

Applicant: \_\_\_\_\_  
Address: \_\_\_\_\_  
Date: \_\_\_\_\_

## PROMISSORY NOTE

**WHEREAS**, the undersigned Applicant has applied to the City for a reduction in the water and sewer facility fees for affordable housing dwelling units imposed pursuant to Article III (Water and Sewers Generally) of Chapter 31 (Utilities) of the Charlottesville City Code, 1990, as amended; and

**WHEREAS**, the City has approved the Applicant's application for reduced water and sewer connection fees, pursuant to §§ 31-102.1 and 31-106.1 of the City Code, as amended; and

**WHEREAS**, the Applicant has agreed to pay to the City the difference between the reduced fee(s) and the standard fee(s) for water and sewer connections should the dwelling unit cease to be affordable housing as defined by the above-cited City Code sections, within five (5) years of the date of this Note; now, therefore,

**For Value Received**, \_\_\_\_\_ ("Applicant"), promises to pay to the order of the City of Charlottesville, P.O. Box 911, Charlottesville, Virginia 22902 ("the Noteholder"), the principal sum of \_\_\_\_\_ **and** \_\_\_/100 DOLLARS (\$ \_\_\_\_\_).

Repayment of the original principal amount is due if, within Five (5) Years of the date of this Note, any or all of the property at \_\_\_\_\_ (City TMP \_\_\_\_\_) the "Property", ceases to be Affordable Housing, defined as:

*A dwelling unit (1) to be purchased and occupied by an individual or family with a household income less than eighty percent (80%) of the Area Median Income; and (2) that has a sales price no greater than the maximum sales price established by the Virginia Housing Development Authority for its first time homebuyer loan programs in the Charlottesville metropolitan statistical area (non-federal targeted area); or that is developed as rental property with financial assistance from a federal, state or local program requiring the dwelling units to be leased to tenants with a household income less than eighty percent (80%) of the Area Median Income.*

In the event the Property ceases to meet the above definition of Affordable Housing prior to \_\_\_\_\_, 20\_\_\_\_, the Applicant shall be in default and shall pay to the City of Charlottesville the full principal amount of this Note. The personal liability of any person liable hereon shall under no circumstances exceed \$ \_\_\_\_\_. At the expiration of the loan term period, if the Note has not been paid in full and Applicant is not in default, the loan

shall be forgiven.

Each person liable hereon, in any capacity, (i) waives homestead exemption, presentment, demand, protest and notice of all kinds respecting this Note; (ii) agrees that the Noteholder, at any time, without notice or further consent, may grant extensions of time, without limit, for the payment hereof; (iii) agrees that in the event of default hereunder, the Noteholder shall have the right to apply any deposit or any assets it holds belonging to any such person to the payment of this Note; (iv) waives the benefit of any law or rule of law providing for release or discharge from circumstances other than full payment of all amounts due hereunder including, but not limited to, any statute giving a person the right to require (or providing for discharge in the absence of) the institution of any suit hereon, and (v) agrees to pay any and all costs of collection, if incurred, including reasonable attorney's fees.

In the event:

(a) of any default hereunder or under any instrument, document, or agreement which secures this Note;

(b) any person liable hereon in any capacity shall be or become insolvent or make an assignment for the benefit of creditors;

(c) a petition is filed or any other proceeding is commenced under the Federal Bankruptcy Act or any state insolvency statute by or against any person liable hereon; or

(d) a receiver is appointed for, or a writ or order of attachment, levy or garnishments is issued against any person liable hereon or the property, assets or income of any of them,

this Note shall become immediately due and payable in full, at the option of the Noteholder, without any notice or demand.

**[This space intentionally left blank]**

**Witness** the following signature.

\_\_\_\_\_

\_\_\_\_\_  
**Printed Name**

SSN or Tax ID #: \_\_\_\_\_

COMMONWEALTH OF VIRGINIA  
CITY/COUNTY OF \_\_\_\_\_

This Note was acknowledged before me by \_\_\_\_\_ on this  
\_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

My Commission Expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public  
Registration #: \_\_\_\_\_