

PROMISSORY NOTE

FOR VALUE RECEIVED, on this the ___ day of _____, 2015 (the "Effective Date"), Temple Sinai Jewish Community Center of Palm Desert, a California nonprofit organization ("Maker") promises to pay to Temple Sinai of the Desert, LLC, a Washington limited liability company, or order, ("Holder"), at 15405 SE 37th Street, Ste. 100, Bellevue, WA 98006, or such other place as Holder may designate in writing from time to time, the principal sum described below, plus interest on the unpaid balance owing hereunder, all as provided for in that Loan Agreement dated _____, 2015 by and between Maker and Holder ("Loan Agreement"), pursuant to which this Note is issued, executed and delivered to Holder, on the terms and conditions set forth in this Note. Capitalized terms not defined herein shall have the meanings set forth in the Loan Agreement.

1. Principal Amount. The total amount due and payable under this Promissory Note ("Note") shall be up to One Million Two Hundred and Fifty Thousand and 00/100 Dollars (\$1,250,000.00). The Principal amount shall be established as an obligation of Maker to Holder when it is disbursed by Holder to Maker as funds become available for disbursement.
2. Interest Calculation. The outstanding principal balance (including Loan Expenses and any other amounts owing under the Loan Agreement) shall accrue interest until paid in full. The interest rate, which may adjust from time-to-time, is determined by taking the weighted average of the interest rates of the outstanding note obligations of the Holder associated with this Note. Interest shall be calculated at the loan rate divided by 365, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding.
3. Payment Calculation. The entire unpaid principal balance (including Loan Expenses and any other amounts owing under the Loan Agreement), plus accrued interest, shall be due and payable Five (5) years from the Effective Date of this Promissory Note. Maker shall make monthly payments with the first payment commencing one month from the Effective Date of this Promissory Note and thereafter on the same day of each and every subsequent month with each required payment know as an "Installment Payment." Each required Installment Payment amount, as adjusted from time-to-time, is determined by multiplying Three and One Half Percent (3.5%) by the outstanding principal balance of this Note divided by twelve (12) months. The Installment Payment will be recalculated according to the preceding sentence each time the outstanding principal balance on this Note is reduced by 5% or more following Maker making a one-time or a series of principal reduction payments. The new Installment Payment will be due and payable with the next regular scheduled payment following the recalculation date. Both principal and interest shall be payable in lawful money of the United States of America.
4. Prepayment Rights. Maker shall have the right to prepay this Note in whole at any time, in part at any time, and from time to time, without premium or penalty. No partial prepayment shall, without Holder's written consent, modify the amount of subsequent payments due hereunder. Holder shall not be required to advance any principal prepaid or repaid hereunder.

5. Events of Default. The occurrence of any one or more of the following shall be an “Event of Default” under this Note:

- a. Maker fails to make any payment when due under the terms of this Note; or
- b. The occurrence of an Event of Default under the Loan Agreement.
- c. Any default by Maker under any other loan agreement with any third party.

6. Remedies; Default Interest. Upon an Event of Default, Holder shall provide to Maker written notice describing the default and the actions required to cure the default. If Maker fails to cure the default within 30 days following receipt of the written notice of default, Holder may declare the entire unpaid principal balance on this Note and all accrued interest thereon immediately due and payable, without notice. Whether or not Holder exercises its option to accelerate, all amounts of principal and interest past due shall bear interest at the rate of eighteen percent (18%) per annum from and after the date of the Event of Default (“Default Rate”). If Holder does not receive any payment within fifteen (15) days of the payment due date under this Note, Maker shall pay to Holder a late fee equal to five percent (5%) of the payment due but not timely paid. The foregoing remedies shall be in addition to all other rights and remedies of Holder under the Loan Documents.

7. Application of Payment. Any payment made pursuant to this Note shall be applied first to Loan Expenses due and payable, then to other amounts due and payable under the Loan Agreement, then to fees payable under this Note, then to accrued interest, and then to principal.

8. No Waiver. Failure to exercise any right contained in this Note by the Holder shall not constitute a waiver of the right to exercise such right in the event of any subsequent Default. The obligations of the Maker under this Note are absolute, unconditional and irrevocable. All payments required hereunder shall be made without any setoff, counterclaim, deduction or withholding whatsoever. Time is of the essence of this Note and of each and every provision hereof.

9. Severability / Governing Law. In case one or more of the provisions contained in this Note shall for any reason be unenforceable, invalid or illegal in any respect, such unenforceability, invalidity or illegality shall not affect any other provisions of this Note, but this Note shall be construed as if such unenforceable, invalid or illegal provisions had not been contained herein or if it is equitable under the circumstances, such unenforceable, invalid or illegal provisions shall be reformed, amended and/or construed so as to be enforceable, valid or legal. This Note shall be construed and given effect in accordance with the laws of the State of California.

10. Collection Charges and Costs. In the event the Holder pursues collection on this Note, whether or not suit is brought, to enforce this Note or to obtain a declaration of its rights hereunder, Maker shall pay all reasonable third-party costs and other expenses of such action, including attorneys’ fees. All such amounts shall be secured by the Deed of Trust.

11. Waiver of Presentment. Maker hereby waives presentment, demand, notice of dishonor, protest and notice of non-payment and protest.

12. Security. This Note is secured by a Deed of Trust granted by Maker to Holder, as may be amended from time to time, 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 payment of taxes and insurance. The parties further agree that upon nonpayment of any payment when due, or upon an Event of Default, Holder may exercise all rights pursuant to the Deed of Trust securing this Note and other applicable law.

13. Due on Sale. Upon the sale or attempted transfer of any real property subject to the Deed of Trust, this Note may become immediately due and payable, at Holder's option, without further notice to Maker.

14. Notices. Any notice, request, or demand to or upon Holder or Maker shall be deemed to have been properly given or made when delivered in accordance with the Section 15 on "Notices" in the Loan Agreement.

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

MAKER:

Temple Sinai Jewish Community Center of Palm Desert,
a California nonprofit organization,

Beatrice Eslamboly, President

Accepted by:

HOLDER:

Temple Sinai of the Desert, LLC
By: CIT Fiduciary, LLC, Manager

Chris Walcott, Manager