

Item 1.01. Entry into Material Definitive Agreements.

Effective as of April 30, 2013, Dynamic Ratings, Inc. (“Dynamic Ratings”) approved an amendment to certain terms of the Promissory Note dated March 4, 2011 (the “Promissory Note”) between Dynamic Ratings and Telkonet, Inc. (the “Company”) issued by the Company in connection with the Company’s sale of its Series 5 Power Line Carrier product line and the related business assets to Dynamic Ratings. The material amended terms are as follows:

In addition to the payments defined in item 3 of the original Promissory Note (applying Sales Incentive and Consulting Compensation due from Dynamic Ratings to the Company against the outstanding balance of Promissory Note), the Company agreed to commence a monthly payment starting May 1, 2013 of \$20,000 to be applied against the outstanding principal balance of the Promissory Note; and

2. The maturity date of the Promissory Note was extended to January 1, 2016.

All other terms of the Promissory Note remain unchanged.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: May 2, 2013 TELKONET, INC.

By: /s/ Jason Tienor

Jason Tienor

Chief Executive Officer