PROMISSORY NOTE

1. 1. Note and Parties

PROMISSORY NOTE. Principal Amount: [PRINCIPAL AMOUNT]. Date: [NOTE DATE]. Place of Execution: [CITY AND STATE]. For value received, [BORROWER NAME], located at [BORROWER ADDRESS] (the "Borrower"), promises to pay to the order of [LENDER NAME], located at [LENDER ADDRESS] (the "Lender"), the principal sum stated above together with interest as provided below. The words "Borrower" and "Lender" include their heirs, personal representatives, successors, and assigns. If more than one person signs as Borrower, each is jointly and severally liable for the entire amount owed under this Note.

2. 2. Promise to Pay

The Borrower unconditionally promises to pay the principal sum of [PRINCIPAL AMOUNT] plus all accrued interest, late charges, and costs described in this Note. Payment will be made in lawful money of the United States to the Lender at [PAYMENT ADDRESS OR ACCOUNT DETAILS], or at any other place the holder of this Note designates in writing. All payments are to be made without set-off, deduction, or counterclaim. This Note is not conditioned on any other transaction, and the obligation to pay is independent of any dispute between the Parties over any other matter.

3. 3. Interest

Interest accrues on the unpaid principal balance from [INTEREST START DATE] at the rate of [INTEREST RATE] percent per year, calculated on a [DAY COUNT CONVENTION, e.g., 365-day year and actual days elapsed] basis. Interest is [SIMPLE OR COMPOUNDED] and, if compounded, compounds [COMPOUNDING FREQUENCY]. In no event will the interest and charges collected under this Note exceed the maximum rate permitted by applicable law; if any amount collected would exceed that maximum, the excess will be applied to principal or refunded to the Borrower. If no rate is filled in above, this Note is non-interest bearing and only principal is payable.

4. 4. Payment Terms

Select one option and delete the others. (a) Installments: the Borrower will pay [NUMBER OF PAYMENTS] consecutive [FREQUENCY] payments of [PAYMENT AMOUNT] beginning [FIRST PAYMENT DATE], with all remaining principal and interest due on [MATURITY DATE]. (b) Lump sum: the entire principal balance plus accrued interest is due in a single payment on [MATURITY DATE]. (c) On demand: the entire balance is payable in full within [DEMAND PERIOD, e.g., 15 days] after the Lender delivers written demand to the Borrower. Payments are applied first to late charges and collection costs, then to accrued interest, and then to principal. If a due date falls on a day that is not a business day, payment is due on the next business day.

5. 5. Prepayment

The Borrower may prepay this Note in whole or in part at any time without penalty unless a charge is stated here: [PREPAYMENT PENALTY, e.g., none]. Interest accrues only through the date a prepayment is received, so early payment reduces the total interest owed. A partial prepayment is applied to principal and does not excuse or postpone any scheduled payment unless the Lender agrees otherwise in writing. On payment in full, the Lender will mark this Note "Paid in Full," return the original to the Borrower or provide a written cancellation, and release any related security interest.

6. 6. Late Charges and Returned Payments

If any payment is not received within [GRACE PERIOD, e.g., ten days] after its due date, the Borrower will pay a late charge of [LATE FEE, e.g., 5 percent of the overdue payment], to the extent permitted by applicable law. Any payment returned unpaid by a financial institution is subject to a returned payment fee of [RETURNED PAYMENT FEE], and the Lender may require future payments in certified funds. Late charges are in addition to, and not in place of, any other remedy under this Note. Accepting a late or partial payment does not waive the right to require timely payment of every later installment.

7. 7. Default

The Borrower is in default under this Note if: (a) any payment is not made within [PAYMENT CURE PERIOD, e.g., ten days] after written notice that it is past due; (b) the Borrower breaches any other term of this Note or of any related security agreement or guaranty; (c) the Borrower becomes insolvent, makes a general assignment for the benefit of creditors, or is the subject of a bankruptcy or receivership proceeding; (d) any statement made by the Borrower in connection with this Note proves to have been materially false; or (e) any collateral securing this Note is sold, encumbered, seized, or materially damaged without the written consent of the Lender. Written notice sent to the address in Section 1 is effective on delivery or on the third day after mailing, whichever comes first.

8. 8. Acceleration and Default Interest

On the occurrence of a default that is not cured, the Lender may declare the entire unpaid principal balance and all accrued interest immediately due and payable without further demand or notice, and may pursue every remedy available at law or in equity. From the date of default until paid, the unpaid balance bears interest at the default rate of [DEFAULT INTEREST RATE] percent per year or the maximum rate permitted by applicable law, whichever is less. The Borrower waives presentment, demand for payment, protest, notice of protest, and notice of dishonor to the extent permitted by law. No delay by the Lender in exercising any right waives that right, and no single or partial exercise prevents any further exercise of the same or any other right.

9. 9. Security

Select one. Unsecured: this Note is unsecured and no property is pledged as collateral for the debt. Secured: this Note is secured by [COLLATERAL DESCRIPTION, including serial or VIN number where applicable] under a separate security agreement dated [SECURITY AGREEMENT DATE], and the Borrower authorizes the Lender to file any financing statement or lien notation needed to perfect that interest. The Borrower will keep any collateral insured, in good condition, and free of other liens except [PERMITTED LIENS]. The rights of the Lender under this Note are in addition to any rights under the security agreement, and enforcing one does not limit the other.

10. 10. Costs of Collection

If this Note is not paid when due and is referred to an attorney or a collection agency, the Borrower will pay all reasonable costs of collection, including attorney fees, court costs, and agency fees, to the extent permitted by applicable law. Those amounts are added to the balance owed and accrue interest at the rate stated in this Note until paid. If the Borrower prevails in any action arising from this Note, the Borrower may recover its reasonable attorney fees and costs on the same terms. Nothing in this Section obligates the Lender to take any particular collection step before exercising another remedy.

11. 11. Transfer, Governing Law, and General Provisions

The Lender may sell, assign, or transfer this Note without the consent of the Borrower, and the transferee will have all rights of the Lender; the Borrower will make payments to the transferee after receiving written notice of the transfer. The Borrower may not assign or delegate any obligation under this Note without the prior written consent of the Lender. This Note is governed by the laws of the State of [GOVERNING STATE], and any action to enforce it will be brought in the courts located in [VENUE COUNTY AND STATE]. If any provision of this Note is held unenforceable, the remaining provisions stay in effect and the unenforceable provision will be limited only as far as necessary. This Note may be amended only in a writing signed by both the Borrower and the Lender.

12. 12. Signatures

The Borrower has read and understands this Note and signs it voluntarily as of the date first written above. BORROWER: [BORROWER NAME]. Signature: ______________________. Printed Name: [BORROWER SIGNER NAME]. Date: [DATE]. CO-BORROWER (if any): [CO-BORROWER NAME]. Signature: ______________________. Date: [DATE]. LENDER ACKNOWLEDGMENT (optional): [LENDER NAME]. Signature: ______________________. Date: [DATE]. WITNESS OR NOTARY (optional): Signature: ______________________. Printed Name: [WITNESS NAME]. Date: [DATE].

13. Disclaimer

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