

Loan No.

ADDENDUM TO NOTE
Limited Liability Company (LLC)

DEFINITIONS USED IN THIS ADDENDUM.

- (A) "Individual Borrower(s)" means any natural person(s) signing the Note.
- (B) "Co-Borrower" means [LLC]
- (C) "Borrower" means, jointly and severally, the Co-Borrower and the Individual Borrower(s).
- (D) "Lender" means [Lender's Company Name]
- (E) "Security Instrument" means the Deed of Trust, Mortgage or Security Deed, and any riders thereto of the same date given to secure the Borrower's Note to Lender of the same date and covering the Property (as defined below).
- (F) "Note" means the Note made by [Individual Borrower(s)] to the Lender, dated the same date as this Addendum, and in the amount of U.S. \$ [Note Amount].
- (G) "Operating Agreement" means the agreement entered into by the Co-Borrower's member(s), which sets forth the terms for the creation and operation of the Co-Borrower, including, but not limited to, its creation, purpose, rights of member(s), and authority of persons to act on behalf of the Co-Borrower.
- (H) "Property" means the property described in the Security Instrument and located at: [Property Address]

THIS ADDENDUM TO NOTE is made this [DAY] day of [MONTH/YEAR] and is incorporated into and shall be deemed to amend and supplement the Note.

ADDITIONAL COVENANTS. In addition to the covenants and agreements made in the Note, the Individual Borrower(s), Co-Borrower, and Lender further covenant and agree as follows:

A. LIMITED LIABILITY COMPANY

1. ADDITIONAL BORROWER(S)

The term "Borrower" when used in the Note shall refer, jointly and severally, to the Co-Borrower and the Individual Borrower(s). Each party signing this Addendum below covenants and agrees that, whether or not such party is named as "Borrower" on the Note, each covenant, agreement, and undertaking of the "Borrower" in the Note shall be such party's covenant, agreement, and undertaking as "Borrower" and shall be enforceable by the Lender as if such party were named as "Borrower" in the Note.

2. BORROWER CERTIFICATION AND WARRANTIES

The Borrower warrants to the Lender that (i) the Co-Borrower was validly created; (ii) the Operating Agreement is in full force and effect and there are no amendments or other modifications thereto affecting the operations of the Co-Borrower that have not been disclosed to Lender; (iii) the person(s) signing this Addendum on behalf of the Co-Borrower have full power and authority under the Operating Agreement and under applicable law to execute this Addendum and bind the Co-Borrower to the obligations herein and no further action is required by the Co-Borrower or any person to bind it to the obligations herein; (v) the persons signing this Addendum intend to bind the Co-Borrower hereto; (vii); and the Borrower has not been notified of the transfer of all or any portion of any member's interest in the Co-Borrower.

Loan No.

3. NOTICE OF CHANGES TO CO-BORROWER; NOTICE OF CHANGE OF OCCUPANCY OF THE PROPERTY; NOTICE OF TRANSFER OF MEMBERSHIP IN CO-BORROWER

The Borrower shall provide timely notice to the Lender promptly upon notice or knowledge of any material change in the Operating Agreement, any change in the occupancy of the Property, or any sale, transfer, assignment or other disposition (whether by operation of law or otherwise) of any beneficial interest or membership in the Co-Borrower.

4. WAIVER OF DEFENSES

Co-Borrower waives and agrees not to assert or take advantage of any defense or right (a) to require Lender to (1) proceed against the Individual Borrower(s) or any other person, firm or corporation, (2) proceed against or exhaust any security held by it at any time, or (3) pursue any other remedy in its power; (b) that may arise by reason of the incapacity, lack of authority, death, or disability of any other or others or the failure of Lender to file or enforce a claim against the estate (either in administration, bankruptcy, or other proceedings) of any other or others; (c) of demand, protest and notice of any kind including, without limiting the generality of the foregoing, notice of the existence, creation, or incurring of new or additional indebtedness or of any action or non-action on the part of the Individual Borrower(s), Lender, any endorser, creditor of Individual Borrower(s), or Co-Borrower under this or any other instrument, or any other person whomsoever or whatsoever, in connection with any obligation or evidence of indebtedness; (d) any defense based upon an election of remedies by Lender, including without limitation, the impairment of subrogation rights; and (e) any defense or right based upon the acceptance by Lender of a deed in lieu of foreclosure, without extinguishing the indebtedness, even if such acceptance destroys, alters or otherwise impairs subrogation rights of Co-Borrower or the right of Co-Borrower to proceed against Individual Borrower(s) for reimbursement, or both.

B. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN THE CO-BORROWER

The Note is a uniform instrument with limited variations in some jurisdictions. In addition to the protections given to the Note Holder under the Note and this Addendum, the Security Instrument protects the Note Holder from possible losses which might result if the Borrower does not keep the promises made in the Note. That Security Instrument describes how and under what conditions the Borrower may be required to make immediate payment in full of all amounts the Borrower owes under the Note. Some of those conditions are described as follows:

Transfer of Beneficial Interest; Transfer of the Property.

If, without the Lender’s prior written consent, (i) all or any part of the Property or an interest in the Property is sold or transferred or (ii) there is a sale, transfer, assignment or other disposition of any beneficial interest in the Co-Borrower, the Lender may, at its option, require immediate payment in full of all sums secured by the Security Instrument. However, this option shall not be exercised by the Lender if exercise is prohibited by federal law as of the date of the Security Instrument.

If the Lender exercises this option, the Lender shall give the Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which the Borrower must pay all sums secured by the Security Instrument. If the Borrower fails to pay all sums secured prior to the expiration of this period, the Lender may invoke any and all remedies permitted by the Security Instrument without further notice or demand on the Borrower.

BY SIGNING BELOW, the Borrower accepts and agrees to the terms and covenants contained in this Addendum to Note.

_____(Seal)
[AUTHORIZED SIGNOR(S) ON BEHALF OF CO-BORROWER] DATE

_____(Seal)
[AUTHORIZED SIGNOR(S) ON BEHALF OF CO-BORROWER] DATE