

**NOTE**

\$

\_\_\_\_\_, 2009 \_\_\_\_\_

**Borrower' Promise to Pay**

1. FOR VALUE RECEIVED, the undersigned, \_\_\_\_\_ (collectively hereinafter referred to as "Borrower") promises to pay to the order of the Lender the sum of \_\_\_\_\_ Thousand and 00/100 Dollars (\$ \_\_\_\_\_) ("principal") plus interest plus interest at the rate of six percent per annum. The Lender is \_\_\_\_\_. The Lender may transfer or prepay this Note. The Lender, under this Note and the entity who is entitled to receive payments under this Note may also be referred to as the "Noteholder."

**Payments**

2. An initial payment of \$ \_\_\_\_\_ (representing twelve percent (12%) of the amount financed) is due on the date of execution of this Note. The remaining balance shall be payable monthly in the amount of \_\_\_\_\_, on or before the \_\_\_\_\_ day of \_\_\_\_\_ beginning \_\_\_\_\_ and continuing until all of the principal, interest, and other charges described in this Note have been paid. Any amounts, inclusive of unpaid principle and interest, still owing on the \_\_\_\_\_ ("Maturity Date"), must be paid in full on that date. The Borrower will make the monthly payments in certified funds directly to the offices \_\_\_\_\_ at any other location communicated in writing to the Borrower by the Noteholder or through a direct deposit as may be instructed by Lender.

**Prepayment**

3. The Borrower may prepay some or all of the unpaid balance of this Note upon sixty (60) days prior written notice to the Noteholder.

**Security**

4. This note is secured by that certain Mortgage upon Real Property owned by Borrower located at \_\_\_\_\_.

### **Application of Payments**

5. Each monthly installment shall be applied first to any late charges, then to interest due and then to principal.

### **Partial Prepayments**

6. Any partial payment accepted by the Noteholder will be used to reduce the amount of principal owing under the Note. A partial prepayment will not delay the date of any regular monthly payment.

### **Late Charges**

7. If any installment shall become overdue for a period in excess of five (5) days, a late charge of 5.00% percent of the overdue payment of principal and interest may be charged by the Noteholder for the purpose of defraying the expenses incident to handling the delinquency. In addition, interest (as a finance charge) of 1.5% per month shall be added to the amount of the unpaid installment.

### **Default and Acceleration**

8. On the occurrence of any one or more of the following events (listed (a) or (b) below), the entire unpaid balance of the principal, the accrued interest, and all other sums secured by the Security Agreement shall, at the option of the Noteholder, become immediately due and payable without notice. Upon default, interest shall be charged at the rate of 1.5% per month to the unpaid balance. Borrower shall also be charged a reasonable attorney fee of 33 1/3% of the unpaid balance and interest.

(a) The failure of any of the Borrower to pay any installment of principal or interest when due; or

(b) The occurrence of any event that constitutes a default under the terms of the Security Agreement.

### **Loan Charges**

9. If the interest or other charges collected in connection with this Note exceed the maximum rate established by law, the loan charges shall be reduced by the amount necessary to reduce the charge to the permitted limit, and any sums already collected that exceed the permitted limit will be refunded to the Borrower.

### **Construction**

10. The words "Borrower" and "Noteholder" include the singular and the plural, the individual, partnership, corporation, or other business organization, and the respective heirs, executors, administrators, and assigns of the Borrower or the Noteholder. The use of either gender applies to both genders. If more than one party is named as the Borrower, the obligations of each party are joint and several.

### **Notices**

11. Any notice that must be given to the Noteholder under this Note shall be delivered by first class mail or personally to the Noteholder at the address to which payments are to be made or at a different address of which the Noteholder has notified the Borrower in writing.

### **Attorneys' Fees**

12. In any litigation, arbitration or other legal proceeding which may arise between any of the parties hereto, the prevailing party shall be entitled to recover its costs, including costs of arbitration, and reasonable attorneys' fees in addition to any other relief to which such party may be entitled.

This Note is given, executed, and delivered by the undersigned on the day and year first written above.

### **Due on Sale**

13. Lender may, at its option, declare immediately due and payable all sums due under this Note upon the sale or transfer, without the Lender's prior written consent, of all or any part of the Real Property, or any interest in the Real Property.

### **Waiver**

14. It is agreed that the granting to Borrower or any other person of any extension or extensions of time for the payment of any sums due hereunder or for the performance of any covenant or condition hereof, or the taking or release of other or additional security shall in no way release or affect the liability of Borrower, or any endorser, surety, or guarantor and shall not act a waiver of any subsequent default by Borrower and each endorser, guarantor, and surety hereof waives presentment, demand for payment, protest, notice of protest, and notice of nonpayment.

BORROWER:

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WITNESS:

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