

# SAMPLE PROMISSORY NOTE



## PROMISSORY NOTE

This Promissory Note (hereafter "Note") is hereby executed between \_\_\_\_\_ (hereafter "Lender") and \_\_\_\_\_ (hereafter "Borrower").

### **Borrower's Promise to Pay**

FOR VALUE RECEIVED, the Borrower promises to pay \$\_\_\_\_\_ (hereafter "Principal"). The Borrower will make all payments under this Note in the form of cash, check, certified funds or money order at the option and direction of the Lender. The Borrower understands that the Lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called the "Note Holder."

### **Interest**

The Lender and Borrower intend and agree that this Note will have a fixed Interest Rate of \_\_\_\_%.

### **Term**

The Term of the Note shall be until \_\_\_\_\_ (date), to be extended annually, until the sale of the Property that is located on \_\_\_\_\_ (hereafter "Property"). Upon the sale of the Property, Borrower agrees to repay Lender within 30 days.

### **Right of Prepayment**

This Note may be prepaid in whole or in part at any time without premium or penalty. The Borrower agrees to pay all costs and expenses, including all reasonable attorneys' fees, for the collection of this Note upon default.

## **Default and Waiver**

If the Borrower defaults or fails to follow any provision, the Lender or Note Holder may send a written notice demanding repayment by a certain date and may require Borrower to pay immediately the full amount of the Principal which has not been paid. That date must be at least 30 days after the date on which the notice is mailed to the Borrower or delivered by other means.

Even if, at a time when the Borrower is in default, the Lender or Note Holder does not require the Borrower to pay immediately in full as described above, the Lender or Note Holder will still have the right to do so if in default at a later time.

## **Unsecured Note**

This Note is not secured by collateral and only the Borrower shall be responsible for the debt. The Borrower's officers, directors, employees or volunteers shall not be personally responsible for the debt if the Borrower defaults.

IN WITNESS THEREOF, the undersigned have executed this Note as of the date set forth beside their respective names below.

\_\_\_\_\_  
Lender

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date





**RALNA.ORG**