

PROMISSORY NOTE
Leave With Pay

I, _____, promise to repay to **CALIFORNIA STATE UNIVERSITY, CHICO** (Employer) the total amount of the monies which are paid by the Employer to me during the period of my leave with pay subject to the provisions stated herein. This promise to repay is given in consideration of Employer's granting to me a paid leave pursuant to the provisions of the Memorandum of Understanding between the California Faculty Association and the Trustees of The California State University under the authority of the Higher Education Employer-Employee Relations Act. I further understand and agree that:

I. CANCELLATION

My obligation to repay both principal and interest under this promissory note shall be extinguished if I return from my leave with pay and resume my duties with Employer in the academic term scheduled by my Employer and serve at least one academic term for each academic term on leave or if the return service requirement is waived pursuant to Section 27.9 of the Agreement Between The Board of Trustees of The California Sate University and the California Faculty Association. The obligation will also be cancelled in the event of my death or a medical disability which prevents the possibility of return service.

II. REPAYMENT, INTEREST, AND COLLECTION COSTS

If my obligation to repay is not cancelled as provided in **I.** above, repayment of the monies paid to me during my leave with pay shall be made in equal installments over a period of not more than three years at an interest rate of 9% which shall commence to run on the unpaid balance on the first day of the academic term in which I am scheduled by Employer to return to my duties with Employer. Payments shall be made monthly and shall first be applied against payment of interest and any excess applied against payment of principal.

I further agree to pay all collection costs including court costs and attorney fees which are incurred for the collection of any amount not paid when due.

III. DEFAULT AND ACCELERATION

- (1) If I fail to pay any installment when due, the entire unpaid indebtedness, including interest, shall, at the option of the Employer, become immediately due and payable. Thereafter, interest shall continue to accrue on the entire unpaid balance.
- (2) I understand that if I am delinquent in my repayments, the Employer will disclose to credit bureau organizations that I have defaulted, along with other relevant information.
- (3) I understand that if I am delinquent on any repayment, pursuant to California law the Employer will have the right to obtain all or any portion of any monies due me from the State of California as payment towards the amount that is delinquent.

IV. LAWS OF CALIFORNIA

The laws of California shall govern the interpretation of this promissory note.

By signing below, I manifest my acceptance and agreement to all of the foregoing terms and conditions.

Signature _____ Date _____

Permanent Address _____

University Address _____

Subscribed and sworn to before this _____ day of _____, 20____, Notary Public in and for the

County of _____, State of California

Notary Public