

KNOW ALL MEN BY THESE PRESENTS,

THAT _____,
Obligor, held and firmly bound unto the CITY OF YORK, Pennsylvania, Obligee, a corporation or body politic created and existing under the laws of the Commonwealth of Pennsylvania, having its principal place of business at 50 West King Street, P.O. Box 509, York, PA 17405, in the sum of

\$_____ Dollars (Down

payment \$_____ Closing costs \$_____), lawful money of the United States of America, to be paid to the said Obligee, its successors or assigns; to which payment well and truly to be made Obligee does bind all heirs, executors, and administrators and every of them, jointly and severally firmly by these presents, sealed with their seal, dated the _____ day of _____ in the year of our Lord 2008.

THE CONDITION OF THIS OBLIGATION is such that if the said Obligor, heirs, executors, or administrators, or any of them, shall and do well and truly pay, or cause to be paid unto the said Obligee, its successors or assigns, the sum of \$_____, at 0% interest, which shall be forgiven at 20% per year over a five (5) year period, in the following manner:

1 st year	20%	4 th year	20%
2 nd year	20%	5 th year	20%
3 rd year	20%		

The prorated amount of the City's assistance shall be repayable, in full, upon occurrence of one or more of the following:

- Sale or transfer of Real Property, except for transfer between husband and wife;
- Borrower ceases to occupy the Real Property as Borrower's primary residence;
- Borrower redefines the mortgage obligation on the Real Property;
- Borrower defaults under either the terms of this Note or the terms of other mortgage obligations of Borrower secured against Real Property.
- **Borrower does not take occupancy of the property within 60 days from the settlement date.**

If the property is sold on any date between anniversaries, the percentage due is prorated on a monthly basis from the date of the original anniversary to the same date of the month of sale. The dollar amount is divided by sixty (60) months in order to calculate the amount per month, and the monthly amount is then multiplied by the number of months remaining to determine the amount of Forgiveness by the Obligee to the Obligor. The difference between the original amount of the loan and the amount of Forgiveness is the amount to be repaid by the Obligor to the Obligee.

In the case of foreclosure, the City of York will base the recapture amount on the net proceeds available from the sale rather than the entire amount of the HOME investment. If the written agreement bases the recapture amount on net proceeds and there are no net proceeds from the foreclosure, repayment is not required and HOME requirements are considered to be satisfied. **The amount of recapture will not exceed the available net proceeds (the sale price minus any superior loan repayment other than HOME funds and any closing costs) from the sale of the property.**

Notwithstanding the foregoing, the obligation shall be without fraud or further delay; and also, from time to time, and at all times until total of the said principal sum be forgiven as aforesaid, keep the building mentioned in the said mortgage insured for the benefit of the mortgagee, in some good and reliable fire insurance company or companies licensed to transact business in the Commonwealth of Pennsylvania, in the amount of at least the sum total of all existing mortgages and take out no insurance on said building without mortgage or loss payable clause for benefit of Obligee. If Obligor neglects to produce such fire

insurance, or permits the policy or policies evidencing the same to lapse because of non-payment of premiums or otherwise further covenant to pay all taxes lawfully assessed and levied by any proper tax authority against the premises described in the said mortgage as well as all lawful municipal claims including charges, whether or not reduced to liens, for paving, sidewalks and repairs thereto, sewers, and water rents charged by any municipality or any municipal authority; and upon demand thereof Obligor shall exhibit to Obligee proper receipts for such taxes and municipal claims.

The Obligor has attended the First Time Homebuyer Classes through the Housing Alliance of York and has provided accurate and truthful information to Housing Alliance staff to determine eligibility for this assistance. Willful misrepresentation at the time of application shall deem the entire amount due in full on demand. At the time of settlement, a representative of the Housing Alliance will determine whether or not, according to established guidelines, the Obligor is required to attend two (2) post purchase counseling sessions with Housing Alliance staff, to occur within six (6) months and twelve (12) months of settlement.

_____ Post purchase counseling **is** required by the Housing Alliance of York, or

_____ Post purchase counseling **is not** required by the Housing Alliance of York.

Failure to attend post purchase counseling that is indicated as required is considered to be a default of the terms and conditions of this assistance, rendering full amount of assistance due and payable on demand.

And the further condition of this obligation is such that if at any time default shall be made in the payment of the principal debt or any installment thereof, or interest, or additions thereto as aforesaid, for a space of fifteen (15) days after any payment thereof shall fall due, or if a breach of any other of the foregoing conditions be made by the said Obligor, executors, administrators, or assigns occurs, then and in such case the said principal sum shall, at the option of the said Obligee, its successors or assigns, become due, and the payment of the same, with interest and cost of insurance due thereon, and additions as aforesaid, together with an attorney's commission of five (5) percent on the said principal sum, besides costs of suit, may be enforced and recovered at once, anything herein contained to the contrary thereof in anywise notwithstanding.

And further, the Obligor does hereby empower any attorney of any court of record of the Commonwealth of Pennsylvania to appear for _____ and with or without a declaration filed in name, to confess a judgment or judgments in favor of the above-mentioned Obligee, its successors or assigns, and against said Obligor the above penal sum of ten (10) percent of the then outstanding amounts due and owing with the cost of suit, charges, and attorney's commission as aforesaid, on which judgment or judgments one or more executions may issue forthwith upon failure to comply with any of the terms and conditions of this bond or said mortgage. The undersigned hereby forever waives and releases all errors in said proceedings, waives stay of execution, the right of inquisition and extension of time of payment, agrees to condemnation of any property levied upon by virtue of any such execution, and waives all exemptions from levy and sale of any property that is or hereafter may be exempted by law.

Signed, Sealed, and Delivered in the Presence of

_____ SEAL

_____ SEAL

