

Albemarle County Homebuyers Assistance Program

PROMISSORY NOTE

January 22, 2009

Albemarle County, Virginia

1638 Townwood Court, Charlottesville, VA 22901, (the Property)

Property Address

1. BORROWERS PROMISE TO PAY

A. Repayment of Principal. For value received, **Dionne A. Hackley**, (the "Borrower") promises to pay **Thirteen Thousand Six Hundred Forty-Four and 00/100 (\$13,644.00)** (Principal) to the Piedmont Housing Alliance ("Noteholder") with an interest rate of Six Percent (6%) per annum. However, payment shall be deferred as long as the Property is the Borrower's primary residence except in the event of a sale or conveyance of the Property under circumstances described in Paragraph 2 or in the event of default as stated in Paragraph 3, or if the Borrower ceases to live in the property as the primary residence.

B. Purpose. This Note implements requirements applicable to use of funds provided through the Albemarle County Homebuyer's Assistance Program (ACHAP) as a junior deferred loan for the purpose of down payment and/or closing cost assistance pursuant to the purchase of the Property described herein. The ACHAP is administered by the Piedmont Housing Alliance (PHA).

C. Borrower's Right to Repay. Borrower reserves the right to repay this Note in full or in part at any time.

2. SALE OR CONVEYANCE OF PROPERTY

A. The Borrower shall notify the Noteholder in writing of any planned sale or conveyance of the Property. Said notification shall include a copy of any existing sales contract or agreement.

B. Under conditions described in Paragraph 2.D., the Noteholder may, at its discretion, allow assumption of this Note by an eligible buyer and release the undersigned Borrower from all obligations of this Note.

C. Unless assumption of the Note is allowed under provisions of Paragraph 2.D., payment of the Principal is due in full at the time of sale. However, if the net proceeds of the sale (i.e., sales price less repayment of superior liens and closing costs) are insufficient to repay the full amount of the Principal and allow the undersigned Borrower

to recover his or her down payment and documented capital improvement investment, the Borrower and Noteholder may share the net proceeds of the sale proportionally.

D. Assumption of Note

(i) At the sole discretion of the Noteholder, the obligations of this Note may be assumed by an eligible buyer. For the purpose of assumption, buyer eligibility criteria include (1) a gross household income not exceeding 80% of the area median income, as established by HUD at the time of transfer of the Property, (2) buyer's declaration of intent to use the Property as his or her principle residence, (3) acceptable credit and debt load.

(ii) Upon execution of an Assumption Agreement signed by the new buyer and Noteholder, and closing of the sale of the Property, the Noteholder will issue a written Release to the undersigned Borrower as described in Paragraph 8.

3. DEFAULT

A. Events of Default. The occurrence of any of the following events during the affordability period shall constitute an event of default under the Note, as of the date of the Notice of Default under Paragraph 3.B.

(i) Rental or lease of the Property without the written consent of the Noteholder. However, the Borrower may rent a limited space such as a room, basement or apartment within the Property provided that the Borrower continues to occupy the Property as a principle residence.

(ii) Failure to occupy the Property as principle residence. If all Borrowers are continuously absent from the property for a period of more than thirty (30) days, or move substantially all their personal possessions out of the Property, without the written consent of the Noteholder, the Borrower shall be deemed not to be occupying the Property as their principle residence.

(iii) Any transfer of the Property other than a sale. Any transfer of the property or an interest therein, without the written consent of the Noteholder other than a sale as provided in Paragraph 2.

(iv) Any default under the Deed of Trust securing this Note or any senior Deed of Trust securing a senior Note is a default under this Note.

(v) Borrower's fraud or misrepresentation. Any willful misstatement of, or failure to disclose, a material fact by the Borrower relating to his or her eligibility for receiving the loan used to purchase the Property.

(vi) Other events of default. Failure to maintain the Property or improvements thereto in tenantable condition; failure to ensure payment of property taxes, assessments

or other charges that constitute a lien if not paid; failure to maintain sufficient insurance on the Property; use of the Property for illegal purposes; or failure to comply with the regulatory compliance monitoring measures set forth in Paragraph 9 of this Note.

B. Notice of Default and Amount Due. In the event of a default, the Noteholder may send the Borrower a written notice stating the reason for default and demanding immediate payment of the full Principal or any part thereof, and, in addition, any Noteholder's costs and expenses reimbursable under Paragraph 3.C.

C. Payment of Noteholder's Costs and Expenses. If the Noteholder has notified the Borrower[s] to pay immediately under Paragraph 3.B., the Noteholder has the right to be repaid from the proceeds of foreclosure for all of its costs and expenses in enforcing the Note to the extent not prohibited by applicable law. Those expenses include, but are not limited to, reasonable attorneys' fees.

D. No waiver by Noteholder. Even if, at a time when the Borrower is in default, the Noteholder does not require the Borrower to pay immediately in full or in part under Paragraph 3.B. the Noteholder retains the right demand payment at any time if the Borrower remains in default for the same reason, or for another reason, at a later time.

4. GIVING OF NOTICES

Any notice that must be given to the Borrower under this Note shall be given by certified mail, return receipt requested, to the Borrower at the Property address listed herein, or to such other address as the Borrower has designated by notice to the Noteholder. Any notice that must be given to the Noteholder under this Note shall be given by delivering the notice in person or mailing the notice by certified mail, return receipt requested to the Noteholder at the following address: 111 Monticello Avenue, Suite 104; Charlottesville, Virginia 22902 or to such other address as the Noteholder has designated by notice to the Borrower.

5. OBLIGATIONS OF PERSONS UNDER THIS NOTE

If more than one person signs this Note, each person is fully obligated to keep all of the promises made in this Note, including the promise to pay the full amount owed from the proceeds of sale of the Property. The Noteholder may enforce its rights under this Note against each undersigned person individually or against all unsigned persons together.

6. WAIVERS

Homestead and all other exemptions, presentment, protest, and notice of dishonor are hereby waived by the Borrower and by all persons now or hereafter in any way liable for the payment hereof.

7. SECURED NOTE SUBORDINATION

In addition to the protections given to the Noteholder under this Note, a Deed of Trust dated the same date as this Note secures the Note. The indebtedness evidenced by this Note is subordinate in all respects to the indebtedness evidenced by one or more notes payable to one or more Senior Lien Holders, which notes are secured by the following Senior Liens: \$ _____ note to c/o _____
Secured by Deed of Trust to _____
Trustees dated _____, _____.

8. RELEASE AND SATISFACTION

This Note shall be deemed satisfied and the Borrower shall be entitled to a written release of the Deed of Trust upon payment of a reasonable fee, as determined by the Noteholder, for preparation and recordation of the release, upon the occurrence of any of the following events: (1) upon full prepayment under Paragraph 1.D., (2) on the closing date of a sale, (3) upon payment of all amounts due upon default under Paragraph 3.B and 3.C, or (4) upon recordation of a deed in lieu of foreclosure.

9. COMPLIANCE MONITORING

Federal regulations cited in Paragraph 1.A and Paragraph 10 of this Note require the Noteholder to monitor the Borrower's compliance with default provisions set forth under Paragraph 3.A of this Note. To this end, the Borrower shall, at the discretion of the Noteholder, provide to the Noteholder any or all of the following documents upon demand at such time each year and by such means as determined by the Noteholder: (1) a signed affidavit attesting that no events of default under Paragraph 3.A of this Note have occurred; (2) copies of receipts or other proof of the payment for insurance premiums and real property taxes due on the Property, or (3) any other reasonable proof as may be required by the Noteholder.

10. GOVERNING LAW

This Note and the Deed of Trust securing this Note implement Federal regulatory requirements and shall be construed in accordance therewith. To the extent not consistent therewith, these documents shall be governed by the law of the Commonwealth of Virginia.

WITNESS THE HAND(S) AND SEAL(S) OF THE UNDERSIGNED,

Dionne A Hackley 1/22/10 (SEAL)
Dionne A. Hackley

COMMONWEALTH OF VIRGINIA
CITY/COUNTY OF Albemarle, to wit:

Before me, the undersigned Notary Public, personally appeared Dionne A Hackley, who
acknowledged the execution of the foregoing Promissory Note, for the purposes
contained, by signing it in my presence this 22 day of January, 2010.

Jenna C. Perego
Notary Public

My commission expires: 2/28/10

