

NOTE AND SECURITY AGREEMENT

Dated:

FOR VALUE RECEIVED, the Debtor, _____ a Georgia non-profit corporation (the "Debtor"), promises to pay to the order of **THE COMMUNITY FOUNDATION FOR GREATER ATLANTA, INC.** (hereafter, together with any holder hereof, called "Holder"), at the offices of the Holder located at 50 Hurt Plaza, Suite 449, Atlanta, Georgia 30303, or at such other place as the Holder may designate in writing to the Debtor, in lawful money of the United States of America, and in immediately available funds, the principal sum of up to _____ Thousand and 0/100 DOLLARS (\$_____), together with interest thereon from the date hereof until paid in full at the rates and at the times specified below.

Except as provided below, the outstanding principal balance hereof shall be payable in full at the earlier of: (A) receipt of the proceeds of the Collateral (as defined below), and (B) _____() months from the date hereof, or on such other date as the parties may mutually agree from time to time. Notwithstanding the foregoing, the Debtor shall be allowed to make early repayments of principal without incurring a penalty.

Except as provided below, this Note will bear interest at a rate of _____% per annum until this Note is paid in full. Interest shall be payable on the first day of each calendar month for interest accrued in the previous calendar month. Notwithstanding the foregoing, any interest that has accrued up until the date of maturity or acceleration of this Note shall immediately be due and payable.

Interest shall accrue at a rate equal to 2.00% per annum above any interest rate herein otherwise in effect from time to time during the continuance of any Event of Default (as defined below) hereunder.

In no event shall the amount of interest due or payable under this Note exceed the maximum rate of interest allowed by applicable law and, in the event any such payment is inadvertently paid by the Debtor or inadvertently received by the Holder, then such excess sum shall be credited as a payment of principal, unless the Debtor shall notify the Holder in writing that the Debtor elects to have such excess sum returned to it forthwith. It is the express intent of the parties hereto that the Debtor not pay and the Holder not receive, directly or indirectly, in any manner whatsoever, interest in excess of that which may be lawfully paid by the Debtor under applicable law.

To secure the prompt and complete payment, observance and performance when due of all of the Debtor's obligations hereunder, the Debtor hereby collaterally assigns and pledges to the Holder, and grants to the Holder a security interest in, all of the Debtor's right, title and interest in and to each of the following, wherever located and whether now or hereafter existing, or now or hereafter acquired or arising (a) all rights to the payment or receipt of money or other forms of consideration of any kind arising out of or relating to a government contract or

foundation grant from any Person, including without limitation the right to receive monies under these certain documents(the "Grant Documents"):

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(the "Grant Documents") and (b) all proceeds of the foregoing (the "Collateral"). The security interest shall at all times be valid, perfected and of first priority and enforceable against the Debtor and all other Persons, in accordance with the terms of this Note, as security for the obligations hereunder. The Debtor shall, at its sole cost and expense, take all action that may be necessary or desirable, or that the Holder may reasonably request, so as at all times to maintain the validity, perfection, enforceability and priority of the security interest in the Collateral in conformity with the immediately preceding sentence, or to enable the Holder to exercise or enforce its rights hereunder, including, but not limited to, executing and delivering financing statements, notices and assignments, in each case in form and substance satisfactory to the Holder, relating to the creation, validity, perfection, priority or continuation of the security interest under the Uniform Commercial Code or other applicable law. This Note shall create a continuing security interest in the Collateral and shall (i) remain in full force and effect until indefeasible payment in full of the obligations hereunder, (ii) be binding upon the Debtor, its successors and assigns and (iii) inure the benefit of the Holder, and its successors and permitted assigns.

The Debtor hereby represents and warrants to the Holder that (a) the Debtor is a non-profit corporation, duly organized, validly existing and in good standing under the laws of the State of Georgia, has the power and authority to own its properties and to carry on its business as now being and hereafter proposed to be conducted and is duly qualified and authorized to do business in each jurisdiction in which the character of its properties or the nature of its business requires such qualification or authorization; (b) the Debtor has the right and power, and has taken all necessary action to authorize it, to execute, deliver and perform under this Note in accordance with its terms; (c) the Debtor will receive the proceeds arising from the Grant Documents (d) this Note has been executed and delivered by the authorized officers or persons of the Debtor and is a legal, valid and binding obligation of the Debtor enforceable against the Debtor in accordance with its terms subject to the effect of any applicable bankruptcy, insolvency, moratorium or similar laws affecting creditors' rights generally and the effect of general principles of equity (regardless of whether considered in a proceeding in equity or at law); (e) the execution, delivery and performance of this Note by the Debtor in accordance with its terms does not and will not, by the passage of time, the giving of notice or otherwise (i) conflict with, result in a breach of or constitute a default under any indenture, instrument or other agreement to which the Debtor is a party or by which it or any of its properties may be bound or (ii) result in, or require the creation or imposition of, any lien upon or with respect to any property in which the Debtor now or may hereafter have rights other than the lien created hereunder; (f) the correct name of the Debtor is set forth in the first paragraph of this Note, and the Debtor does not conduct and, during the five-year period immediately preceding the date of this note, has not conducted, business or represented itself under any trade name or other fictitious name other than the name " _____ ."; (g) the Internal Revenue Service taxpayer identification number of the Debtor is _____ (h) the chief executive office

and principal place of business (_____) of the Debtor are located at the address set forth on the signature page of this Note, (i) all of the accounts receivable of the Debtor are located at the addresses set forth on the signature page of this Note and none of the accounts receivable are, as of the date hereof, subject to any lien.

The Debtor hereby covenants and agrees that (a) the Debtor will not merge or consolidate with any other person or sell, lease or transfer or otherwise dispose of all or a substantial portion of its assets to any person outside the ordinary course of its business; (b) upon receipt of the proceeds of the Collateral, the Debtor will immediately notify the Holder and make available to the Holder all of such proceeds of the Collateral in order to repay the obligations under this Note, provided that the Holder has not previously directed the Debtor to make alternative delivery arrangements with regard to such proceeds; and (c) the Debtor shall furnish to the Holder any information that could reasonably affect the Debtor's or the Holder's rights to the Collateral, (iii) such other information as the Holder may reasonably request from time to time, and (iv) the Debtor will use the proceeds of the loan for working capital needs in furtherance of the Debtor's community mission.

Each of the following events shall constitute an "Event of Default" under this Note: (a) failure of the Debtor to pay any principal, interest or other amount due hereunder when due, or the Debtor shall in any way fail to comply with the other terms, covenants or conditions contained in this Note; (b) any representation or warranty made at any time by the Debtor to the Holder shall prove to have been incorrect or misleading in any material respect when made; (c) a default, event of default, or event which with the giving of notice or the passage of time or both would constitute an event of default, shall have occurred under any other document, instrument, contract or agreement (i) evidencing or securing indebtedness of the Debtor for borrowed money or (ii) material to the financial condition of the Debtor and such event shall not have been cured; (d) a final judgment or order for the payment of money, or any final order granting equitable relief, shall be entered against the Debtor and such judgment or order has or will have a materially adverse effect on the financial condition of the Debtor; (e) a warrant, writ of attachment, levy or other similar process shall be issued against any property of the Debtor; (f) the Debtor shall, to the extent applicable, (i) commence a voluntary case under the Bankruptcy Code of 1978, as amended or other federal bankruptcy law (as now or hereafter in effect); (ii) consent to or fail to contest in a timely and appropriate manner any petition filed against it in an involuntary case under such bankruptcy laws or other laws; or (g) to the extent applicable, a case or other proceeding shall be commenced against the Debtor in any court of competent jurisdiction seeking (i) relief under the Bankruptcy Code of 1978, as amended or other federal bankruptcy law (as now or hereafter in effect).

Upon the occurrence of an Event of Default (other than an Event of Default described in clause (f) or (g) of the definition thereof), any and all of the loans and the Debtor's other obligations hereunder, at the option of the Holder, and without demand or notice of any kind, may be immediately declared, and thereupon shall immediately become in default and due and payable and the Holder may exercise any and all rights and remedies available to it at law, in equity or otherwise. Upon the occurrence of an Event of Default described in clause (f) or (g) of the definition thereof, any and all of the loans and the Debtor's other obligations hereunder, without demand or notice of any kind, shall immediately become in default and due and payable

and the Holder may exercise any and all rights and remedies available to it at law, in equity or otherwise. In addition to the foregoing, the Holder may exercise all of the rights and remedies of a secured party under the Uniform Commercial Code and under any other applicable law.

The Debtor shall pay all expenses incurred by the Holder in the collection of this Note, including, without limitation, the reasonable fees and disbursements of counsel to the Holder, if this Note is collected by or through an attorney-at-law.

Time is of the essence of this Note.

No delay or failure on the part of the Holder in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by the Holder of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy.

All amendments to this Note, and any waiver or consent of the Holder, must be in writing and signed by the Holder and the Debtor.

The Debtor hereby waives presentment, demand, notice of dishonor, protests and all other notices whatever.

EACH PARTY HERETO HEREBY AGREES THAT THE FEDERAL DISTRICT COURT OF THE NORTHERN DISTRICT OF GEORGIA OR, AT THE OPTION OF THE HOLDER, ANY STATE COURT LOCATED IN FULTON COUNTY, GEORGIA SHALL HAVE JURISDICTION TO HEAR AND DETERMINE ANY CLAIMS OR DISPUTES BETWEEN THE PARTIES HERETO PERTAINING DIRECTLY OR INDIRECTLY TO THIS NOTE OR ANY MATTER ARISING HEREFROM. EACH PARTY HERETO EXPRESSLY SUBMITS AND CONSENTS IN ADVANCE TO SUCH JURISDICTION IN ANY ACTION OR PROCEEDING COMMENCED IN SUCH COURTS.

THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF GEORGIA WITHOUT GIVING EFFECT TO THE CONFLICTS OF LAWS PRINCIPLES.

This Note shall be binding upon the successors and assigns of the Debtor. A Holder of this Note may assign or transfer this Note to any person or entity without notice to, or the consent of, the Debtor.

Any notice to be given hereunder shall be in writing, shall be sent to the Holder's address as specified in the first paragraph hereof or the Debtor's addresses set forth below its signature hereto, as the case may be, and shall be deemed received (i) on the earlier of the date of receipt or the date three business days after deposit of such notice in the United States mail, if sent postage prepaid, certified mail, return receipt requested or (ii) when actually received, if personally delivered.

[Signatures on Next Page]

IN WITNESS WHEREOF, the Debtor has executed and delivered this Note under seal as of the date and year first written above.

[DEBTOR]

By: _____

Name:

Title:

By: _____

Name:

Title:

Address for Notices:

Telephone Number:

Telecopy Number:

Accepted and Agreed:

THE COMMUNITY FOUNDATION
FOR GREATER ATLANTA, INC.

By: _____

Name: _____

Title: _____