

CITY OF ALAMEDA
PROMISSORY NOTE

(City of Alameda Equipment Replacement Fund to
City of Alameda Fire Station 3 Capital Improvement Fund)

\$809,000

July 30, 2014

FOR VALUE RECEIVED, the undersigned, City of Alameda Fire Station 3 Capital Improvement Fund (the "Borrower") hereby promises to pay to the order of the City of Alameda Equipment Replacement Fund, (the "Holder"), the principal amount equal to Eight Hundred Nine Thousand Dollars (\$809,000), as set forth herein, plus interest thereon pursuant to Section 2 below.

1. Borrower's Obligation. This promissory note (the "Note") evidences the Borrower's obligation to pay the Holder the principal amount of to Eight Hundred Nine Thousand Dollars (\$809,000). The Borrower shall use the proceeds of the loan provided by the Holder to construct a new Fire Station 3. Available Funds from the City's General Fund are pledged as security for the repayment of this loan.

2. Interest. The principal balance of this Note shall bear simple interest at a simple annual rate of 3% in a fiscal year.

3. Term and Repayment Requirements. The term of this Note (the "Term"), shall commence with the date of this Note and shall expire on June 30, 2035. Commencing on July 1, 2015 and on each June 30 thereafter throughout the Term, the Borrower shall make an annual payment to the Holder in the amount Fifty Four Thousand Three Hundred Seventy Eight dollars (\$54,378), including the accrued interest due under this Note. Upon the expiration of the Term, all remaining amounts, if any, due under this Note shall be immediately due and payable. Notwithstanding the foregoing, the Borrower shall have the right to prepay all, or a portion of the principal and interest due under this Note without any charge or penalty being made therefor.

4. Terms of Payment. All payments due under this Note shall be paid in currency of the United States of America, which at the time of payment is lawful for the payment of public and private debts.

5. Miscellaneous Provisions. This Note may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

(a) This Note shall be governed by and construed in accordance with the laws of the State of California.

(b) If any provision of this note is deemed unenforceable, the validity, legality and enforcement of the remaining provisions in this note is not in any way affected or impaired hereby.

IN WITNESS WHEREOF, the undersigned has executed this Promissory Note as of the

BORROWER:

By:  _____

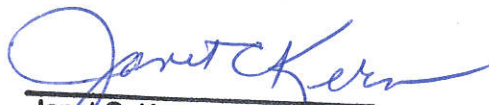
City Manager
City of Alameda
Fire Station 3 Capital Improvement Fund

HOLDER:

By:  _____

City Manager
City of Alameda
Fire Station 3 Capital Improvement Fund

Approved as to Form



Janet C. Kern
City Attorney

Fire Station #3**Equipment Replacement Loan (#701)****20 pymts**

\$54,378

3%

| Interest Rate | Interest | Principal & Interest | O/S Principal | Principal | Interest |
|---------------|----------|-------------------------|---------------|-----------|----------|
| Payment Date | | | | | |
| 6/1/2015 | | | \$809,000 | | |
| 6/1/2016 | \$24,270 | \$54,378 | 778,892 | \$30,108 | \$24,270 |
| 6/1/2017 | 23,367 | 54,378 | 747,882 | 31,011 | 23,367 |
| 6/1/2018 | 22,436 | 54,378 | 715,941 | 31,941 | 22,436 |
| 6/1/2019 | 21,478 | 54,378 | 683,041 | 32,899 | 21,478 |
| 6/1/2020 | 20,491 | 54,378 | 649,155 | 33,886 | 20,491 |
| 6/1/2021 | 19,475 | 54,378 | 614,252 | 34,903 | 19,475 |
| 6/1/2022 | 18,428 | 54,378 | 578,302 | 35,950 | 18,428 |
| 6/1/2023 | 17,349 | 54,378 | 541,274 | 37,028 | 17,349 |
| 6/1/2024 | 16,238 | 54,378 | 503,135 | 38,139 | 16,238 |
| 6/1/2025 | 15,094 | 54,378 | 463,851 | 39,283 | 15,094 |
| 6/1/2026 | 13,916 | 54,378 | 423,389 | 40,462 | 13,916 |
| 6/1/2027 | 12,702 | 54,378 | 381,713 | 41,676 | 12,702 |
| 6/1/2028 | 11,451 | 54,378 | 338,787 | 42,926 | 11,451 |
| 6/1/2029 | 10,164 | 54,378 | 294,573 | 44,214 | 10,164 |
| 6/1/2030 | 8,837 | 54,378 | 249,033 | 45,540 | 8,837 |
| 6/1/2031 | 7,471 | 54,378 | 202,127 | 46,907 | 7,471 |
| 6/1/2032 | 6,064 | 54,378 | 153,813 | 48,314 | 6,064 |
| 6/1/2033 | 4,614 | 54,378 | 104,050 | 49,763 | 4,614 |
| 6/1/2034 | 3,121 | 54,378 | 52,794 | 51,256 | 3,121 |
| 6/1/2035 | 1,584 | 54,378 | 0 | 52,794 | 1,584 |
| | | | | 809,000 | 278,550 |