

NOTE

New York
[State]

[Date]

[City]

Borrower: _____

Borrower: _____

_____ (the "Property")

1. Borrower's Promise to Pay.

In return for a loan that Borrower (sometimes referred to in this Note as "I") has received, I promise to pay to New York State Energy Research and Development Authority ("Lender"), a public authority of the State of New York constituting a public benefit corporation with an address of 17 Columbia Circle, Albany, New York 12203-6399, \$_____ (this amount is called the "**Principal**"), plus interest as specified below, in the manner set forth below. I understand that the Lender may transfer this Note. The purpose of this Note is to finance certain energy efficiency improvements.

2. Interest.

Simple interest will be charged on unpaid Principal until the full amount of Principal has been paid. I will pay interest at a yearly rate of _____.

3. Federal Truth-in-Lending Disclosures.

ANNUAL PERCENTAGE RATE <small>The cost of your credit as a yearly rate.</small>	FINANCE CHARGE <small>The dollar amount the credit will cost you.</small>	AMOUNT FINANCED <small>The amount of credit provided to you or on your behalf.</small>	TOTAL PAYMENTS <small>The amount you will have paid when you have made all scheduled payments.</small>
%	\$	\$	\$

INTEREST RATE (SIMPLE INTEREST) AND PAYMENT SUMMARY	
	Rate and Installment Payment
Interest Rate (Simple Interest)	_____
Principal + Interest Payment	_____
Total Estimated Monthly Payment*	_____

* This amount assumes payment of installments each month. See Section 4 of this Note regarding payment for billing periods other than monthly.

There is no guarantee that you will be able to refinance to lower your rate and payments.
You are not required to complete this agreement merely because you have received these disclosures or signed a loan application.

<p>Declaration – This loan is not secured with a mortgage or security interest. You are, though, signing a declaration with respect to your property to provide notice of the loan to prospective purchasers.</p> <p>Demand Feature – This loan does not have a demand feature.</p> <p>Late Charge – You will be charged a late payment charge of 1.5% of the unpaid monthly Principal and interest billed directly to you by the Lender or the Lender's loan servicer if not paid by the due date, but no similar charge occurs for Principal and Interest billed by the Utility. You will pay this late charge promptly but only once on each late payment.</p> <p>Prepayment – If you pay off this Note early, you will not have to pay a penalty. See the Notice to Borrower for additional information about nonpayment.</p>	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: center;">ITEMIZATION OF AMOUNT FINANCED</th> </tr> </thead> <tbody> <tr> <td>AMOUNT GIVEN TO YOU DIRECTLY</td> <td style="text-align: right;">\$0.00</td> </tr> <tr> <td>AMOUNT PAID ON YOUR (LOAN) ACCOUNT</td> <td style="text-align: right;">\$0.00</td> </tr> <tr> <td colspan="2">AMOUNTS PAID TO OTHERS ON YOUR BEHALF</td> </tr> <tr> <td colspan="2" style="text-align: center;">to :</td> </tr> <tr> <td>Processing Fee Paid to EFS</td> <td style="text-align: right;">\$0.00</td> </tr> <tr> <td>_____</td> <td style="text-align: right;">\$0.00</td> </tr> <tr> <td>_____</td> <td style="text-align: right;">\$0.00</td> </tr> <tr> <td>_____</td> <td style="text-align: right;">\$0.00</td> </tr> <tr> <td>(less) PREPAID FINANCE CHARGE(S)</td> <td style="text-align: right;">\$0.00</td> </tr> <tr> <td style="text-align: center;">Amount Financed</td> <td style="text-align: right;">\$0.00</td> </tr> </tbody> </table> <p>(Add all items financed and subtract prepaid finance charges.)</p>	ITEMIZATION OF AMOUNT FINANCED		AMOUNT GIVEN TO YOU DIRECTLY	\$0.00	AMOUNT PAID ON YOUR (LOAN) ACCOUNT	\$0.00	AMOUNTS PAID TO OTHERS ON YOUR BEHALF		to :		Processing Fee Paid to EFS	\$0.00	_____	\$0.00	_____	\$0.00	_____	\$0.00	(less) PREPAID FINANCE CHARGE(S)	\$0.00	Amount Financed	\$0.00
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4. Payments.

Except as otherwise provided in Section 5 of this Note, I will pay the Principal and interest owing under this Note to the Utility (as defined below) in installments (each such installment is referred to in this Note as a “**NYSERDA Loan Installment**”). I will pay the Principal and interest owing under this Note in _____ total monthly installments by making a payment against NYSERDA Loan Installment charges included in my utility bill. Each such monthly installment shall be in the amount of _____. If my utility bill is issued on a bi-monthly or other basis, my number of installments and installment amount shall be adjusted accordingly. In no event, however, will I be billed for more than twelve (12) monthly installments in any calendar year.

I will make all payments under this Note by means of payment of a charge, designated as a NYSERDA Loan Installment, on my utility bill from _____ (the “**Utility**”). I authorize and direct you to disburse the loan proceeds to the contractor(s) for the installation of the energy efficient improvements and I agree that the loan proceeds will be disbursed to the contractor(s) only after those improvements are installed and I sign a certificate of completion provided to me by the contractor(s). The first NYSERDA Loan Installment charge will be included in the utility bill issued by the Utility for the first billing period commencing after the date on which NYSERDA’s loan servicer notifies the Utility that the loan funds are fully disbursed, but not earlier than a billing period commencing June 1, 2012. A charge in the amount set forth above will appear on each of my utility bills thereafter and will be due and payable in accordance with the terms of my utility service.

I will make these payments until I have paid all principal and interest and any other charges described below that I may owe under this Note. I understand that my utility bill will include charges for electric and/or gas service as well as the charge for this loan and that my payments to the Utility will be applied first as payment for any amounts then due with respect to my electric and/or gas services and then as payment for amounts due under this Note, applied by Lender or Lender’s loan servicer to interest before Principal. If I make payment to the Utility for an amount greater than the amount billed for my electric and/or gas service and the NYSERDA Loan Installment charge on my utility bill, the excess will be applied first to my future electric and/or gas service and the balance, if any, will be applied toward the payment of the NYSERDA Loan Installment to be billed by the Utility.

5. Payments Directly to Lender for Periods Without Utility Billing.

If the Utility does not issue me a utility bill because of either a voluntary or involuntary termination or suspension of service (such as if I close my account and no person has opened a successor utility account for the premises or my account is terminated by the Utility for non-payment or I elect to temporarily suspend my service without closing my account), I will receive a loan statement bill directly from the Lender or the Lender’s loan servicer for the Principal and interest due for each NYSERDA Loan Installment. The first such statement bill shall be issued by the Lender or the Lender’s loan servicer no sooner than thirty (30) days following such termination or suspension of service. I understand and agree that if, pursuant to this Section 5, the Lender or the Lender’s loan servicer is to issue a loan statement bill, Lender or the Lender’s loan servicer shall, prior to the issuance of any such billing statement, cause to be completed a search of the real property records to confirm the identity of the owner of the Property. If such search confirms that I am the owner, such billing statement shall be sent to me. If, however, such search determines that the owner of the Property is someone other than me, such billing statement shall be sent to the person or entity identified by such search as being the owner. The bill will be payable on the 15th day of each month for each such NYSERDA Loan Installment, and the bill will be sent to me 30 days prior to each such due date. Any amount billed by the Lender or the Lender’s loan servicer not paid by the due date shall be subject to a late payment charge calculated as 1.5 percent of the unpaid Principal and interest. If I re-establish utility service with the Utility, the Utility will resume billing of the NYSERDA Loan Installment charge through my utility bill and the Lender or the Lender’s loan servicer will discontinue direct billing. In addition, if arrears in on-bill recovery charges at the time of account closure or meter transfer are expressly assumed by a subsequent purchaser of the Property (as provided in Section 14(b) of this Note), the Lender or the Lender’s loan servicer shall directly bill such subsequent purchaser for the payment of such arrears. If arrears in NYSERDA Loan Installment charges at the time of account closure or utility meter transfer are not paid to the Utility or assumed by a subsequent purchaser of the Property, the Lender or the Lender’s loan servicer shall directly bill me for such arrears. I also understand and agree

that you or your loan servicer shall, prior to the issuance of any such billing statement, cause to be completed a search of the real property records to confirm the identity of the owner of the Property.

6. Borrower's Right to Prepay.

I have the right to make payments of Principal at any time before they are due. An early payment of Principal only is known as a "**Prepayment.**" When I make a Prepayment, I will tell the Lender in writing that I am doing so. I may not designate a payment as a Prepayment if I have not made all the payments due under the Note or if I have any charges from the Utility outstanding for electric or gas service. I may not make a Prepayment by making an additional payment on my utility bill. In order to make a full or partial Prepayment, I must contact the Lender by telephone at 1-866-697-3732, by email at nyserdaloan@nyserda.org, or by mail at the address noted in Section 9 of this document. The Lender or the Lender's loan servicer will confirm my eligibility for Prepayment and provide me with Prepayment instructions.

I may make a full Prepayment or partial Prepayments without paying a Prepayment charge. The Lender will use any partial Prepayments to reduce the amount of Principal that I owe under this Note. However, the Lender may apply my Prepayment to any billed and unpaid Principal, interest, or fees due on this Note before applying my Prepayment to reduce the Principal amount of the Note. If I make a partial Prepayment, there will be no changes in the amount of the NYSERDA Loan Installment but the number of remaining NYSERDA Loan Installments and/or the amount of my final payment will be reduced. If I make a full Prepayment of the Note, the Lender or the Lender's loan servicer shall provide me with a loan payoff amount comprised of the Principal that I owe under this Note, plus any billed and unpaid interest or fees, plus any billed and unpaid late charges. I will make any full or partial Prepayment directly to the Lender's loan servicer using instructions provided.

7. Loan Charges.

If a law, which applies to this loan and which sets maximum loan charges, is finally interpreted so that the interest or other loan charges collected or to be collected in connection with this loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from me which exceeded permitted limits will be refunded to me by the Lender or the Lender's loan servicer. The Lender may choose to make this refund by reducing the Principal I owe under this Note or by making a direct payment to me. If a refund reduces Principal, the reduction will be treated as a Prepayment.

8. Borrower's Failure to Pay as Required.

(a) Late Payment Charge for Overdue Payments. If I do not make a payment in accordance with a bill from the Lender or the Lender's loan servicer, I will be subject to a late payment charge of 1.5% of the unpaid monthly Principal and interest billed directly to me by the Lender or the Lender's loan servicer if not paid by the due date. However, no similar charge will be due with respect to any NYSERDA Loan Installment billed by the Utility. I will pay this late charge promptly but only once on each late payment. I may also be subject to a collection fee charge by the Utility as authorized by the Public Service Commission

(b) Deferred Payment Agreement. I understand that if I do not make payments in accordance with the requirements of the bill from the Utility and I am eligible for a Deferred Payment Agreement under the rules and regulations of the Public Service Commission, the Utility will provide an opportunity for me to enter into a Deferred Payment Agreement, as required by such rules and regulations and in accordance with the usual practice of the Utility.

(c) Notice of Termination. I understand that failure to make payments as required under this Note and under the terms of any Deferred Payment Agreement may result in disconnection of my electric and/or gas service. In the event that I do not make such required payments, the Utility may serve a Notice of Termination in accordance with the usual practice of the Utility. If my electric or gas service is disconnected and then subsequently restored, I understand that I will continue to be billed for Principal and interest under this Note, and for any arrears or late payments that are due. In addition, if my electric or gas service is disconnected and then subsequently restored, I understand that I will be billed for a reconnection charge by the Utility. If my electric or gas service is disconnected and not restored, I will continue to be responsible to the Lender for all amounts then owing under this Note. I also understand that if I do not pay all amounts then owing under this Note, the Lender, in addition to any other legal rights and remedies that the Lender may have, may

also commence a lawsuit against me to recover payment of those amounts. If my electric and/or gas service is terminated with unpaid NYSERDA Loan Installment charges and I re-establish service with the Utility within 45 days of termination at another property address or meter, the Utility shall add the unpaid installment balance to my billing for such address; otherwise, the balance shall be transferred to NYSERDA for its collection. I may also be subject to a re-connection fee charge by the Utility as authorized by the Public Service Commission.

(d) Acceleration of Payment of Amounts Owed under Note. In addition to the matters set out in paragraph (c) above, I also understand that if the Property covered by the Declaration (as defined in Section 11 of this Note) is damaged by fire or other casualty, or is taken by condemnation, and the electric and/or gas service is terminated and not restored, then in addition to any other legal rights and remedies that the Lender may have, the Lender may also require the immediate payment in full of the entire unpaid principal amount of this Note, together with all billed and unbilled accrued, unpaid interest and all other amounts due to the Lender under this Note and commence a lawsuit against me to recover payment of those amounts.

(e) Dishonored Checks. If my payment to the Utility is returned due to insufficient funds, I may be charged a fee by the Utility as authorized by the Public Service Commission.

9. Giving of Notices.

Any notices to be provided by the Utility under this Note shall be provided in accordance with the usual practice of the Utility. Unless applicable law requires a different method, any notice that must be given to me by the Lender under this Note will be given by delivering it or by mailing it by first class mail to me at the Property Address above or at a different address if I give the Lender a notice of my different address.

Any notice that must be given to the Lender under this Note will be given by delivering it or by mailing it by first class mail to the Lender at the following address or at a different address if I am given a notice of that different address:

NYSERDA
Attn.: Office of the Treasurer
17 Columbia Circle
Albany, New York 12203

10. Waivers. I and any other person who has obligations under this Note waive the rights of Presentment and Notice of Dishonor. “**Presentment**” means the right to require the Lender to demand payment of amounts due. “**Notice of Dishonor**” means the right to require the Lender to give notice to other persons that amounts due have not been paid.

11. Declaration. In addition to the protections given to the Lender under this Note, I consent to the recording of a declaration with respect to the property (the “**Declaration**”), dated the same date as this Note, to provide notice to others of the obligations set forth herein. The Declaration does not constitute a mortgage, lien or security interest on the property of any kind whatsoever.

12. Borrowers. Any persons signing as “Borrower” understand and agree that, while payments under this Note are made by means of a NYSERDA Loan Installment charge on the Utility’s bill as provided in Section 4 of this Note, the Utility’s bill will only be issued to the person or entity named on the utility account. That person or entity may, or may not, be all of the Borrowers under this Note. Any two (2) or more persons signing as “Borrower” shall be jointly and severally liable for the payment of this Note, including, but not limited to, the collection of any arrears that may be due and owing after any termination of electric and/or gas utility service or the closure of the utility account. The term “jointly and severally” means that each person is personally obligated to keep all of the promises made in this Note, including the promise to pay. It also means that the Lender may enforce its rights under this Note against each person individually or against any or all persons together. The word “I” as used in this Note means each person, and all persons, signing as Borrower under this Note

13. Eligibility for Loan. I represent to the Lender that I am, or either of us is, the owner of the Property and that I hold, or either of us holds, the primary meter account responsibility regarding electric and/or gas utility service for the Property. I agree that unless I, or the Borrower who owns the Property, transfer ownership of the Property to another

person or primary utility meter account responsibility is undertaken by a tenant of the Property as provided in Section 15 of this Note, I, or the Borrower who holds primary utility meter account responsibility, will continue to hold such primary utility meter account responsibility for the Property until all amounts owing under this Note are paid in full.

14. Notice Required in Connection with a Sale of My Property. Unless fully satisfied prior to sale or transfer of the Property, (a) the NYSERDA loan installment charges for any services provided at the Property shall survive any changes in ownership, tenancy or utility meter account responsibility with respect to the Property, and (b) arrears in on-bill recovery charges at the time of account closure or meter transfer shall remain my responsibility, unless such arrears in on-bill recovery charges are expressly assumed by a subsequent purchaser of the Property. Prior to any sale of the Property while any amount is outstanding under this Note, I agree to deliver to any prospective purchaser or purchaser's agent (i) the written notice required by Section 242 of the Real Property Law as summarized in the Notice to Borrower delivered by Lender to you on the date of this Note, and (ii) written notice that if the Utility does not issue a utility bill, such purchaser will receive a loan statement bill directly from the Lender or the Lender's loan servicer for the principal and interest due for each such NYSERDA Loan Installment. In addition, prior my acceptance of any offer for the sale of the Property while any amount is outstanding under this Note, I agree to deliver to any prospective purchaser or purchaser's agent written notice of the eligibility requirements as provided in Section 13 of this Note.

15. Notice to Tenants. If I rent the Property to a tenant who will hold the primary utility meter account responsibility and assume responsibility for payment of the electric bill, if the NYSERDA Loan Installment charge is on the electric bill, or the gas bill, if the NYSERDA Loan Installment charge is on the gas bill, I agree to provide written notice of the existence of the charge to the prospective tenant prior to entering into any lease with that tenant. I understand that, if service by the Utility to any such tenant is terminated, voluntarily or involuntarily or suspended, I will receive a loan statement bill directly from the Lender or the Lender's loan servicer for the principal and interest due for each such NYSERDA Loan Installment pursuant to, and which I shall pay as provided in, Section 5 of this Note.

16. Collection and Sharing of Information. By accepting these loan responsibilities, I hereby authorize the Utility to provide to Lender, upon Lender's request, information on my energy usage. I also agree to authorize other utilities and other retail energy suppliers to provide to Lender, upon Lender's request, information on other sources of energy used in the Property. All information collected by Lender will be kept confidential and will be used exclusively for the purposes of evaluating the cost-effectiveness of the on-bill recovery program on an on-going basis. I also authorize Lender and the Utility and their employees, contractors and agents to share such information concerning my electric and/or gas bill and the charges under this Note as is necessary to implement the provisions of this Note.

17. Sale of Note; Change in Loan Servicer. This Note, or an interest in this Note may be sold one or more times. I might not receive any prior notice of these sales. There may be a change of the loan servicer as a result of the sale of this Note. There also may be one or more changes of the loan servicer unrelated to a sale of this Note. I will be given written notice of any change of the loan servicer. The notice will state the name and address of the new loan servicer, and also tell me the address to which I should make my payments if the NYSERDA Loan Installment charges are not billed on my utility bill.

18. Governing Law. This Note and the Declaration will be governed by the laws of the State of New York. The fact that any part of this Note cannot be enforced will not affect the rest of this Note. Any change to this Note or the Declaration must be in writing and signed by the Lender and me. Except as otherwise specified in this Note, my rights and responsibilities with respect to payment of my on-bill NYSERDA Loan Installment charges will be governed by the provisions of Article 2 of the New York Public Service Law.

18. Authorization. If I am a corporation, partnership, limited liability company, trust, unincorporated association or other entity, I hereby certify that the execution and delivery of this Note and the performance of my obligations under this Note have been duly and lawfully authorized by all entity action and that this Note constitutes my legal and valid obligation, enforceable against me in accordance with its terms.

NOTICE: ANY HOLDER OF THIS CONSUMER CREDIT CONTRACT IS SUBJECT TO ALL CLAIMS AND DEFENSES WHICH THE DEBTOR (BORROWER) COULD ASSERT AGAINST THE SELLER OF GOODS OR SERVICES OBTAINED WITH THE PROCEEDS HEREOF. RECOVERY HEREUNDER BY THE

DEBTOR (BORROWER) SHALL NOT EXCEED AMOUNTS PAID BY THE DEBTOR (BORROWER) HEREUNDER.

I AGREE TO THE TERMS SET OUT IN THIS NOTE. I HAVE RECEIVED A COPY OF THIS DOCUMENT ON TODAY'S DATE.

BORROWERS – SEE NOTICE IN SECTION 12 ABOVE BEFORE SIGNING.

WITNESS THE HAND(S) AND SEAL(S) OF THE UNDERSIGNED.

_____ (Seal)
Borrower

_____ (Seal)
Borrower

By: _____

Name: _____

Title: _____

[Sign Original Only]

STATE OF NEW YORK)
COUNTY OF _____) ss.:

On the _____ day of _____, in the year 20__, before me, the undersigned, a Notary Public in and for said State, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

STATE OF NEW YORK)
COUNTY OF _____) ss.:

On the _____ day of _____, in the year 20__, before me, the undersigned, a Notary Public in and for said State, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public