

PROMISSORY NOTE

Date _____

For value received, _____, (Borrower) promises to pay to the order of the City of Tacoma Public Works Department, Sewer Utility (City), located in Pierce County, Washington the sum of, _____ Dollars (\$) with interest, at the rate of _____ % per annum from the date of this note in monthly installments or not less than \$ _____ commencing on _____.

In the event monthly payments on this Note commence on a date later than the date one month after the date hereof, the interest accrued on the full principal balance through the date one month prior to the date monthly payments commence, will be added to the principal. The monthly payment amount is the amount required to amortize such principal amount plus accrued interest to that date over the remaining term of this Note with interest on such combined amount at the rate stated above.

The foregoing notwithstanding, the Borrower agrees that all principal and accrued interest on this Note shall be due and payable on or before the date _____ years after the date of this Note.

This Note shall become due and payable upon any transfer of the property covered by the Deed of Trust securing this Note.

For the purposes of this note, the term "transfer" shall mean any sale, lease or other transfer of any interest of any Borrower, including voluntary or involuntary transfers of transfers by operation of law or upon the death of the Borrower or the Borrower ceasing to physically occupy the property, excluding, however, (a) the creation of a lien or encumbrance on the property subordinate to the Deed of Trust, (b) the creation of a purchase money security interest for household appliances, or (c) a transfer by gift, devise, descent or operation of law to a surviving spouse of an individual Borrower or to a co-Borrower if the Borrower is more than one individual.

Any breach or default under this contract shall give rise to the City's right to terminate water service to the residence in question and/or to the residence of the owner should the owner reside other than at the residence wherein the Sewer Conservation Loan is issued or affixed, and to continue said service termination until the default or breach is corrected or the loan amount is paid in full. This right to terminate service is in addition to any other rights the City may have and may be utilized without waiver of any other remedy available to the City.

All parties to this note, including guarantors, sureties and endorsers, hereby severally waive presentment, protest and notice of non-payment, or any release or discharge arising from any extension of time or payment or from any other cause, at or after maturity hereof.

Borrower may prepay principal at any time without penalty.

Borrower agrees that at the option of the holder, the venue of any suit to enforce this note may be laid in Pierce County, Washington.

Failure of the City to exercise all or any of its rights herein shall not constitute a waiver of any of such rights. Each and every party signing or endorsing this Note hereby waives presentment, demand, protest and notice of non-payment hereof and binds himself as a principal and not as a surety.

This note is secured by a Real Estate Lien of same date herewith granted by the Property Owner and Borrower to the City.

OWNER: _____ Social Security Number _____

Promissory Note - Acknowledgements

[Individual's acknowledgement]

STATE OF WASHINGTON)
)SS.

County of Pierce) **ACKNOWLEDGEMENT**

On this day personally appeared before me _____ to be known to be the individual(s) described in and who executed the within foregoing instrument and acknowledged that _____ signed and sealed the same as _____ free and voluntary act and deed, for the uses and purposes above mentioned.

Given under my hand and official seal this _____ day of _____ 19____.

Notary Public in and for the State of Washington residing at

My Commission expires on _____.

[Corporate acknowledgement]

STATE OF WASHINGTON)
)SS.

County of Pierce) **ACKNOWLEDGEMENT**

On this _____ day of _____, personally appeared before me _____ known to me to be the _____ of the corporation that executed the foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that _____ was/were authorized to execute said instrument.

In witness whereof I have hereunto set my hand and affixed my official seal on the day and year first written above.

Notary Public in and for the State of Washington residing at

My Commission expires on _____.