**SECURED PROMISSORY NOTE**

On this \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (hereinafter known as the “Effective Date”), \_\_\_\_\_\_\_\_\_\_\_\_\_ (hereinafter known as the “Borrower”), with the mailing address of \_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_\_\_ hereby promises to pay \_\_\_\_\_\_\_\_\_\_\_\_\_ (hereinafter known as the “Lender”), with the mailing address of \_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_\_\_\_, the principal amount of $ \_\_\_\_\_\_\_\_\_\_ Dollars ($ \_\_\_\_\_\_\_\_\_\_\_), with interest accruing rate of \_\_\_\_\_\_\_\_\_\_ % per annum which shall be effective as of the Effective Date indicated above in the following manner:

1. **PAYMENTS.** The Borrower shall pay (check the applicable):

 ❑ **NO INSTALLMENTS.** The principal amount, with the accrued interest, shall be

 paid on the Due Date.

 ❑ **INSTALLMENTS.** The principal amount, with the accrued interest, shall be paid

 in installments in the amount of $ \_\_\_\_\_\_\_\_\_\_\_ Dollars

 ($ \_\_\_\_\_\_\_\_\_).

❑ **INTEREST ONLY PAYMENTS.** On the outstanding balance of the

 principal amount.

 If installments or interest-only payments are checked above, then said payments shall be

 paid on the (check the applicable):

 ❑ \_\_\_\_ day of every **month** commencing on \_\_\_\_\_\_\_\_\_\_\_\_\_\_.

 ❑ Every **week**, commencing on the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

1. **DUE DATE.** All balance on this Note, including all accrued interests and late fees, shall be paid on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.
2. **INTEREST DUE IN THE EVENT OF DEFAULT.** Should the Borrower fail to pay on the Due Date or within 15 days after the Due Date, the principal amount shall accrue an interest rate of \_\_\_\_\_\_\_\_ Percent (\_\_\_\_\_\_\_\_\_\_\_ %) per annum, or at the maximum rate allowed by law.
3. **ALLOCATION OF PAYMENTS.** Payments shall be first credited to any late fees due, then to the interest due, and the rest shall be credited to the principal amount.
4. **PREPAYMENT.** The Borrower shall be allowed to pre-pay this Note with the absence of penalty.
5. **LATE FEES.** If no installment payment is issued to the Lender \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ after the Due Date, a late payment fee of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ shall be paid on top of the installment payment by the Borrower with the accrued interest rate.
6. **DUE ON SALE.** To ensure the repayment of this Note, this Note is secured by a security instrument as stated in Section 17. All the property stated in such Section, shall not be transferred nor sold without the consent of the Lender. Should the Borrower breach this provision, all payments in this Note shall be considered due and payable immediately, given that no law prohibits.
7. **ACCELERATION.** If the Borrower is in default under this Note or is in default under the security instrument and said default is not remedied within \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, the Lender may proclaim all sums under this Note due and payable immediately.
8. **ATTORNEY’S FEES AND COSTS.** If Lender or Borrower sues to enforce this Note or obtain a declaration of its rights hereunder, the prevailing party shall be entitled the right to recover its reasonable attorneys’ fees and costs sustained in the proceeding from the non-prevailing party.
9. **WAIVER OF PRESENTMENTS.** The Borrower waives presentment for payment, a notice of dishonor, protest, and a notice of protest.
10. **NON-WAIVER.** Delay or failure to exercise the rights of the Lender shall not constitute waiver of such rights.
11. **SEVERABILITY.** If any of the provisions of this Agreement is deemed illegal, invalid, or unenforceable, the remaining provisions shall remain unaffected, legal, valid, and enforceable.
12. **INTEGRATION.** This Note shall only be amended in writing by the Lender and the Borrower.
13. **CONFLICTING TERMS.** The terms and conditions of this Note shall not be affected by any conflict between the terms of this Note or the terms of the security payment.
14. **NOTICE.** Any notices required or permitted under this Note shall be in made writing and delivered (1) in person or (2) by electronic or certified mail, with return receipt requested, which shall be sent to the addresses listed below.

 Lender:

 Borrower:

1. **EXECUTION.** The Borrower executes this Note as a Principal and not as a surety. If there is another Borrower, both the Borrower and the second Borrower shall be jointly and severally liable under this Note.
2. **SECURITY. THIS NOTE IS SECURED BY THE FOLLOWING:**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**SIGNATURE AREA**

THE PARTIES have duly executed this Agreement to be binding as of \_\_\_\_\_\_\_\_\_\_.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

LENDER’S PRINTED NAME BORROWER’S PRINTED NAME

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

WITNESS’ PRINTED NAME WITNESS’ PRINTED NAME