

**PROMISSORY NOTE AND  
MULTIPLE ADVANCE TERM LOAN SUPPLEMENT**

**THIS PROMISSORY NOTE AND SUPPLEMENT** (this "Promissory Note and Supplement") to the Amended and Restated Master Loan Agreement dated as of March 24, 2004, as amended (the "MLA") is entered into as of August 5, 2014 between **RAINIER VIEW WATER COMPANY, INC., Tacoma, Washington**, a Washington corporation (the "Company"), and **CoBANK, ACB**, a federally chartered instrumentality of the United States ("CoBank").

**SECTION 1. The Term Loan Commitment.** On the terms and conditions set forth in the MLA and this Promissory Note and Supplement, CoBank agrees to make loans to the Company from time to time during the period set forth below in an aggregate principal amount not to exceed \$1,000,000.00 (the "Commitment"). Under the Commitment, amounts borrowed and later repaid may not be re-borrowed.

**SECTION 2. Purpose.** The purpose of the Commitment is to finance new construction and/or upgrades to certain manganese treatment facilities. 1103 ?

**SECTION 3. Term.** The term of the Commitment shall be from the date hereof, up to and including February 28, 2015, or such later date as CoBank may, in its sole discretion, authorize in writing (the "Commitment Expiration Date").

**SECTION 4. Availability.** Notwithstanding Section 2 of the MLA, the loan will be made and disbursed pursuant to closing procedures to be agreed upon by the parties.

**SECTION 5. Interest.** The Company agrees to pay interest on the unpaid balance of the loan(s) in accordance with one or more of the following interest rate options, as selected by the Company:

**(A) Weekly Quoted Variable Rate.** At a rate per annum equal at all times to the rate of interest established by CoBank on the first Business Day of each week. The rate established by CoBank shall be effective until the first Business Day of the next week. Each change in the rate shall be applicable to all balances subject to this option and information about the then current rate shall be made available upon telephonic request.

**(B) Quoted Rate Option.** At a fixed rate per annum to be quoted by CoBank in its sole discretion in each instance. Under this option, rates may be fixed on such balances and for such periods, as may be agreeable to CoBank in its sole discretion in each instance, provided that: (1) the minimum fixed period shall be 180 days; (2) amounts may be fixed in increments of \$100,000.00 or multiples thereof; and (3) the maximum number of fixes in place at any one time shall be five.

The Company shall select the applicable rate option at the time it requests a loan hereunder and may, subject to the limitations set forth above, elect to convert balances bearing interest at the variable rate option to one of the fixed rate options. Upon the expiration of any fixed rate period, interest shall

automatically accrue at the variable rate option unless the amount fixed is repaid or fixed for an additional period in accordance with the terms hereof. Notwithstanding the foregoing, rates may not be fixed for periods expiring after the maturity date of the loans and rates may not be fixed in such a manner as to cause the Company to have to break any fixed rate balance in order to pay any installment of principal. All elections provided for herein shall be made telephonically or in writing and must be received by 12:00 Noon Company's local time. Interest shall be calculated on the actual number of days each loan is outstanding on the basis of a year consisting of 360 days and shall be payable monthly in arrears by the 20th day of the following month or on such other day in such month as CoBank shall require in a written notice to the Company.

**SECTION 6. Fees.**

(A) **Loan Origination Fee.** In consideration of the Commitment, the Company agrees to pay to CoBank on the execution hereof, a loan origination fee in the amount of \$6,000.00.

(B) **Commitment Fee.** In consideration of the Commitment, the Company agrees to pay to CoBank a commitment fee on the average daily unused portion of the Commitment at the rate of 0.25% per annum (calculated on a 360 day basis), payable monthly in arrears by the 20th day following each month. Such fee shall be payable for each month (or portion thereof) occurring during the original or any extended term of the Commitment.

**SECTION 7. Promissory Note.** The Company promises to repay the unpaid principal balance of the loans in 60 equal, consecutive, monthly installments, payable on the 20th day of each month, with the first installment due on March 20, 2015, and the last installment due on February 20, 2020. The amount of each installment shall be the same principal amount that would be required to be repaid if the loan(s) were scheduled to be repaid in level payments of principal and interest and such schedule was calculated utilizing the rate of interest in effect on the Commitment Expiration Date. Principal due on the first payment date will constitute a full month's amortization, regardless of any partial month's interest due pursuant to Section 5 above. If any installment due date is not a Business Day, then such installment shall be due and payable on the next Business Day. In addition to the above, the Company promises to pay interest on the unpaid principal balance of the loans at the times and in accordance with the provisions set forth above.

**SECTION 8. Prepayment.** Subject to the broken funding surcharge provision of the MLA, the Company may prepay all or any portion of the loan(s). Unless otherwise agreed, all prepayments will be applied to principal installments in the inverse order of their maturity and to such balances, fixed or variable, as CoBank shall specify.

**SECTION 9. Security.** The Company's obligations hereunder and, to the extent related hereto, the MLA, shall be secured as provided in the Security, Guarantee(s) and Title Insurance Section of the MLA.

Amended and Restated Promissory Note and Multiple Advance  
Term Loan Supplement RIML0129T8  
RAINIER VIEW WATER COMPANY, INC.  
Tacoma, Washington

IN WITNESS WHEREOF, the parties have caused this Promissory Note and Supplement to the  
MLA to be executed by their duly authorized officers as of the date shown above.

**CoBANK, ACB**

**RAINIER VIEW WATER COMPANY, INC.**

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_