

NOTE PURCHASE AGREEMENT
FOR LOAN TO
Sunbury Urban Farm

BORROWER LOAN REFERENCE NUMBER: 045403450

This Note Purchase Agreement is entered into as of _____ (the “Effective Date) between FRIENDS OF RED OAK COMMUNITY SCHOOL, LLC, (the “Company”), and _____ (referred to herein as “you” or “Purchaser) and we agree as follows:

1. AUTHORIZATION OF NOTE.

1.1 Amount and Purpose. The Company has authorized the issue and sale of up to \$325,000 aggregate principal amount of Payment Dependent Community Impact Notes (collectively referred to as “Notes” and individually as your “Note” which includes any such notes issued in substitution therefor pursuant to Section 13 of this Agreement). Upon the assignment of your investment to the LLC, as described below, the Notes shall be substantially in the form set out in Exhibit 1.1.

1.2 Maturity Date. The maturity date of the Notes shall have the same maturity date as the Borrower Loan.

1.3 Payments. Payments shall be payable monthly in accordance with the terms and conditions of the Note. For the avoidance of doubt, you understand and agree (1) no payments of principal and interest on your Note will be due and payable unless the Company has received Borrower Loan Payments, and then only to the extent of Borrower Loan Net Payments in respect of those Borrower Loan Payments related to the Borrower Loan that have been received by the Company, and (2) you will not have any recourse against the Company, or its agents, unless, and then only to the extent that, the Company has failed to pay you the Borrower Loan Net Payments. The principal and interest payable on any Payment Date will be paid to the person in whose name your Note is registered at the close of business on the Record Date next preceding such Payment Date or maturity date (Note: The defined terms in this Agreement have the same definitions as described in the Note).

2. SALE AND PURCHASE OF NOTES.

Subject to the terms and conditions of this Agreement, the Company will issue and sell to you and you will purchase from the Company, at the Closing provided for in Section 3, the Note with the following key parameters selected by you (Note: The interest rate may be subject to the addition of any default interest).

Aggregate Principal Amount of Note =	[InvestmentAmount]
Interest Rate per Annum =	[InterestRate]
Funding Source ID=	[FundingSourceDisplayID]
Term=	[TermYears]

3. CLOSING.

3.1 Place of Closing and Procedure at Closing. Subject to the conditions set forth in this paragraph, the closing on the issuance and sale of the Notes (the “Closing”) shall be deemed consummated as of the Effective Date as noted above, or on such date as may be agreed upon by you and the Company (the “Closing Date”). The Closing is subject to the Company signing and delivering to you executed copies of this Agreement and your Note, as well as your delivery to the Company of immediately available funds in the amount of the Investment Amount listed above. At the Closing, the dates left blank in the Note (i.e., the issuance date of the Note and maturity date of the same) shall be completed based on the date of the Closing. NOTE: This procedure shall occur no less than three business days before the Borrower loan is scheduled to close (the “Borrower Loan Closing”).

3.2 Company’s Failure to Satisfy Closing Requirements If the Company fails to deliver the executed Agreement and Note as provided in this section, or fails to satisfy the conditions specified in Section 4, you shall, at your election, be relieved of all further obligations under this Agreement, without thereby waiving any rights you may have by reason of such failure or such nonfulfillment.

4. CONDITIONS TO CLOSING.

Your obligation to purchase and pay for the Note to be sold to you at the Closing is subject to the fulfillment to your satisfaction, prior to or at the Closing, of the following conditions:

4.1 Accuracy of Representations and Warranties. The representations and warranties of the Company set forth in this Agreement shall be true, correct and complete in all material respects as of the date of Closing.

4.2 Performance; No Default. The Company shall have performed and complied with all agreements and conditions contained in this Agreement required to be performed or complied with by it prior to or at the Closing and after giving effect to the issue and sale of the Note (and the application of the proceeds thereof as contemplated by Section 5.5) no Default or Event of Default shall have occurred and be continuing.

4.3 Litigation. To the Company's knowledge, no action, suit, litigation, proceeding or investigation shall have been instituted, be pending or threatened against the Company or the Borrower than what may be documented in the risk questionnaire in the due diligence materials provided to you.

4.4 Consents. All notices to, consents, approvals, authorizations and waivers from third parties and Government Authorities that are required for the consummation of the transactions contemplated by this Agreement shall have been obtained or provided for and shall remain in effect.

4.5 Due Diligence. Your due diligence review of the Company shall have been completed to your reasonable satisfaction.

4.6 Loan Closing. All of the conditions to closing on the Borrower Loan shall have been or will be satisfied on the date of the Borrower Loan Closing.

5. REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

As of the Closing, and to its actual knowledge the Company represents and warrants to you that:

5.1 Authorization. The Company has all necessary power and authority to enter into, execute and deliver this Agreement and the Note and to perform all of the obligations to be performed by it hereunder and thereunder and to consummate the Borrower Loan. This Agreement and the Note each have been duly authorized, executed and delivered by the Company and each of this Agreement and the Note constitutes the valid and binding obligation of the Company, enforceable against it in accordance with their respective terms, subject, as to enforcement of remedies, to bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally or general equitable principles.

5.2 Use of Proceeds. The Company shall use all proceeds from the issuance of the Note to fund the Borrower Loan. The Company shall not use any such proceeds for any other purpose.

5.3 Foreign Assets Control Regulations, etc.

(a) Neither the sale of the Note by the Company hereunder nor its use of the proceeds thereof will violate the Trading with the Enemy Act, as amended, or any of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto.

(b) The Company (i) is not a Person described or designated in the Specially Designated Nationals and Blocked Persons List of the Office of Foreign Assets Control or in Section 1 of the Anti-Terrorism Order or (ii) does not engage in any dealings or transactions with any such Person. The Company is in compliance, in all material respects, with the USA Patriot Act.

(c) No part of the proceeds from the sale of the Note hereunder will be used, directly or indirectly, for any payments to any governmental official or employee, political party, official of

a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended, assuming in all cases that such Act applies to the Company.

6. REPRESENTATIONS BY YOU.

You represent that (i) the Note is being acquired for your own account and without a view to the resale or distribution of the Note or any interest therein other than in a transaction exempt from registration under the Securities Act; (ii) the aggregate purchase amount of your Note does not represent more than 10% of your net worth, exclusive of the equity in your home; and, (iii) you understand that the Note being sold hereby has not been registered under the Securities Act, or applicable state securities laws, and is being issued in reliance on exemptions from private offerings by designated non-profits to qualified note purchasers. Because the Note has not been registered under the Securities Act or applicable state securities laws, the Note may not be re-offered or resold except through a valid and effective registration statement or pursuant to a valid exemption from the registration requirements under the Securities Act and applicable state securities laws.

AS IT RELATES TO THE SUITABILITY OF THIS INVESTMENT IN THE NOTE, YOU REPRESENT (I) YOU HAVE REVIEWED ALL OF THE INFORMATION CONTAINED ON THE PROPRIETARY LISTING OR RETAINED THE SERVICES OF LEGAL COUNSEL OR A FINANCIAL ADVISOR FOR THE PURPOSE OF DETERMINING THE SUITABILITY OF AN INVESTMENT IN THE NOTE, (II) YOU HAVE SUFFICIENT KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS SO AS TO BE CAPABLE OF EVALUATING THE MERITS AND RISKS OF YOUR INVESTMENT IN THE NOTE; (III) YOU ARE CAPABLE OF BEARING THE ECONOMIC RISKS OF SUCH INVESTMENT, INCLUDING A COMPLETE LOSS OF ITS INVESTMENT IN THE NOTE; AND (IV) YOU UNDERSTAND THAT YOUR INVESTMENT IN THE NOTE INVOLVES RISKS ASSOCIATED WITH THE BORROWER LOAN AND ABILITY OF THE BORROWER TO MEET ITS OBLIGATIONS ASSOCIATED WITH THE BORROWER LOAN.

Initials _____

7. AFFIRMATIVE COVENANTS.

7.1 Security Interest. The Company shall, at all times until the Note has been paid and performed in full, file in favor of all holders of the Notes a valid, continuing, UCC-1 financing statement providing a security interest in the assets of the Company.

7.2 Further Assurances.

(a) Subject to the terms and conditions of this Agreement, you and the Company will use reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary under applicable laws and regulations to consummate the transactions contemplated by this Agreement.

(b) You and the Company shall execute and deliver such additional documents, certificates and instruments, and to perform such additional acts, as may be reasonably requested and necessary or appropriate to carry out and effectuate all of the provisions of this Agreement and to consummate all of the transactions contemplated by this Agreement.

(c) You and the Company shall cooperate and provide assistance as reasonably requested by the other respective party in connection with any litigation, arbitration or other proceeding (whether threatened, existing, initiated, or contemplated prior to, on or after the date hereof) to which any party hereto or any of its officers, directors, shareholders, agents or employees is or may become

a party or is or may become otherwise directly or indirectly affected or as to which any such Persons have a direct or indirect interests, in each case relating to this Agreement or the transactions described herein.

8. NEGATIVE COVENANT.

The Company covenants that so long as any of the Note is outstanding the Company will not consolidate with or merge with any other entity or convey, transfer, sell or lease all or substantially all of its assets in a single transaction or series of transactions to any third party.

9. REGISTRATION; EXCHANGE; SUBSTITUTION OF NOTES.

9.1 Registration of Note. The Company shall keep at its principal executive office a register for the registration and registration of transfers of the Notes. The name and address of the holders of the Notes, each transfer thereof and the name and address of each transferee of the Notes shall be registered in such register. Prior to due presentment for registration of transfer, the holder of a Note in whose name the Note shall be registered shall be deemed and treated as the owner and holder thereof for all purposes hereof, and the Company shall not be affected by any notice or knowledge to the contrary.

9.2 Transfer and Exchange of Note. Upon surrender of the Note at the principal executive office of the Company for registration of transfer or exchange (and in the case of a surrender for registration of transfer, duly endorsed or accompanied by a written instrument of transfer duly executed by the registered holder of such Note or his attorney duly authorized in writing and accompanied by the address for notices of each transferee of such Note or part thereof), the Company shall execute and deliver, at the Company's expense (except as provided below), one or more new Notes (as requested by the holder thereof) in exchange therefor, in an aggregate principal amount equal to the unpaid principal amount of the surrendered Note. Each such new Note shall be payable to such person as such holder may request. Each such new Note shall be dated and bear interest from the date to which interest shall have been paid on the surrendered Note or dated the date of the surrendered Note if no interest shall have been paid thereon. The Company may require payment of a sum sufficient to cover any stamp tax or governmental charge imposed in respect of any such transfer of Note as well as charge any charged imposed by the Company's transfer agent. Any transferee, by its acceptance of a Note registered in its name (or the name of its nominee), shall be deemed to have made the representation set forth in Section 6.1. If the Note initially issued hereunder is transferred in part, rather than in whole, each reference herein or in the Note to the "holder of the Note" or like reference shall be deemed to be a reference to the "holders of the Notes" or a similar reference, as appropriate.

10. PAYMENTS ON NOTES.

All payments of interest and principal, if any, on this Note due to you shall be made in U.S. dollars, in immediately available funds, by intra-institution book entry transfer to the Holder's designated sub-account in the trust account maintained by the Company's paying agent (i.e., Community Impact Technologies, Inc. d/b/a Semble) at Puget Sound Bank, or such alternate account of the Holder designated by the Trustee in accordance with the Indenture. All U.S. dollar amounts used in or resulting from the calculation of amounts due in respect of this Note shall be rounded to the nearest cent (with one-half cent being rounded upward). If for some reason, your request payments be made by check, there will be an additional serve charge you will be required to pay in advance of receiving payments that become due and payable.

11. AMENDMENT AND WAIVER.

This Agreement or any term or provision hereof may not be amended, changed or modified except with the written consent of the parties hereto. No waiver of any right hereunder shall be effective unless such waiver is signed in writing by the party against whom such waiver is sought to be enforced. No failure or delay by either party in exercising any right, power or privilege hereunder shall operate as a waiver

thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

12. NOTICES.

All notices, consents, waivers and communications hereunder given by any party to the other shall be in writing (including facsimile transmission) and delivered personally, by telegraph, teletype, telex or facsimile, by a recognized overnight courier, or by dispatching the same by certified or registered mail, return receipt requested, with postage prepaid, in each case addressed:

If to you to: To the address listed in your investor account with Semble.

If to the Company to:

Friends of Red Oak Community School, LLC

C/o: CIT Fiduciary, LLC

15405 SE 37th St., Suite 100

Bellevue, WA 98006

Facsimile No.: (877) 360-5214

Or to such other address or addresses the Company may from time to time designate by notice as provided herein, except that notices of changes of address shall be effective only upon receipt. All such notices, consents, waivers and communications shall: (a) when posted by certified or registered mail, postage prepaid, return receipt requested, be effective three (3) Business Days after dispatch, unless such communication is sent trans-Atlantic, in which case they shall be deemed effective three (3) Business Days after dispatch, (b) when telegraphed, teletyped, telexed or facsimiled, be effective upon receipt by the transmitting party of confirmation of complete transmission, or (c) when delivered by a recognized overnight courier or in person, be effective upon receipt when hand delivered.

13. MISCELLANEOUS.

13.1 Survival. All representations and warranties and covenants made or contained herein, any certificates or in any other writing delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and the Note and shall continue to survive until the termination of this Agreement upon the full payment and discharge of all amounts due under the Note. Any investigation or other examination that may have been made or may be made at any time by or on behalf of the party to whom representations and warranties are made shall not limit, diminish or in any way affect the representations and warranties in this Agreement, and the parties may rely on the representations and warranties in this Agreement irrespective of any information obtained by them by any investigation, examination or otherwise.

13.2 Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Neither party shall not be entitled to assign any of its obligations and rights under this Agreement without the prior written consent of the other party.

13.3 Entire Agreement. This Agreement, together with the Exhibits hereto (which are incorporated herein by reference), the Note and the agreements referenced herein and therein constitute the entire agreement between the parties with respect to the subject matter hereof. No representation, inducement, promise, understanding, condition or warranty not set forth herein (or in the Exhibits or the Note) has been made or relied upon by either party hereto. None of this Agreement, nor any provision hereof, is intended to confer upon any third party other than the parties hereto any rights or remedies hereunder.

13.4 Headings and Captions. The headings and captions in this Agreement are for convenience and reference purposes only and shall not be considered a part of or affect the construction or

interpretation of any provision of this Agreement.

13.5 Counterparts; Effectiveness. This Agreement may be executed in any number of counterparts, each of which shall be an original, and all of which taken together shall constitute one and the same instrument. Any of the parties hereto may execute this Agreement by signing any such counterpart. The preferred method of execution is electronic signature but any counterpart may execute also by facsimile or pdf signature, all of which shall be deemed an original.

13.6. Severability. If any provision of this Agreement is held to be invalid or unenforceable, the remaining provisions shall nevertheless be given full force and effect.

13.7 Governing Law; Jurisdiction.

(a) This Agreement shall be governed by, and construed, interpreted and enforced in accordance with, the laws of the State of Washington, without giving effect to the principles of conflicts of law thereof.

(b) Any legal action or proceeding with respect to this Agreement may be brought in any state or federal court of competent jurisdiction in the state, county and city of Washington. By execution and delivery of this Agreement, each party hereto hereby irrevocably consents to and accepts, for itself and in respect of its property, generally and unconditionally the non-exclusive jurisdiction of such courts. Each party hereto hereby further irrevocably waives any objection, including any objection to the laying of venue or based on the grounds of forum non conveniens, which it may now or hereafter have to the bringing of any action or proceeding in such jurisdiction in respect of this Agreement.

(c) Each party hereto hereby irrevocably consents to the service of process out of any of the courts referred to in subsection (b) above of this Section 13.7 in any such suit, action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to it at its address set forth in this Agreement. Each party hereto hereby irrevocably waives any objection to such service of process and further irrevocably waives and agrees not to plead or claim in any suit, action or proceeding commenced hereunder that service of process was in any way invalid or ineffective. Nothing herein shall affect the right of a party to serve process on the other party in any other manner permitted by law.

[Remainder of page intentionally left blank]

Very truly yours,
Friends of Red Oak Community School, LLC
By: Sunbury Urban Farm, Its Member

By: _____

The foregoing is agreed to as of the date hereof:

(Signature)

(Print Name)

EXHIBIT 1.1
**FORM OF PAYMENT DEPENDENT
COMMUNITY IMPACT NOTE**
(See Attached)

PAYMENT DEPENDENT COMMUNITY IMPACT NOTE FOR LOAN TO: Sunbury Urban Farm

AGGREGATE PRINCIPAL OF SERIES OF NOTES: UP TO \$325,000	LOAN DATE: _____, 2017	MATURITY: _____, 2022
NFP BORROWER: Sunbury Urban Farm (HEREIN "BORROWER")		
NFP BORROWER LOAN REFERENCE NUMBER: 045403450		

ISSUER/COMPANY: Friends of Red Oak Community School, LLC 15405 SE 37 TH STREET, STE. 100 BELLEVUE, WA 98006	HOLDER: JOHN DOE FUNDING SOURCE ID: _____ FUNDING SOURCE TYPE: _____
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PRINCIPAL AMOUNT: \$__ ,000.00	INTEREST RATE: __ .00%	ISSUE DATE: _____, 2017
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PROMISE TO PAY. Friends of Red Oak Community School, LLC, a 501(c)(3) non-profit organization duly organized and existing under the laws of the State of Washington (herein called the "Company"), for value received, hereby promises to pay to the person identified as the "Holder" above (the "Holder"), interest and principal, if any, on this Note in U.S. dollars in an amount equal to the Holder's ratable share of the Borrower Loan Net Payments on each payment date until the Maturity Date (NOTICE: PLEASE SEE THE LAST SECTION OF THIS NOTE FOR THE DEFINITION OF DEFINED TERMS USED IN THIS NOTE).

For the avoidance of doubt, Holder understands and agrees (1) no payments of principal and interest on this Note shall be payable unless the Company has received Borrower Loan Payments, and then only to the extent of Borrower Loan Net Payments in respect of those Borrower Loan Payments related to the Borrower Loan that have been received by the Company, and (2) no Holder of the Note shall have any recourse against the Company, or its agents, unless, and then only to the extent that, the Company has failed to pay Holder the Borrower Loan Net Payments. The principal and interest payable on any Payment Date will be paid to the person in whose name this Note is registered at the close of business on the Record Date next preceding such Payment Date or maturity date.

POSTING OF PAYMENTS ON SEMBLE PLATFORM. All payments of interest and principal, if any, on this Note due to the Holder hereof shall be made in U.S. dollars, in immediately available funds, by intra-institution book entry transfer to the Holder's designated sub-account in the trust account maintained by the Company's Paying Agent at Puget Sound Bank, or such alternate account of the Holder designated by the manager of the Company. All U.S. dollar amounts used in or resulting from the calculation of amounts due in respect of this Note shall be rounded to the nearest cent (with one-half cent being rounded upward).

LIMITED RECOURSE/INDENTURE RELATIONSHIP. This Note is one of a duly authorized series of a class of special, limited recourse obligations of the Company referred to as Payment Dependent Community Impact Notes (hereinafter called the “Securities”) issued for the sole purpose of raising capital to be loaned to the Borrower on such terms and conditions as described in the Loan Documents.

This Note may not be transferred unless such transfer is effected in a manner acceptable to the Company. Upon due presentment for registration of transfer of this Note to the Transfer Agent, a new Note or Notes in authorized denominations in Dollars for an equal aggregate principal amount and like interest rate and maturity will be issued to the transferee in exchange therefor without charge except for (1) any stamp tax or other governmental charge imposed in connection therewith and (2) any transfer charges imposed by the Transfer Agent described on its website at www.sembles.com.

The Company and any paying agent may deem and treat the registered Holder hereof as the absolute owner of this Note at the Holder’s address as it appears on the register books of the Company as kept by the Company or duly authorized agent of the Company (whether or not this Note shall be overdue), for the purpose of receiving payment of or on account hereof and for all other purposes, and neither the Company nor any paying agent shall be affected by any notice to the contrary. All payments made to or upon the order of such registered Holder shall, to the extent of the sum or sums paid, effectively satisfy and discharge liability for monies payable on this Note.

Holder agrees there is no recourse under or upon any obligation, covenant or agreement contained in this Note, or because of any indebtedness evidenced thereby, shall be had against any incorporator of the Company, or against any past, present or future manager or officer of the Company or against the Company’s Paying Agent and Transfer Agent, either directly or through the Company, under any rule of law, statute or constitutional provision or by the enforcement of any assessment or penalty or otherwise, all such personal liability of every such incorporator, manager, officer and director, as such, being expressly waived and released by the acceptance hereof and as a condition of and as part of the consideration for the issuance of this Note.

GENERAL PROVISIONS. This Note shall be governed by and construed in accordance with the laws of the State of Washington without regard to any principle of conflict of laws that would require or permit the application of the laws of any other jurisdiction.

This Note shall not be valid or become obligatory for any purpose until the Certificate of Authentication hereon shall have been signed by an authorized officer of the Company or its duly authorized agent under the Indenture referred to above.

DEFINITIONS. The following defined terms have been used in this Note:

“Borrower” shall mean Sunbury Urban Farm

“Borrower Loan” shall mean the loan referenced above between the Company and the Borrower as evidenced by certain loan documents including but not limited to a loan agreement, promissory note, deed of trust and certain other documents relating to the Borrower Loan (collectively all such documents shall be referred to as the “Loan Documents”).

Loan. "Borrower Loan Payment" shall mean the receipt of a payment from Borrower for the Borrower

"Borrower Loan Net Payments" shall mean the gross payment required by Borrower under the Borrower Loan less all costs and expenses incurred by the Company and any third party contracted by the Company following an event of default by the Borrower as defined in the Loan Documents.

"Business Day" shall mean each Monday, Tuesday, Wednesday, Thursday and Friday that is (1) not a day on which the Automated Clearing House system operated by the U.S. Federal Reserve Bank (the "ACH System") is closed and (2) not a day on which banking institutions are authorized or obligated by law or executive order to close in San Francisco, California or New York, New York.

"Paying Agent/Transfer Agent" shall mean Community Impact Technologies, Inc. d/b/a Semble or its duly authorized successor.

"Payment Date" shall mean the date that is six (6) Business Days following the date of receipt of a Borrower Loan Payment.

"Record Date" shall mean the second Business Day immediately preceding each Payment Date.

STATUTE OF FRAUDS DISCLOSURE. 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.

IN WITNESS WHEREOF, the Company has caused this instrument to be signed by its duly authorized officers.

Dated: _____

Friends of Red Oak Community School, LLC
By: CIT Fiduciary, LLC, Manager

By: _____

Todd R. Tarbert, Manager

CERTIFICATE OF AUTHENTICATION

Dated: _____

**Community Impact Technologies, Inc. d/b/a Semble
as Authenticating Agent**

By: _____
Chris Walcott, President