

**NORTH CAROLINA LEGAL EDUCATION ASSISTANCE FOUNDATION (NC LEAF)  
LOAN REPAYMENT ASSISTANCE**

\_\_\_\_\_ NC \_\_\_\_\_, 20\_\_\_\_\_  
\$ \_\_\_\_\_

**Promissory Note**

I. FOR VALUE RECEIVED, I, \_\_\_\_\_ of \_\_\_\_\_, NC hereinafter referred to as the "Maker", promise to pay to the order of NC LEAF the sum of \$ \_\_\_\_\_ which NC LEAF has agreed to loan to me during the period October 1, 2009 through September 30, 2010 (10/1/09 through 9/30/10). In the event that NC LEAF actually loans me a different amount than \$ \_\_\_\_\_ during this period, whether greater or lesser than that amount, I agree to repay that amount in lieu of the sum of \$ \_\_\_\_\_.

Payment shall be made in lawful money of the United States of America, at the office of NC LEAF or at such other place as NC LEAF may direct in writing.

Maker further understands and agrees:

**II. REPAYMENT PERIOD**

(1) So long as Maker remains in Eligible Employment and continues to meet all eligibility requirements, as defined by the 2009/2010 NC LEAF Loan Repayment Assistance Program Guidelines, (the "Guidelines"), the terms of which are incorporated by reference into this Promissory Note, no payment of principal shall be due nor shall interest accrue. If Participant leaves Eligible Employment before completing 5 full years or becomes otherwise ineligible for the Program, then Participant shall repay any NC LEAF funds not forgiven according to the schedule specified in the Program Guidelines incorporated by reference herein. After NC LEAF determines that Maker has left Eligible Employment or is determined to be no longer eligible for the Program, the Repayment Period shall begin on the first day the following Quarter (January 1, April 1, July 1, or October 1).

(2) No interest shall accrue from the beginning of the Repayment Period to the end of the Repayment Period.

(3) Maker promises to repay the principal over the course of the Repayment Period in 40 quarterly installments, such payments to commence three months after the Repayment Period begins and to end 10 years later except that:

(4) When the principal balance owed to NC LEAF reaches \$1500 or less, the repayment schedule for the remaining balance is accelerated to payments of \$125 per month (or \$375 per quarter) such that the remaining principal is repaid to NC LEAF in less than one year.

(5) When the principal balance owed to NC LEAF is \$1501 - \$5000, the repayment schedule for the remaining balance is accelerated to 20 equal quarterly installments, such payments to commence three months after the Repayment begins and ending 5 years later.

(6) If a Participant has already completed 5 years of Eligible Employment and leaves the Program during a Quarter, or is determined to be otherwise ineligible for assistance during that Quarter, the Participant is required to repay a proportional amount of that Quarter's assistance. This amount must be repaid to NC LEAF no later than the end of the following Quarter or the end of the fiscal year, whichever comes first.

**III. PREPAYMENT**

Maker may, without penalty or premium, prepay all or any part of the principal at any time.

**IV. LOAN FORGIVENESS**

Loan forgiveness will occur pursuant to the Program Guidelines, incorporated by reference herein.

V. DEFAULT/ACCELERATION

(1) If Maker fails to make a scheduled repayment of any installment, NC LEAF may, without further notice, declare the entire outstanding principal balance of this Note, plus any applicable penalty charges, to be immediately due and payable. Failure to exercise this option shall not constitute a waiver of the right to exercise such option at any other time.

(2) If Maker fails to make a timely payment within 15 days of the due date of all or any part of a scheduled installment, Maker promises to pay the charge assessed by NC LEAF in the amount of \$20 per month for each installment unpaid or overdue.

(3) If Maker fails to make a scheduled repayment, or fails to comply with any other terms of this Promissory Note, NC LEAF may:

- a. refer Maker’s loan to a collection agent,
- b. initiate legal proceedings against Maker, and/or
- c. collect from Maker all reasonable attorneys’ fees and other costs and charges necessary for the collection of any amount not paid when due.

The failure to exercise any right or remedy shall not be a waiver or release of such right or remedy or of the right to exercise any right or remedy at any time.

(4) Maker waives protest, presentment, notice of dishonor, and notice of acceleration of maturity. Maker agrees to pay all reasonable fees and expenses incurred by NC LEAF in the event of Maker’s default.

VI. DISCLOSURE/ASSIGNMENT

- (1) NC LEAF may disclose Maker’s loan, and any other relevant information, to credit bureaus.
- (2) NC LEAF reserves the right to assign this Note at any time.

VII. CONSTRUCTION

This Note and all attachments shall be governed by, and construed in accordance with, the laws of the State of North Carolina.

IN WITNESS WHEREOF, I set my hand under seal this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ and I acknowledge receipt of a completed copy of this instrument.

\_\_\_\_\_  
Maker’s Signature (SEAL)

\_\_\_\_\_  
Notary Public

My Commission Expires \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_