Note, whether considered separately or together with other charges levied in connection with this Note, violates such law, and Borrower is entitled to the benefit of such law, such charge is hereby reduced to the extent necessary to eliminate such violation. The Lender shall be entitled to recover reasonable legal fees and expenses from the Borrower in the event that it becomes necessary to refer the collection of the AHP Subsidy to an attorney.
3. In any action or proceeding brought by FHLBank Boston, or any designee of the Bank, the Lender, or the Borrower in order to enforce any right or remedy under this Note, the parties hereby consent to, and agree that they will submit to, the jurisdiction of the United States District Court for the District of Massachusetts or, if such action or proceeding may not be brought in federal court, the jurisdiction of the Massachusetts State courts located in the City of Boston and County of Suffolk to the exclusion of all other courts, unless it is determined that such action or proceeding must be held in the jurisdiction where the Project is located. The Borrower hereby irrevocably waives, to the fullest extent permitted by law, any objection that the Borrower may now or hereafter have to the laying of venue in any such court and any claim that any such court is an inconvenient forum.
4. APPLICABLE LAW AND SEVERABILITY

This Note shall be governed by the laws of the United States and, to the extent federal law incorporates or defers to state law, the laws of the State/Commonwealth where the Project is located (excluding, however, the conflict of laws rules of such State/Commonwealth). In the event that any portion of this Agreement conflicts with applicable law, such conflict shall not affect other provisions of this Note that can be given effect without the conflicting provision, and to this end the provisions of this Note are declared to be severable.

1. THIRD PARTY BENEFICIARY

The Borrower agrees that FHLBank Boston is an intended, third party beneficiary of this Note and is entitled to rely upon all rights, representations, warranties, and covenants made by Borrower herein to the same extent as if FHLBank Boston were the Lender hereunder.

1. WAIVERS

All parties to this Note, whether maker, principal, surety, guarantor, or endorser, hereby waive demand, notice, and protest.

1. SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon and inure to the benefit of the successors and permitted assigns of the Lender, the Borrower, and FHLBank Boston.

1. NOTICES

All notices and other communications shall be mailed, sent by facsimile transmission (with confirmation copy), served personally on a party at the address indicated below, or at such other address as shall be designated by a party by future written notice to the other parties, or sent by electronic mail (“email”) with notice by one of the other delivery methods set forth in this section to promptly follow. Notice sent by facsimile transmission shall be effective on the date transmitted; notice sent by personal service shall be effective on the date of delivery; notice sent by U.S. mail shall be effective three (3) business days after such communication is deposited in the mail with first class postage prepaid, addressed as aforesaid, and notice sent by email shall be effective upon the recipient’s confirmation of receipt.

 Notices to the Bank shall be sent to:

Federal Home Loan Bank of Boston
800 Boylston Street, 6th Floor
Boston, MA 02199
Attn: Housing and Community Investment Department

1-800-357-3452 (Option 5)

Email: housing@fhlbboston.com

**LENDER Contact and Address:**

1. ENTIRE AGREEMENT
2. Except as otherwise expressly provided in this Paragraph 10, this Note, together with the AHP Agreement, the Security Agreement, and the Related Documents, embodies the entire agreement and understanding between the parties relating to the subject matter hereof and supersedes all prior agreements.
3. To the extent the Lender and the Borrower have entered into any agreements pertaining to the Project to which FHLBank Boston is not a party, the terms of such prior agreements remain in full force and effect, *provided* *however,* in the event of any conflict between such prior agreements and this Note, unless otherwise expressly provided in this Note, the terms of this Note shall prevail.

[Signatures on following page]

IN WITNESS WHEREOF, the undersigned authorized representative of the Borrower executes this Note on the day and year first above written:

WITNESS:

 (Borrower name)

 (Signed)

 (Printed name of authorized representative)

 (Title)

Revised 11/30/23