

COOPERATIVE LOAN NOTE

\$ _____

Date _____

Property Address _____

1. **Borrower's Promise To Pay** In return for a loan that I have received, I promise to pay U.S. \$_____ (called "principal"), plus interest at the yearly rate of _____% to the order of the Lender. The Lender is _____. I understand that the Lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called the "Note Holder."

2. **Time and Place of Payments** I will pay principal and interest by making payments on the first day of each month beginning on _____, _____. My monthly payment will be in the amount of U.S.\$_____. I will make these payments every month until I have paid all the principal and interest and any other charges described below that I may owe under this Note. If I still owe amounts under this Note on _____, _____ (the "Maturity Date"), I will pay those amounts in full on that date. I will make my monthly payments at _____ or at a different place if required by the Note Holder.

3. **My Right to Prepay** A payment of principal before it is due is known as a ("prepayment"). I have the right to make a full or partial prepayment at any time without having to pay any prepayment charge or penalty.

When I make a prepayment, I will tell the Note Holder in a letter that I am doing so. The Note Holder will use all of my prepayments to reduce the amount of principal that I owe under this Note. If I make a partial prepayment, there will be no delays in the due dates of my monthly payments unless the Note Holder agrees in writing to those delays.

4. **Usury** If a law, which applies to this loan and which sets maximum loan charges, is finally interpreted so that the interest or other loan charges collected or to be collected in connection with this loan exceed the permitted limits, then: (i) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (ii) any sums already collected from me which exceeded permitted limits will be refunded to me. The Note Holder may choose to make this refund by reducing the principal I owe under this Note or by making a direct payment to me. If a refund reduces principal, the reduction will be treated as a partial payment.

5. **My Failure to Make Payments as Required** (A) Late Charge for Overdue Payments
 If the Note Holder has not received the full amount of any of my monthly payments or other charges within fifteen (15) calendar days after the date is due, I will pay a late charge to the Note Holder. The amount of the late charge will be two percent (2%) of my overdue payment. I will pay this late charge only once on any late payment.

(B) Default
 If I do not pay the full amount of each monthly payment within thirty (30) days of its due date, if I die, if I become insolvent, or am placed into bankruptcy (voluntary or involuntary), or I fail to keep any of my promises in the security agreement (the "Security Agreement") dated today between me and the Note Holder, I will be in default. If I am in default, the Note Holder may require me to pay immediately the full amount of principal which has not been paid and all the interest that I owe on that amount. The rate of interest set forth in Section 1 is the rate I will owe both before and after any such default.

(C) Payment of Note Holder's Costs and Expenses
 If the Note Holder has required me to pay immediately in full as described above, the Note Holder will have the right to be paid back for all of its costs and expenses in enforcing this Note

to the extent not prohibited by applicable law. Those expenses include, for example, reasonable attorney's fees.

- 6. Giving of Notices** Unless applicable law requires a different method of giving notice, any notice that must be given to me under this Note will be given by delivering it or by mailing it by first class mail addressed to me at the Property Address above or at a different address if I give the Note Holder a notice of my different address.

Any notice that must be given to the Note Holder under this Note will be given by mailing it by first class mail to the Note Holder at the address stated in Section 2 above or at a different address if I am given a notice of that different address.
- 7. Obligations of Persons Who Sign Note** If more than one person signs this Note, each person is fully and personally obligated to keep all of the promises made in this Note, including the promise to pay the full amount owed. Any person who is a guarantor, surety, or endorser of this Note is also obligated to do these things. Any person who takes over the obligation under this Note or any person who takes over the obligations of a guarantor, surety, or endorser of this Note is also obligated to keep all of the promises made in this Note. The Note Holder may enforce its rights under this Note against each person individually or against all of us together. This means that any one of us may be required to pay all of the amounts owed under this Note.
- 8. Waivers** The Note Holder may, without losing any of its rights under this Note (i) accept late payments, (ii) accept partial payments marked "paid in full" and (iii) delay in enforcing any of its rights under this Note. I and any other person who has obligations under this Note waive the rights of presentment, notice of dishonor and protest. "Presentment" means the right to require the Note Holder to demand payment of amounts due. "Notice of Dishonor" means the right to require the Note Holder to give notice that amounts due have not been paid. "Protest" means the right to require the Note Holder to obtain an official certification of nonpayment. No change or cancellation of this Note shall be effective unless the change or cancellation is in writing and has been signed by the Note Holder and me.
- 9. Security for This Note** In addition to the protection given to the Note Holder under this Note, I have given the Note Holder a security interest in the shares of stock and proprietary lease described in the Security Agreement. If I default under this Note or the Security Agreement, the Note Holder can sell the shares of stock and assign the proprietary lease and apply the proceeds to what I owe, as more fully provided in the Security Agreement. Any default by me under the Security Agreement shall be deemed a default under this Note.
- 10. Application of Payments** All payments received by the Note Holder shall be applied, first, to payments made by the Note Holder to protect its security interest under the Security Agreement, second, to pay unpaid late charges, third, on account of interest, and then, on account of principal.
- 11. New York Law** This Note shall be governed by the laws of the State of New York and any applicable federal law. In the event of a conflict between any provision of this Note and any federal or New York State statute, law or regulation in effect as of the date of this Note, the statute, law or regulation shall control to the extent of such conflict and the provision contained in this Note shall be without effect. All other provisions of this Note will remain fully effective and enforceable.
- 12. Assumptions** Any person who takes over my rights or obligations under this Note will have all of my rights and must keep all of my promises made in this Note. Any person who takes over the rights or obligations of a guarantor, surety, or endorser of this Note is also obligated to keep all the promises in this Note. My obligations hereunder may not be assumed by any person other than myself without the prior written consent of the State of New York Mortgage Agency.

(Witness)

(Borrower)

(Witness)

(Borrower)

(Witness)

(Borrower)

ACKNOWLEDGEMENT

STATE OF _____).ss:

COUNTY OF _____)

On the _____ day of _____ in the year _____, before me, the undersigned, a notary public in and for said state, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person on behalf of which the individual(s) acted, executed the instrument.

Notary Public
Commission expires:

ENDORSEMENT

PAY TO THE ORDER OF THE STATE OF NEW YORK MORTGAGE AGENCY WITHOUT RECOURSE

SELLER/LENDER

AUTHORIZED SIGNATURE

NAME AND TITLE OF SIGNATORY