PROMISSORY NOTE

__________________________________________, a ____________________________

(the “Lender”) located at ________________________________________________ and between

__________________________________________ (The “Borrower”) agree that Borrower will borrow US ___________

(this amount is called “Principal”) (the “Loan”) from Lender. Borrower agrees to pay the principal, plus interest, to the lender according to the terms and conditions contained in this Promissory Note (the “Note”). The Borrower is executing this Note in conjunction with a mortgage (the “Mortgage) in favor of Lender.

As used in the Note, the words “I, me, mine and my” mean Borrower and the words “you, your, and yours” mean the Lender and anyone to whom the Lender transfers the Note.

1. **Interest Rate.** I will be charged interest at the rate of twelve and a half percent (_____) of total funds Borrowed from Lender.

2. **Points.** I will pay ___ points upon signing Mortgage Note.

3. **Non-Recurring Payments.** No installment payments scheduled for this note. Total interest of (_____) of total “Loan” amount shall be due upon “Maturity Date.”

4. **Maturity Date.** The outstanding amount of the Loan, including principal and unpaid interest, must be paid in full to you on or before ____________ (the “Maturity Date”).

5. **Late Payment charge.** This is a balloon Note due by maturity date mentioned above. If I make my payment by check and the check is returned because I do not have sufficient funds in my bank account, then I agree that I will pay to you any fees you incur as a result of the return of the check in addition to any late charge or penalty.

6. **Due on Sale** Clause. It is a default under this note if I sell, lease or further encumber either all or part of the real property that secures the Mortgage or any interest in the entity that owns the real property that secures the Mortgage.

7. **Governing Law.** In the event of any litigation or other dispute relating to this Note or the Mortgage or other Loan documents, ____________ law shall apply to the enforcement of this Note and the Mortgage or other Loan documents.

8. **Documentary Stamp Taxes.** __________ recording taxes were paid on the Mortgage.

9. **Prepayment.** If I pay off the Loan early, I will not have to pay a penalty. Even though I don’t have to pay more than the fixed installments, I have the right to pay the whole outstanding amount of this Note at any time. If I pay any part of the Loan early, I understand that I will have to pay interest amount due in full as agreed in section (1).
I have executed this instrument as of the date on the first page of this Mortgage in front of the following witnesses.

WITNESSES:  


BORROWER(S):  


Print Name  


WITNESSES:  


BORROWER(S):  


Print Name  


STATE OF _____________________  
COUNTY OF _______________________

The foregoing instrument was acknowledged before me this ___ day of ____________, 2010, by _____________________ is / are (          ) personally known to me (        ) have produced ___________________________ as identification.

(NOTARY SEAL)  

NOTARY: ______________________________

Print Name:____________________________
My commission expires: ___________________