

**PROMISSORY NOTE**

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

**FOR VALUE RECEIVED,** \_\_\_\_\_, an adult resident of the Commonwealth of Pennsylvania ("**Maker**"), having purchased or intending to purchase real property located at \_\_\_\_\_, Bethlehem, Pennsylvania 18015 ("**Property**"), promises to pay to the order of **LEHIGH UNIVERSITY**, a Pennsylvania non-profit corporation, having an address of 27 Memorial Drive West, Bethlehem, Pennsylvania 18015 ("**Payee**"), the principal sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) lawful money of the United States of America in accordance with the terms and conditions set forth in this promissory note ("**Note**").

1. Loan Programs.

This Note is made in accordance with Maker's participation in one of the following loan programs offered by Payee to certain eligible employees and qualified retirees:

- (a) Community Home Purchase Support
- (b) Expanded Community Home Purchase Support
- (c) Exterior Home Improvement Support

2. Conditional Forgiveness Terms.

(a) Unless Maker violates the Eligibility Criteria set forth at Section 3 of this Note, Payee agrees to forgive twenty percent (20%) of the principal amount of this Note (each 20% principal reduction being a "**Forgiveness Increment**") commencing on the first (1<sup>st</sup>) anniversary of this Note and on each annual anniversary date thereafter (each an "**Anniversary Date**").

(b) Each Forgiveness Increment shall be applied in full on its coinciding Anniversary Date. No pro rata portion of the Forgiveness Increment shall accrue to the benefit of the Maker between Anniversary Dates.

(c) Unless Maker violates the Eligibility Criteria set forth at Section 3 of this Note, the principal amount due under this Note shall accrue no interest.

3. Eligibility Criteria.

Maker's continued compliance, determined in Payee's sole discretion, with certain criteria (the "**Eligibility Criteria**") shall be a condition precedent to Payee's agreement to apply Forgiveness Increments to the principal amount due and owing under this Note. In the event of Maker's failure at any time to comply with all Eligibility Criteria, payment of the remaining principal balance then existing on the Note shall become immediately due and owing by Maker to Payee in accordance with the payment terms set forth in Section 4 of this Note. The

Eligibility Criteria are as follows:

- (a) Maker shall at all times during the existence of this Note be (i) a full time benefits eligible employee of Payee working at least seventy-five percent (75%) of a full time schedule or (ii) a qualified retiree of Payee;
- (b) Maker shall at all times during the existence of this Note use the Property as Maker's primary residence;
- (c) Maker shall not sell the property during the existence of this Note; and
- (d) Maker shall at no time use any part of the Property for rental purposes.

4. Payment.

In the event that Maker at any time fails to comply with any of the Eligibility Criteria ("**Ineligibility Date**"), payment of the remaining principal balance then due under this Note shall become immediately due and payable. Interest shall accrue on the remaining principal balance from the Ineligibility Date until the date paid in full by Maker at an amount equal to \_\_\_\_\_ ( \_\_\_%) per annum.

5. Event of Default.

An Event of Default under this Note shall be deemed to have occurred if Maker fails to tender payment in full of all outstanding principal and interest due on this Note to Payee within \_\_\_\_\_ ( \_\_\_ ) days after an Ineligibility Date.

6. Default and Remedies.

(a) Upon the occurrence of an Event of Default, Payee may forthwith exercise singly, concurrently, successively or otherwise any and all rights and remedies available to Payee under this Note or otherwise available to Payee at law or by equity, statute or otherwise, including without limitation the right to enforce collection against money, funds, deposit accounts and all other accounts, with interest to continue at the applicable rate specified herein.

(b) No failure of Payee to exercise any rights hereunder shall be a waiver of the right to exercise that or any other right at any other time and from time to time thereafter.

(c) Following the occurrence of any Event of Default, Maker shall pay upon demand all costs and expenses, including reasonable attorneys' fees, incurred by Payee in the exercise of its rights and remedies hereunder.

7. **CONFESSION OF JUDGMENT.**

**(a) MAKER, BEING FULLY AWARE OF THE RIGHT TO NOTICE AND AN OPPORTUNITY FOR HEARING UNDER THE RESPECTIVE CONSTITUTIONS**

**AND LAWS OF THE UNITED STATES AND THE COMMONWEALTH OF PENNSYLVANIA CONCERNING THE VALIDITY OF ANY AND ALL CLAIMS THAT MAY BE ASSERTED AGAINST MAKER BY PAYEE BEFORE A JUDGMENT CAN BE ENTERED HEREUNDER OR BEFORE EXECUTION MAY BE LEVIED ON SUCH JUDGMENT AGAINST ANY AND ALL PROPERTY OF MAKER, HEREBY INTENTIONALLY, VOLUNTARILY AND UNCONDITIONALLY WAIVES THESE RIGHTS AND AGREES AND CONSENTS TO JUDGMENT BEING ENTERED BY CONFESSION IN ACCORDANCE WITH THE TERMS HEREOF AND EXECUTION BEING LEVIED ON SUCH JUDGMENT AGAINST ANY AND ALL PROPERTY OF MAKER, IN EACH CASE WITHOUT FIRST GIVING NOTICE AND THE OPPORTUNITY TO BE HEARD ON THE VALIDITY OF THE CLAIM OR CLAIMS UPON WHICH SUCH JUDGMENT IS ENTERED.**

**MAKER, TO THE EXTENT PERMITTED BY LAW, AND WITHOUT FURTHER CONSENT OF OR NOTICE TO MAKER, HEREBY IRREVOCABLY AND UNCONDITIONALLY AUTHORIZES THE PROTHONOTARY, CLERK OF COURT, OR ANY ATTORNEY OR ANY COURT OF RECORD IN THE COMMONWEALTH OF PENNSYLVANIA, OR ANY OTHER JURISDICTION, AS ATTORNEY FOR MAKER, TO APPEAR FOR MAKER IN SUCH COURT AND CONFESS JUDGMENT AGAINST MAKER AND IN FAVOR OF PAYEE, ITS SUCCESSORS AND ASSIGNS, AT ANY TIME FOLLOWING THE OCCURRENCE OF AN EVENT OF DEFAULT HEREUNDER FOR ALL OR ANY PORTION OF THE UNPAID BALANCE OF ALL PRINCIPAL INDEBTEDNESS HEREUNDER, TOGETHER WITH UNPAID INTEREST AND ATTORNEYS' FEES NOT TO EXCEED 5% OF THE UNPAID BALANCE OF SUCH INDEBTEDNESS (BUT IN ANY EVENT NOT LESS THAN ONE THOUSAND [\$1,000.00] DOLLARS), WITH COSTS OF SUIT AND RELEASE OF ALL ERRORS, AND WAIVER OF ANY RIGHT TO A STAY OF EXECUTION, FOR WHICH THIS NOTE OR A VERIFIED COPY HEREOF SHALL BE SUFFICIENT WARRANT. THE AUTHORITY TO ENTER JUDGMENT SHALL NOT BE EXHAUSTED BY ONE EXERCISE HEREOF, BUT, TO THE EXTENT PERMITTED BY LAW, SHALL CONTINUE FROM TIME TO TIME UNTIL FULL PAYMENT OF ALL INDEBTEDNESS. THE FOREGOING RIGHT AND REMEDY IS IN ADDITION TO AND NOT IN LIEU OF ANY OTHER RIGHT OR REMEDY AVAILABLE TO PAYEE UNDER THIS NOTE OR OTHERWISE.**

**MAKER AGREES THAT MAKER IS WELL INFORMED ABOUT THIS CONFESSION OF JUDGMENT CLAUSE. MAKER UNDERSTANDS THAT IF MAKER FAILS TO MAKE PAYMENT WHEN DUE OR FAILS TO PERFORM OR ADHERE TO THE TERMS AND CONDITIONS OF THIS NOTE, PAYEE CAN PROCEED UNDER THE CONFESSION OF JUDGMENT CLAUSE TO TAKE MAKER'S PROPERTY FROM MAKER (INCLUDING, BUT NOT LIMITED TO, REAL ESTATE, BANK ACCOUNTS, STOCKS AND BONDS, PERSONAL PROPERTY, ETC.) WITHOUT ANY PRIOR NOTICE TO MAKER OR HEARING BY THE COURT HAVING JURISDICTION. MAKER HAS CONSULTED WITH INDEPENDENT LEGAL COUNSEL PRIOR TO SIGNING THIS NOTE REGARDING THE TERMS**

**AND CONDITIONS OF THIS NOTE, AND SPECIFICALLY REGARDING THE EFFECT OF THIS CONFESSION OF JUDGMENT CLAUSE. MAKER HAS READ AND UNDERSTANDS THIS CONFESSION OF JUDGMENT CLAUSE AND VOLUNTARILY AND KNOWINGLY SIGNS THIS NOTE CONTAINING THE CONFESSION OF JUDGMENT CLAUSE.**

8. Captions.

The captions or headings of the sections in this Note are for convenience only and shall not control or affect the meaning or construction of any of the terms or provisions of this Note.

9. Governing Law.

This Note has been executed in the Commonwealth of Pennsylvania and shall be governed by, construed and interpreted in accordance with the laws of the Commonwealth of Pennsylvania, without regard to the conflicts of laws doctrine of such state.

10. Severability.

The invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any other provisions, which other provisions shall remain in full force and effect.

*[SIGNATURE PAGE FOLLOWS]*

IN WITNESS WHEREOF, and intending to be legally bound hereby, Maker has executed this Note on the day and year first above written.

WITNESS:

MAKER:

\_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

Date: \_\_\_\_\_

COMMONWEALTH OF PENNSYLVANIA :

: SS:

COUNTY OF NORTHAMPTON :

On this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, before me a Notary Public, the undersigned officer, personally appeared \_\_\_\_\_ known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that he/she executed the same for the purposes therein contained and desires that the same shall be recorded as his/her act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

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

My Commission Expires: