

Sample Promissory Note

PROMISSORY NOTE

\$ _____, Alaska
_____, 20__

For value received the undersigned (hereinafter "Maker") promises to pay to the order of The City of _____ (hereinafter "Holder"), the principal sum of _____ Dollars (\$ _____), together with interest from the date hereof until paid on all sums which are and which may become owing hereon from time to time, all as hereinafter provided and upon the following terms and conditions:

Interest. Unless there shall be a default, interest shall accrue from the date hereof and be paid at the rate of ___ percent (___%) per annum; provided, however, that in the event of any default, as hereinafter defined, all sums then and thereafter owing hereon, at the option of the Holder, shall bear interest at the rate of percent (___%) per annum (the "Default Rate").

Payments. Maker shall pay this note in _____ equal installments on or before the ____ day of _____ (month) until it has been paid in full. Each payment made on this note shall be applied first to interest accrued to date of payment and then to principal.

Late Payment Charge. If any installment is not paid within _____ (___) days after it becomes due, then the Maker agrees to pay a late charge equal to ___ percent (___%) of the delinquent installment to cover the extra expense involved in handling delinquent payments. This is in addition to and not in lieu of any other rights or remedies the Holder may have by virtue of any breach or default.

The Deed of Trust. This Note and the sums evidenced hereby are secured by a deed of trust (the "Deed of Trust") of even date herewith, executed and delivered by, or caused to be executed and delivered by the Maker to the original Holder hereof. The Maker agrees to perform and comply with, or to cause to be performed and complied with, all of the terms and conditions of the Deed of Trust.

Default; Attorneys Fees and Other Costs and Expenses.
In the event of any default, including a failure to comply with the provisions of the Deed of Trust, all sums owing and to become owing hereon, at the option of the Holder, shall become immediately due and payable and shall bear interest thereafter at the Default Rate per annum. The Maker agrees to pay all costs and expenses which the Holder may incur by reason of any default, including without limitation reasonable attorneys' fees with respect to legal services relating to any default or to a determination of any rights or remedies of the Holder under this Note and reasonable attorneys' fees relating to any actions or proceedings which the Holder may institute or in which the Holder may appear or participate and in any appeals therefrom. Any judgment recovered by the Holder hereof shall bear interest at the Default Rate per annum, not to exceed however the highest rate then permitted by law on such judgment. The venue of any action hereon may be laid in the Third Judicial District, State of Alaska, at the option of the Holder.

Liability. The Maker hereby waives demand, presentment for payment, protest, and notice of protest and of nonpayment.

Maximum Interest. Notwithstanding any other provision of this Note or of the Deed of Trust of interest, fees and charges payable by reason of the indebtedness evidenced hereby shall not exceed the maximum, if any, permitted by any governing law.

Applicable Law. This Note shall be construed according to the laws of the State of Alaska.

