

PROMISSORY NOTE

(MPOWER LOAN)

\$ _____

Date: _____, 20__

FOR VALUE RECEIVED, _____, an Oregon _____ ("Borrower"), having its principal office at _____, promises to pay to the order of MPOWER OREGON, LLC, an Oregon limited liability company, ("Lender"), at 1020 SW Taylor St., Suite 585, Portland, OR 97205, or at such other address as Lender may specify in writing, the principal sum of up to or not to exceed _____ DOLLARS (\$ _____), together with interest thereon, costs, and other charges as provided in this Promissory Note (this "Note").

1. Advances. Lender shall make advances to Borrower from time to time prior to the Conversion Date of this Note ("Advances"). The aggregate amount of Advances shall not exceed the principal amount of this Note. Advances shall be made, provided that at the time of such Advance, all of the following conditions are satisfied:

- (1) Borrower has given Lender a written request for the Advance (in the form as shown on the attached Exhibit "B") not less **than five (5) business days prior** to the date on which the Advance is to be made (the "Advance Date").
- (2) No other default by Borrower has occurred and is continuing under any term or condition of this Note or the other Loan Documents, nor any condition or event that with the passage of time, or the giving of notice, or both, would constitute a default thereunder.

2. Interest on Advances. Interest on any Advance shall accrue on the unpaid principal balance of the Advance from the Advance Date at the rate of six percent (6.00 %) per annum. Interest shall be calculated based on a 365-day year and the actual number of days elapsed.

3. Conversion. If the final Certificate of Installation Acceptance has been delivered by Borrower and accepted by Lender pursuant to the Efficiency Services Agreement of even date herewith ("ESA"), accrued interest on any Advance shall be added to the principal sum of this Note (together the "Loan Amount") and the following payment terms shall apply beginning on the earlier of the first day of the month following Lender's receipt of an executed Conversion Confirmation in the form attached hereto as Exhibit A, or, if Borrower does not earlier deliver a signed Certificate of Installation Acceptance or Conversion Confirmation, on the first day of the thirteenth month following the date hereof.

4. Post Conversion Payments. Borrower shall pay the Loan Amount to Lender in 120 equal monthly installments based on an interest rate of six percent (6%) per annum and a 10-year amortization, commencing on the First Payment Date set forth in the executed Conversion Confirmation, and continuing on the same day of each successive month thereafter until the Maturity Date (as defined below) when any and all unpaid principal and accrued interest shall be immediately due and payable. Interest shall be calculated based on a 360-day year and a 30-day month.

Principal and interest payments due hereunder are payable to Lender at 1020 S.W. Taylor St., Suite 585, Portland, Oregon 97205, or such other place as Lender may designate in writing, including, without limitation, according to the on bill repayment provision contained in the ESA .

If payment of any amount required under the Loan Documents (as defined below) is delinquent more than ten (10) days, Borrower shall pay a late charge of 5% of the delinquent amount.

5. Loan Documents. This Note is issued under the provisions of a MPower Loan and Security Agreement of even date herewith between Borrower and Lender (the "Loan Agreement"). This Note, the Loan

Agreement, the ESA, a Memorandum of the ESA or alternative evidence of such security interest that Lender deems reasonably necessary to perfect and continue Lender's security interest in the Efficiency Measures (as defined in the ESA), and all other documents and instruments executed in connection with or to secure this Note are collectively referred to as the "Loan Documents." All capitalized or defined terms not defined herein shall have the same respective meanings as in the Loan Agreement and the ESA, as applicable.

6. Maturity Date; Acceleration. This Note is due and payable in full on or before the Maturity Date set forth in the executed Conversion Confirmation (the "Maturity Date"). Lender may also declare this Note to be due and payable in full upon the occurrence of any of the following: (i) a sale or transfer (as defined below) by Borrower not approved in writing by Lender, or (ii) Borrower's failure to make any payment required hereunder within ten (10) days of the date such payment is due, or (iv) any other default or breach of any term or condition of this Note or the other Loan Documents that remains uncured beyond any applicable cure period. If this Note is accelerated pursuant to this Section, such accelerated due date shall be deemed the "Maturity Date" for purposes of this Note. No waiver of this Section shall occur unless expressly given in a signed writing by an authorized representative of Lender.

7. Prepayment. Borrower may prepay principal and interest due under this Note in whole or in part at any time without penalty, upon thirty (30) days prior written notice to Lender. Any partial prepayment shall include all accrued interest owing on the amount prepaid. Prepayments shall not affect Borrower's obligation to perform all other payment and other obligations under this Note and the other Loan Documents.

8. Application of Payments. Unless an event of default has occurred and is continuing under the Loan Documents, all payments hereunder shall be applied first to late charges, costs of collection or enforcement, and other similar amounts due, if any, under this Note and the other Loan Documents, then to interest due and payable under this Note, and the remainder to principal due and payable under this Note. If an event of default has occurred and is continuing, such payments may be applied to sums due hereunder or under the other Loan Documents in any order and combination that Lender may, in its sole discretion, determine.

9. Due on Sale or Transfer. THIS NOTE, INCLUDING WITHOUT LIMITATION THE PRINCIPAL BALANCE HEREOF AND ALL INTEREST AND OTHER CHARGES AND ATTORNEY FEES DUE UNDER THIS NOTE, MAY BE DECLARED BY LENDER TO BE IMMEDIATELY DUE AND PAYABLE UPON ANY SALE OR TRANSFER (OR ATTEMPTED SALE OR TRANSFER) OF ANY OF THE FOLLOWING THAT HAS NOT BEEN EXPRESSLY CONSENTED TO IN ADVANCE BY LENDER IN WRITING: (i) THE PROJECT PROPERTY, OR (ii) A MAJORITY OR CONTROLLING OWNERSHIP INTEREST IN BORROWER. As used herein, the term "sale or transfer" means, except for any rental agreement or lease of the residential units or commercial spaces of the Project Property, any voluntary or involuntary transfer, sale, assignment, gift, pledge, encumbrance, hypothecation, mortgage, exchange, or other disposition, and includes any attempted sale or transfer. The provisions of this Section 9 shall apply to each and every applicable sale or transfer regardless of whether or not Lender has consented or waived its rights in connection with any previous sale or transfer. Any sale or transfer in violation of this Section 9 shall be an Event of Default under this Note and the other Loan Documents.

10. Post-Maturity Interest; Default Interest. Following the Maturity Date (including any accelerated or extended Maturity Date), any unpaid balance of this Note will be subject to a late fee equal to one percent (1%) of the unpaid amount, payable by Borrower to Lender on demand. In addition, upon the occurrence of any default or breach of any term or condition of this Note or the other Loan Documents that remains uncured beyond any applicable cure period, all overdue amounts shall bear interest at the rate of one percent (1%) per month until such amounts are paid in full.

11. Collection Costs. If Borrower fails to pay any amount due hereunder on the date due, or if an event of default occurs under any of the other Loan Documents, Lender shall have the right, at Borrower's expense, to retain an attorney or collection agency to make any demand, enforce any remedy, or otherwise protect its rights under this Note and the other Loan Documents. Borrower hereby promises to pay all costs, fees, and expenses so incurred by Lender, including without limitation reasonable attorney fees (with or without arbitration or litigation),

arbitration and court costs, notice expenses, and title search expenses, and the failure of the defaulting Borrower to pay the same shall, in itself, constitute a further and additional default. If suit or action or arbitration is instituted by Lender to enforce this Note or any rights under the Loan Documents, Borrower hereby promises to pay, in addition to costs and expenses provided by statute or otherwise, such sums as the court may adjudge reasonable as attorney fees in such proceeding and on any appeals from any judgment or decree entered therein and the costs and attorney fees for collection of the amount due therein.

Borrower further agrees to pay immediately upon demand all costs and expenses of Lender, including reasonable attorney fees (i) if Lender attempts to have any stay or injunction prohibiting the enforcement, or collection of any of the Loan Documents lifted by any bankruptcy or other court, (ii) if Lender participates in any subsequent proceedings or appeals from any order or judgment entered in any such proceeding, (iii) if Lender deems it appropriate to file a proof of claim or in any other manner participate in any bankruptcy or similar proceedings involving Borrower, or (iv) if Lender retains legal counsel in connection with any necessary amendments or modifications to this Note or the other Loan Documents

12. Use Agreements. Both parties agree that this Note is subject to the covenants, restrictions, charges and easements contained in the Use Agreements as that term is defined in the ESA.

13. Miscellaneous Provisions.

a. Interest Limitation. Interest, fees, and charges collected or to be collected in connection with the indebtedness evidenced by this Note shall not exceed the maximum, if any, permitted by applicable law. If any such law is interpreted so that any such interest, fees, or charges would exceed any such maximum, and if Borrower is entitled to the benefit of such law, then notwithstanding anything to the contrary contained herein (i) such interest, fees, or charges shall be reduced to the permitted maximum, and (ii) any sums already collected from Borrower that exceed the permitted maximum shall be refunded.

b. Waiver. All parties to this Note, whether principal or endorser, hereby waive presentment for payment, demand, protest, and notice of dishonor.

c. Governing Law. This Note shall be governed by and construed in accordance with the laws of the State of Oregon without regard to principles of choice of law or conflicts of law.

d. References. In construing this Note, it is understood that the references to any party include singular or plural, individual, partnership, or corporation, as the case may be, and include successors and assigns, provided that nothing in this Section shall empower Borrower to assign its rights or to delegate its duties under this Note or the other Loan Documents.

e. Time. Time is of the essence of this Note. All reimbursements and payments required by this Note, other than regularly scheduled payments, shall be immediately due and payable on demand.

IN WITNESS WHEREOF, Borrower has caused this Note to be executed as of the date set forth above.

BORROWER:

_____, an Oregon _____

By: _____

Name: _____

Title: _____

Exhibit A
CONVERSION CONFIRMATION

Project Acceptance Date:	
Conversion Date:	
First Payment Date: [1 st day of each month]	
Loan Amount -Principal Balance at Conversion -Advances plus accrued interest to 1 day prior to Conversion Date:	
Monthly Payment Amount:	
Maturity Date:	

Acknowledged by: BORROWER

By: _____

Name: _____

Title: _____

Date: _____

LENDER

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

Exhibit "B"

Draw Request Form

Project Name: _____

Owner/Sponsor: _____

Payee TIN: _____

Check Payable to: _____

Mail Check to: _____

Draw#		Final Draw:	Y/ N
Amount of Contractor Draw:	\$ 00.00	Original Contract Amount:	\$00.00
Additional Requested by Owner:	\$00.00	Approved Change Orders:	\$00.00
Total of Request:	\$00.00	Revised Contract Sum:	\$00.00
Paid to Date:	\$00.00	MPower Management Fee:	\$00.00
Balance to Complete:	\$00.00	MPower Project Total:	\$00.00

Please attach:

- Signed contractor Application and Certificate for payment
- Lien/Claim Waiver
- Contractor Contingency Log

Submit to:

Project Manager _____
Network for Oregon Affordable Housing (NOAH)
Email of PM _____
Phone number of PM _____

By signing below, I certify that the above project meets all the program criteria and that the work specified on the attached Application and Certificate for Payment has been completed.

Signature of
Owner: _____

Print Name: _____

Title: _____

Date: _____