

PROMISSORY NOTE
DOCUMENT NO. 2022-852

DATE: _____, 2022

PROMISOR: Alfalfa Fire District
25889 Alfalfa Market Rd
Bend, Oregon 97701

PROMISEE: Deschutes County, a political subdivision of the State of Oregon
c/o Finance Department
1300 NW Wall Street
Bend, Oregon 97703

FOR VALUE RECEIVED, Promisor promises to pay to Promisee, at Promisee's order, the principal sum of ONE HUNDRED THOUSAND and no/100 DOLLARS (\$100,000.00), together with interest on the unpaid balance from the date of this note, at the rate of 4.00%, compounded annually. This loan is to fund improvements/ expansion of Promisor's facilities and operations ("Project"), and continues until the project is complete.

Principal and interest shall be payable in *in ten (10) annual installments as identified on the attached Exhibit 1*. Unless accelerated pursuant to section 4.1.1 of the DESCHUTES COUNTY LOAN/PLEDGE AGREEMENT, identified as Document No. 2022-851, and attached hereto as Exhibit 2, the initial debt service deduction of taxes collected shall be made on or about November 2023, and annually each year thereafter until December 2032 at which time the entire unpaid principal balance together with accrued interest, if any, shall be due and payable.

1. Security

Promisor is an Oregon public entity formed as a taxing authority with a permanent rate levy in Deschutes County, and as such Promisor grants Promisee authority to deduct as debt service the annual loan installment and all interest due thereon from ad valorem taxes collected by Promisee on Promisor's behalf. Any taxes collected in excess of the annual installment will be distributed to Promisor after the installment is fully satisfied. For any tax year in which the annual installment exceeds the amount of taxes collected, the balance will be due within 30 days from written notice to Promisor.

Upon executing this Promissory Note the Promisor grants Promisee a first position lien on the improvements/expansion of the District facilities at 25889 Alfalfa Market Rd, Bend during construction and after completion, and for the pendency of the term of this Promissory Note.

2. Interest & Acceleration.

Interest shall accrue on the loan principal the rate of 4.00%, compounded annually.

If any annual installment under this Note is not collected or paid when due and remains unpaid after required notice to Promisor, a sum equal to two annual installments and accrued interest thereon shall at once become due and payable at the option of Promisee. The due date shall not be less than sixty (60) days from the date notice is mailed. Promisee may exercise this option to accelerate during any default by Promisor regardless of any prior forbearance.

Failure to exercise any option to declare default or accelerate the balance due hereon shall not constitute a waiver of the right to exercise the same in the event of any subsequent default. Modification of the terms of payment of this Note made at the request of any entity liable thereof shall not impair such entity's liability or the liability of any other entity or person now or hereafter for liability of the payment(s).

3. Disputes.

With respect to any dispute relating to this Note or the debt that it evidences, or in the event that a suit, action, arbitration, or other proceeding of any nature whatsoever, including any action seeking a declaration of rights, is instituted to interpret or enforce this Note or any provision of this Note or the associated loan and security documents, the prevailing party shall be entitled to recover from the non-prevailing party its reasonable attorneys' fees and all other fees, costs, and expenses actually incurred and reasonably necessary in connection therewith, as determined by the judge or arbitrator at trial or other proceeding, or on any appeal or review, in addition to all other amounts provided by law.

4. Application of Payments.

Payment of any installment shall be applied first to late charges, then accrued interest to the date of receipt thereof, and the balance, if any, to principal. Promissor may prepay this Note in full or in part without penalty, but any such prepayment shall be first applied to late fees, accrued interest, and the balance, if any, to principal. However, any pre-payment shall not excuse regular annual payment except with prior written approval of Promisee.

5. Waivers.

Presentment, notice of dishonor, and protest are hereby waived by all makers, sureties, guarantors, and endorsers hereof and thereafter. This note shall be the joint and several obligation of all makers, sureties, guarantors and endorsers, and shall be binding upon them and their successors and assigns.

6. Notices.

Any notice provided for in this Note shall be given by mailing such notice to the property addresses stated herein above.

Under Oregon Law (Chapter 9.67 OR laws 1989), most agreements, promises, and commitments made by us after October 3, 1989 concerning loans and other credit extensions which are not for personal, family, or household purposes or secured solely by the Borrower's residence, must be in writing, express consideration, and be signed by us to be enforceable.

The indebtedness evidenced by this Note is further and additionally secured by the Loan/Pledge Agreement, Document No. 2022-851, attached hereto as Exhibit 2.

PROMISOR:

ALFALFA FIRE DISTRICT

By: _____
Title: _____
Date: _____

STATE OF OREGON)
) ss.
County of Deschutes)

Before me, a Notary Public, personally appeared _____, the above-named _____ of Alfalfa Fire District and acknowledged the foregoing instrument on behalf of same.

DATED this __ day of _____, 2022

Notary Public for Oregon
My Commission Expires: _____