

## PROMISSORY NOTE

\$20,000

month, day, 2016

For value received, XXXXXXXXXXXX (Promisor), of ADDRESS XXXXXX, Klamath Falls, OR xxxxx, promises and agrees to pay to the order of Cascade Health Alliance, LLC (Promisee), at 2909 Daggett Avenue, Suite 225, Klamath Falls, OR 97601 or such other place as Promisee may from time to time direct, the principal sum of TWENTY THOUSAND and 00/100 DOLLARS (\$20,000.00) in lawful money of the United States of America (the "Principal Amount"), together with interest on the unpaid principal balance at the rate set forth below from the Disbursement Date.

Recitals. Promisee is a fully capitated health plan that arranges and provides health care services to persons enrolled in the Oregon Health Plan ("Enrollees"). Promisee desires to increase the number of behavioral health practitioners providing services to Enrollees in Promisee's service area (Klamath Falls, Oregon and the surrounding area). Accordingly, Promisee is willing to make a loan to Promisor on the terms set forth in this Promissory Note ("Note") in order to encourage Promisor to practice behavioral medicine in Klamath Falls and provide services to Enrollees.

Disbursement. Upon proof that: (1) Promisor has been granted a license to practice behavioral medicine in the State of Oregon and (2) execution of an employment agreement requiring service at XXXXXXXXXXXX, the Promisee agrees to pay the Promisor the principal sum of TWENTY THOUSAND and 00/100 DOLLARS (\$20,000.00). The date of payment to Promisor is the Disbursement Date.

Payment Terms. Interest on the Principal Amount shall accrue from the Disbursement Date at 0.28 percent per annum (based on the applicable federal rate as of the state of this Promissory Note) until paid in full or forgiven as provided herein. The interest rate may be adjusted as provided below in the section titled Repayment.

Equal monthly payments sufficient to fully amortize the Principal Amount and accrued interest in thirty-six (36) payments shall be due and payable on the first day of each calendar month commencing in the first full month of Promisor's full time practice of behavioral medicine in Klamath Falls. The entire unpaid Principal Amount plus all accrued interest, and all applicable fees, costs and damages, if any, shall be payable in full on the second anniversary of the first payment date. An amortization schedule is attached hereto as Exhibit 1.

Promisor shall have the right to prepay all or any part of the Principal Amount, together with accrued interest thereon, at any time without penalty or premium. Any payments by Promisor shall be credited first to accrued interest and then to principal.

Loan Forgiveness. The amounts due and payable hereunder may be forgiven as provided in this section. One-thirty-sixth (1/36<sup>th</sup>) of the total amount due shall be forgiven as of the first day of

each month following a month during which Promisor engages in the full time practice of behavioral medicine in Klamath Falls. "Full time practice of behavioral medicine" shall mean that Promisor becomes and continuously remains (a) a participating provider in Promisee's or Promisee's affiliate's OHP provider network and (b) available to provide services to Enrollees.

Promisee further agrees to forgive the entire amount of the outstanding balance in the event that Promisor becomes permanently disabled for any reason and/or on the death of Promisor.

Repayment. If Promisor does not begin a full time practice of behavioral medicine in Klamath Falls by \_\_\_\_\_ 1, 2016, Promisor agrees to repay the entire Principal Amount plus accrued interest owing on \_\_\_\_\_ 1, 2016; payment shall be made on or before \_\_\_\_\_ 1, 2016. If Promisor ceases the full time practice of behavioral medicine in Klamath Falls at any time prior to the complete forgiveness of the total amount due under this Note, Promisor agrees to repay the Principal Amount plus accrued interest that remains owing as of the date on which Promisor ceases full time practice; such payment shall be made within 90 days of the date on which Promisor ceases full time practice.

If Promisor fails to make full repayment of all sums due and owing in accordance with the preceding paragraph, interest shall begin to accrue on the full amount owing as of the applicable payment due date at the rate of prime plus two percent (2%), until paid in full. The interest rate shall be determined based on the prime rate on the payment due date. The "prime rate" means the interest rate charged by Bank of America, or successor thereof, as the prime rate for its commercial customers.

Tax Matters. Promisor acknowledges that forgiveness of the Principal Amount and accrued interest will be treated by Promisee as income to Promisor that is earned at the time forgiven. Promisee will provide Promisor with IRS form 1099 reflecting the amount forgiven in each calendar year. Promisee makes no representations to Promisor concerning the proper treatment by Promisor of loan payments or loan forgiveness, and Promisor shall be responsible for obtaining such advice concerning such matters as Promisor considers appropriate. Promisor shall be responsible for the filing of all necessary documents, forms, and returns, and shall be responsible for payment of all taxes including social security taxes and state and federal income taxes, with respect to amounts paid or forgiven under this Note. Promisor shall not bring, and shall hold harmless and provide Promisee with a defense against, any claims that Promisee is responsible for the payment of any withholdings, contributions or taxes, or the filing documents or returns, with respect to amounts paid or forgiven under this Note.

Remedies. Promisor waives presentment, demand, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance default or enforcement of this Note. Promisor agrees that Promisee may, at any time or times without notice to Promisor and without Promisor's consent, grant extensions of time for any payment under this Note without affecting the undertakings of Promisor under this Note. In any action on this Note, Promisee or its assignee need not produce or file the original of this Note, but need only produce or file a photocopy of the Note certified by Promisee or such assignee to be a true and correct copy of this Note.

If this Note is placed in the hands of an attorney for collection, the Promisor promises and agrees to pay all reasonable collection costs of the holder, including but not limited to attorney fees and costs. If suit or action is filed hereon Promisor also promises and agrees to pay (1) holder's

reasonable collection costs (including but not limited to attorney fees and costs) to be determined by the trial court, and (2) if any appeal is taken from any decision of the trial court, such further sum for reasonable collection costs (including but not limited to attorney fees and costs) as may be determined by the appellate court or courts, and (3) holder's reasonable collection costs, (including but not limited to attorney fees and costs) incurred in any proceeding in bankruptcy court or on any appeal therefrom, as determined by said court or courts.

Promisee shall not be required to first institute suit or action on this Note or otherwise exhaust its remedies against Promisor before enforcing its rights against any security, leasehold interest or guarantee for the payment of this Note.

Assignment. This Note is binding on and shall inure to the benefit of the Promisor and Promisee and their respective successors and permitted assigns. Promisor shall not have the right to assign or transfer its obligations under this Note whether or not by operation of law. Promisee shall have the right to assign, negotiate or transfer this Note.

Governing Law. This Promissory Note shall be interpreted under the laws of the State of Oregon

Dated this \_\_\_ day of \_\_\_\_\_, 2016.

\_\_\_\_\_  
(PROVIDER NAME AND SIGNATURE ABOVE)

# Exhibit 1: Loan Amortization Schedule

Enter values	
Loan amount	\$ 20,000.00
Annual interest rate	0.28 %
Loan period in years	3.0
Number of payments per year	12
Start date of loan	01/01/2017
Optional extra payments	\$ -

Loan summary	
Scheduled payment	\$ 557.96
Scheduled number of payments	36
Actual number of payments	36
Total early payments	\$ -
Total interest	\$ 86.45

Lender name: Cascade Health Alliance, LLC

Pmt No.	Payment Date	Beginning Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Ending Balance	Cumulative Interest
1	02/01/2017	\$ 20,000.00	\$ 557.96	\$ -	\$ 557.96	\$ 553.29	\$ 4.67	\$ 19,446.71	\$ 4.67
2	03/01/2017	19,446.71	557.96	-	557.96	553.42	4.54	18,893.29	9.20
3	04/01/2017	18,893.29	557.96	-	557.96	553.55	4.41	18,339.74	13.61
4	05/01/2017	18,339.74	557.96	-	557.96	553.68	4.28	17,786.06	17.89
5	06/01/2017	17,786.06	557.96	-	557.96	553.81	4.15	17,232.26	22.04
6	07/01/2017	17,232.26	557.96	-	557.96	553.94	4.02	16,678.32	26.06
7	08/01/2017	16,678.32	557.96	-	557.96	554.07	3.89	16,124.26	29.95
8	09/01/2017	16,124.26	557.96	-	557.96	554.19	3.76	15,570.06	33.72
9	10/01/2017	15,570.06	557.96	-	557.96	554.32	3.63	15,015.74	37.35
10	11/01/2017	15,015.74	557.96	-	557.96	554.45	3.50	14,461.28	40.85
11	12/01/2017	14,461.28	557.96	-	557.96	554.58	3.37	13,906.70	44.23
12	01/01/2018	13,906.70	557.96	-	557.96	554.71	3.24	13,351.99	47.47
13	02/01/2018	13,351.99	557.96	-	557.96	554.84	3.12	12,797.15	50.59
14	03/01/2018	12,797.15	557.96	-	557.96	554.97	2.99	12,242.18	53.57
15	04/01/2018	12,242.18	557.96	-	557.96	555.10	2.86	11,687.08	56.43
16	05/01/2018	11,687.08	557.96	-	557.96	555.23	2.73	11,131.85	59.16
17	06/01/2018	11,131.85	557.96	-	557.96	555.36	2.60	10,576.49	61.76
18	07/01/2018	10,576.49	557.96	-	557.96	555.49	2.47	10,021.00	64.22
19	08/01/2018	10,021.00	557.96	-	557.96	555.62	2.34	9,465.38	66.56
20	09/01/2018	9,465.38	557.96	-	557.96	555.75	2.21	8,909.63	68.77
21	10/01/2018	8,909.63	557.96	-	557.96	555.88	2.08	8,353.75	70.85
22	11/01/2018	8,353.75	557.96	-	557.96	556.01	1.95	7,797.74	72.80
23	12/01/2018	7,797.74	557.96	-	557.96	556.14	1.82	7,241.61	74.62
24	01/01/2019	7,241.61	557.96	-	557.96	556.27	1.69	6,685.34	76.31
25	02/01/2019	6,685.34	557.96	-	557.96	556.40	1.56	6,128.94	77.87
26	03/01/2019	6,128.94	557.96	-	557.96	556.53	1.43	5,572.42	79.30
27	04/01/2019	5,572.42	557.96	-	557.96	556.66	1.30	5,015.76	80.60
28	05/01/2019	5,015.76	557.96	-	557.96	556.79	1.17	4,458.97	81.77
29	06/01/2019	4,458.97	557.96	-	557.96	556.92	1.04	3,902.06	82.81
30	07/01/2019	3,902.06	557.96	-	557.96	557.05	0.91	3,345.01	83.72
31	08/01/2019	3,345.01	557.96	-	557.96	557.18	0.78	2,787.83	84.50
32	09/01/2019	2,787.83	557.96	-	557.96	557.31	0.65	2,230.53	85.15
33	10/01/2019	2,230.53	557.96	-	557.96	557.44	0.52	1,673.09	85.67
34	11/01/2019	1,673.09	557.96	-	557.96	557.57	0.39	1,115.52	86.06
35	12/01/2019	1,115.52	557.96	-	557.96	557.70	0.26	557.83	86.32
36	01/01/2020	557.83	557.96	-	557.83	557.70	0.13	0.00	86.45