

## LOAN AGREEMENT PROMISSORY NOTE

**THE PARTIES.** This Loan Agreement made on this day \_\_\_\_\_, 20\_\_\_\_ is made between: \_\_\_\_\_ ("the Borrower") with a mailing address of \_\_\_\_\_, and \_\_\_\_\_ ("the Lender") with a mailing address of \_\_\_\_\_, together are known as the "Parties".

**RELATION.** The Borrower is the \_\_\_\_\_ of the Lender.

**LOAN AMOUNT.** The Lender has agreed to loan the Borrower in the amount of (\$\_\_\_\_\_.)

**PROMISE TO PAY.** This term of this loan shall last for a period of \_\_\_\_\_  Weeks  Months  Years starting from the Date of this Agreement. The loan repayment shall be due, including the principal and any accrued interest, in one of the following ways:

- Weekly beginning on \_\_\_\_\_, 20\_\_\_\_ and every 7 days thereafter
- Monthly beginning on \_\_\_\_\_, 20\_\_\_\_ and each subsequent month thereafter
- Lump sum due on \_\_\_\_\_, 20\_\_\_\_
- Other \_\_\_\_\_

The final payment due date for the loan is payable on \_\_\_\_\_, 20\_\_\_\_.

**INTEREST.** This loan shall:

- Bear interest at a rate of \_\_\_\_\_ percent (\_\_\_\_\_% ) compounded annually. The rate must be equal to or less than the usury rate in the State of the Borrower.
- Not bear interest.

All payment amounts made by the Borrower will be first applied to any accrued interest and then secondly to the principal balance.

**PREPAYMENT.** The Borrower is entitled to make additional payments at any time or pay back the loan in-full early without penalty. Any interest accrual being charged will be adjusted accordingly.

**LATE CHARGES.** Any payment not received within \_\_\_\_\_ days of its due date shall be subject to a late charge of 5 percent (%) of the payment, not to exceed \$500.

**DEFAULT.** If Borrower has not paid the full amount of the loan when the final payment is due, the Lender will charge Borrower interest on the unpaid balance at 20 percent (%) per year.

**COLLATERAL.** Borrower  does not agree to provide collateral in the event of default on this loan  agrees to offer \_\_\_\_\_ as collateral for this loan. In the event of default of this loan and if no other remedies are made to fulfill the obligations of the loan, lender has the right to accept the above stated collateral in lieu of any outstanding loan principal and interest amounts.

**EVENTS OF ACCELERATION.** The occurrence of any of the following shall constitute an "Event of Acceleration" by the Lender under this Note:

- (a) Borrower's failure to pay any part of the principal or interest as and when due under this Note; or
- (b) Borrower's becoming insolvent or not paying its debts as they become due.

**ACCELERATION.** Upon the occurrence of an Event of Acceleration, Lender shall have the right, at its sole and exclusive option, to declare this Note immediately due and payable.

**COLLECTION.** In the event any payment under this Note is not paid when due and Lender seeks outside counsel to solve the matter, the Borrower agrees to pay, in addition to the principal and interest balance remaining, reasonable attorneys' fees not exceeding a sum equal to the maximum usury rate of \_\_\_\_\_ percent (\_\_\_\_\_% ) in the State of \_\_\_\_\_ plus all other reasonable expenses incurred by Lender in exercising any of its rights and remedies upon default.

**REMEDIES.** No delay or omission on part of the holder of this Note in exercising any right hereunder shall operate as a waiver of any such right or of any other right of such holder, nor shall any delay, omission or waiver on any one occasion be deemed a bar to or waiver of the same or any other right on any future occasion. The rights and remedies of the Lender shall be cumulative and may be pursued singly, successively, or together, in the sole discretion of the Lender.

**GOVERNING LAW.** This Note shall be governed by, and construed in accordance with, the laws of the State of \_\_\_\_\_.

**SUCCESSORS.** All of the foregoing is the promise of Borrower and shall bind Borrower and Borrower's successors, heirs and assigns; provided, however, that Lender may not assign any of its rights or delegate any of its obligations hereunder without the prior written consent of the holder of this Note.

**ENTIRE AGREEMENT.** The parties confirm that this contract contains the full terms of their agreement and that no addition to or variation of the contract shall be of any force and effect unless done in writing and signed by both parties.

IN WITNESS WHEREOF, Borrower has executed this Promissory Note as of the day and year first above written.

Borrower's Signature: \_\_\_\_\_ Print: \_\_\_\_\_

Lender's Signature: \_\_\_\_\_ Print: \_\_\_\_\_

Witness Signature: \_\_\_\_\_ Print: \_\_\_\_\_

Witness Signature: \_\_\_\_\_ Print: \_\_\_\_\_