

PROMISSORY NOTE

\$ _____ **Loan ID:** _____

FOR VALUE RECEIVED ("Borrower") Umbrella Group, LLC hereinafter "Maker" promises to pay to _____ and _____ hereinafter "Holder" or order, at _____, or other such place as may be designated by the Holder from time to time, the principal sum of _____ (\$ _____) with interest thereon from _____, on the unpaid principal at the rate of _____ percent (%) per annum, computed on the basis of a year having 365 days and agrees as follows:

1. **INTEREST DEFERRED:** All interest shall be accumulated and added to the principal balance upon payment.
2. **DATE OF MATURITY:** The entire balance of this Note together with any and all interest accrued thereon shall be due and payable in full on _____.
3. **DEFAULT INTEREST:** After maturity, or on the occurrence of an event of default, or after acceleration, any unpaid principal shall accrue interest at the rate of TWELVE PERCENT (12%) per annum during such period of Maker's default under this Note; payment of accrued default interest shall be a condition of any cure.
4. **PREPAYMENT:** maker may prepay all or part of the balance owed under this Note at any time without penalty.
5. **CURRENCY:** All principal and interest payments shall be made in lawful money of the United States.
6. **LATE CHARGE:** A late charge equal to Three Percent (3%) of the outstanding principal balance will be assessed if this Note is not paid in full within 5 days of the Date of Maturity.
7. **DUE ON SALE:** In the event any interest in the property which, is the subject of the Deed of Trust securing this Note is sold [by conveyance or contract to sell] assigned, traded, transferred, encumbered or otherwise conveyed, without prior written consent of Holder, the Holder may, at said Holder's option, declare the entire outstanding principal balance of this Note, plus all accrued interest, immediately due and payable Holder may opt to give consent to such transfer and in so doing, may require such modifications in, the terms of this Note, and the

interest rate herein provided, as Holder alone shall determine in the exercise of Holder's sole discretion;

8. **DEFAULT AND ACCELERATION:** Holder may, at its option, declare all outstanding sums owed on this Note to be immediately due and payable, in addition to any other rights or remedies that Holder may have under the Deed of Trust or other instruments securing repayment of this Note, upon the occurrence of any of the following, each of which is an event of default hereunder:
 - a. Failure of Borrower to make any payment owed under this Note, or failure of Borrower or other grantor to pay or perform any obligation under any Deed of Trust or any other instruments securing repayment of this Note;
 - b. Any representation or statement made or furnished to Lender by Borrower or on Borrower's behalf is false or misleading in any material respect;
 - c. Borrower becomes insolvent, a receiver is appointed for any part of Borrower's property subject to the security in the form of a deed of trust, Borrower makes an assignment for the benefit of creditors, or any proceeding is commenced either by Borrower or against Borrower under any bankruptcy or insolvency laws.
9. **ATTORNEYS' FEES AND COSTS:** Maker shall pay all costs incurred by Holder in, collecting sums due under this Note after a default, including reasonable attorneys' fees, whether or not suit is brought. If Maker or Holder sues to enforce this Note or obtain a declaration of its rights hereunder, the prevailing party in any such proceeding shall be entitled to recover its reasonable attorneys' fees and costs incurred in the proceeding (including those incurred in any bankruptcy proceeding or appeal) from the non-prevailing party.
10. **WAIVER OF PRESENTMENT:** Maker waives presentment for payment, notice of dishonor, protest and notice of protest.
11. **NON-WAIVER:** No failure or delay by Holder in exercising Holder's rights under this Note shall be a waiver of such rights.

12. **SEVERABILITY:** If any clause or any other portion of this Note shall be determined to be, void or unenforceable for any reason, such determination shall not affect the validity or enforceability of any other clause or portion of this Note, all of which shall remain in full force and effect.
13. **INTEGRATION:** There are no verbal or other agreements which modify or affect the terms of this Note. This Note may not be modified or amended except by written agreement signed by Maker and Holder.
14. **CONFLICTING TERMS:** In the event of any conflict between the terms of this Note and the terms of any Deed of Trust or other instruments securing payment of this Note, the terms of this Note shall prevail.
15. **EXECUTION:** Each Maker executes this Note as a principal and not as a surety. if there is more than one Maker, each such Maker shall be jointly and severally liable under this Note.
16. **COMMERCIAL OR BUSINESS PURPOSE:** Maker acknowledges that the Loan is solely for commercial or business purposes and not consumer, personal, family, or household purposes. Maker warrants that it is not purchasing any property securing repayment of this Note for its personal residence and has no intention of residing therein.
17. **DEFINITIONS:** In this Note, singular and plural words shall be construed interchangeably as may be appropriate in the context and circumstances to which such words apply.
18. **CROSS DEFAULT:** Default. by Maker in the performance or payment of any other obligation or indebtedness now or hereafter owed by Maker [or any entity in which Maker holds a controlling interest] to Holder, [Including Lender's predecessors and successors in interest] shall constitute a default on this Note.
19. **SECURED NOTE:** This Note shall be secured by a Deed of Trust of even date herewith upon the real property described therein. Reference is made to such Deed of Trust for further rights of acceleration of the indebtedness evidenced by this Note, and for further obligations of the parties hereto as to payments of taxes and insurance and other obligations. In addition to any other remedy which may be provided in said Deed of Trust, the holder hereof may add to the principal balance of this Note any sums advanced by holder for the payment of taxes, insurance, or other obligations required to be paid by Maker pursuant to the terms of said Deed of Trust, together with any charges or assessments which may be levied for nonpayment Any sums paid shall be added to principal, and will bear interest as in this Note provided.

20. **BANKRUPTCY REORGANIZATION.** For the purpose of any reorganization plan under the United States Bankruptcy Code, including, without limitation, Chapters 11 and 13 thereof and Code Sections 1123 and 1322 of said Chapters, arrears accumulated and unpaid shall accrue interest at the same rate applicable to the Principal during the life of the plan, and all payments toward arrearage under such reorganization plan shall be applied first to the interest accruing on the arrearage and then to the arrearage balance.

Any cure in any reorganization plan under The United States Bankruptcy Code shall include payment of accrued and unpaid interest at the Default Rate, plus all additional costs, fees or charges due pursuant to this Note, the Deed of Trust securing this Note or any other documents executed in association herewith.

ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW

Date: _____

BORROWER:

UMBRELLA GROUP, LLC

By: _____