

# PROMISSORY NOTE

<b>Date Of Note</b>	<b>Month/Day/Year:</b>	<b>Issue No.</b> _____
<b>Debtor</b>	<b>Creditor</b>	<b>Amount</b>
		\$ _____
<b>Address:</b>	<b>Address</b>	<b>Interest Rate</b>
<b>City/State/ Zip</b>	<b>City/State/ Zip</b>	_____ %
<b>Purpose of the Loan</b>		<b>Maturity Date</b>
		____/____/____

**1. PROMISE:** ON THIS \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, the undersigned first party (Debtor) agrees as principal to pay the second party (Creditor), its successors, agents and/or assigns the amount of \$ \_\_\_\_\_ (principal amount) plus interest in the amount of \_\_\_\_\_% (rate of interest).

**2. PAYMENT:** The payment of the above-noted amount plus interest at the above-identified rate shall be paid either: (a) in a single payment in the amount of \$ \_\_\_\_\_ (total amount of principal plus total amount of interest) on the maturity date of the \_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_; or (b) in \_\_\_\_\_ (number of installments) installments of \$ \_\_\_\_\_ on the \_\_\_\_ day of each month after the date of this note until fully paid and, in no event, shall final payment of principal and interest extend beyond the maturity date of this note, the \_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_. Interest shall be first deducted from the payment made, with the balance of the payment applied to the principal.

**3. INTEREST:** The interest of the principal amount due on this note is \_\_\_\_\_% per annum. If the interest and principal is not paid when due, the unpaid balance shall draw a higher rate of interest of \_\_\_\_\_% per annum.

**4. SECURITY:** Any security offered in conjunction with this note is identified as: \_\_\_\_\_ (property description offered as security). An appropriate UCC form may be filed with the proper authority including the Secretary of State or County Recorder in conjunction with any security interest held in conjunction with this paragraph.

**5. CONSUMER CREDIT:** This agreement is not considered by the parties to be a consumer credit transaction. This transaction is subject to the Uniform Commercial Code of the State of \_\_\_\_\_.

**6. DEFAULT:** This note shall be considered to be in default whenever there exists: (a) failure to pay either interest or principal when same is due; (b) death of the first party (Debtor); (c) failure by the first party (Debtor) to comply with any provisions of this agreement including the pledging of items listed as security in this agreement to any other party; (d) insolvency or business failure by the first party (Debtor); (e) any assignments for the benefits of other creditors or the filing of bankruptcy by the first party (Debtor); (f) any attachments, liens or acquisitions which, in any way, affect property offered in this agreement as security or collateral; (g) any untrue statements, misrepresentations or misstatements made by first party (Debtor); or (h) any occurrence of default or breach of any agreements by first party (Debtor), which may relate to this note or the security offered.

**7. REMEDIES:** In the event of default, all amounts of principal and interest are deemed due and owing to the second party (Creditor). The second party (Creditor) to this agreement shall be entitled to all remedies permitted by law. Additionally, the second party (Creditor) shall be entitled to recover all expenses related to collection including attorney fees and costs from the first party (Debtor), if collection is necessary. Such amounts shall be in addition to any interest, penalty interest, and principal amounts due.

**8. LAW APPLICABLE:** The law of the State of \_\_\_\_\_ shall apply to this agreement. Failure at any time to exercise certain options available to the second party (Creditor) under this control shall not be deemed a waiver of any rights provided under \_\_\_\_\_ law on this agreement by the second party (Creditor). The second party (Creditor) may exercise its rights and options under this agreement at a time later than the date when any sums may come due and the second party (Creditor) may make demand for payment at any time after such payments fall due.

**9. INSPECTION:** The second party (Creditor) may inspect, copy and review the first party's (Debtor) books and records at any reasonable time.

**10. ASSIGNMENT OR SALE:** The second party (Creditor) may assign or sell its interest in this agreement at any time and without notice to the first party (Debtor).

Dated this \_\_\_\_ day of \_\_\_\_\_ in the year of 20\_\_ at the location of \_\_\_\_\_

\_\_\_\_\_  
Signature of First Party (Debtor)

\_\_\_\_\_  
Signature of Second Party (Creditor)