**PROMISSORY NOTE**

**Principal Amount**: $[Principal Amount in Numbers]  
**Date**: [Effective Date]  
**Place of Execution**: [City], [County] County, Florida

**1. Parties**

**For value received**, [Buyer's Full Legal Name], whose address is [Buyer's Address] ("Maker" or "Borrower"), hereby promises to pay to the order of [Seller's Full Legal Name], whose address is [Seller's Address] ("Payee" or "Lender"), the principal sum of **$[Principal Amount in Numbers] ([Principal Amount in Words] Dollars)**, together with interest thereon, as provided below.

**2. Interest Rate**

The outstanding principal balance shall bear interest at the rate of **[Interest Rate]% per annum**, calculated on the basis of a 360-day year consisting of twelve 30-day months.

**3. Payment Terms**

3.1 **Repayment Schedule**  
The principal and interest shall be payable in **[Number of Payments]** consecutive monthly installments of **$[Monthly Payment Amount in Numbers]** each, beginning on **[First Payment Date]** and continuing on the same day of each succeeding month until **[Maturity Date]**, at which time all unpaid principal and accrued interest shall be due and payable in full.

3.2 **Place of Payment**  
All payments shall be made to the Lender at [Lender's Address], or at such other place as the Lender may designate in writing.

3.3 **Application of Payments**  
Each payment shall be applied first to accrued interest and then to the reduction of principal.

**4. Prepayment**

The Maker may prepay this Promissory Note in whole or in part at any time without penalty or premium. Any partial prepayment shall not postpone the due date of any subsequent installments or change the amount of such installments unless the Lender agrees otherwise in writing.

**5. Late Payments**

5.1 **Grace Period**  
A payment shall not be considered late if received within **[Number of Days in Grace Period]** days after the due date.

5.2 **Late Charge**  
If any payment is not received by the Lender within the grace period, the Maker shall pay a late charge equal to **[Late Fee Percentage]%** of the overdue amount to cover the extra expense involved in handling delinquent payments.

**6. Security**

This Promissory Note is secured by the property held in the **[Name of Trust]**, an irrevocable trust established by the Grantor and governed by the Irrevocable Trust Agreement dated **[Effective Date]** ("Trust Agreement").

**7. Default**

7.1 **Events of Default**  
An Event of Default shall occur if the Maker fails to make **two (2) consecutive monthly payments** as required under this Promissory Note.

7.2 **Acceleration**  
Upon the occurrence of an Event of Default, the Lender may declare the entire unpaid principal balance and all accrued interest immediately due and payable without notice or demand.

7.3 **Rights Upon Default**  
In addition to the acceleration of the debt, the Lender shall have all rights and remedies provided in the Trust Agreement, including but not limited to the reversion of title to the Property.

7.4 **Waiver of Notice**  
The Maker waives any right to additional notice, presentment, demand, protest, or notice of dishonor upon default.

**8. Reversion of Title**

In accordance with Section 6 of the Trust Agreement, upon an Event of Default, the Maker (as Trustee) agrees to execute and deliver a deed transferring title of the Property back to the Lender (Grantor).

**9. Costs of Collection**

If this Promissory Note is placed in the hands of an attorney for collection upon default, the Maker agrees to pay all reasonable costs of collection, including court costs and attorney's fees, whether or not litigation is commenced.

**10. Governing Law**

This Promissory Note shall be governed by and construed in accordance with the laws of the State of Florida.

**11. Severability**

If any provision of this Promissory Note is held to be invalid or unenforceable, such invalidity or unenforceability shall not affect the remaining provisions, which shall remain in full force and effect.

**12. Entire Agreement**

This Promissory Note, together with the Trust Agreement and other related documents, constitutes the entire understanding between the parties with respect to the subject matter and supersedes all prior negotiations and agreements.

**13. Amendments**

No amendment, modification, or waiver of any provision of this Promissory Note shall be effective unless in writing and signed by both the Maker and the Lender.

**14. Assignment**

The Maker may not assign or transfer any of its obligations under this Promissory Note without the prior written consent of the Lender. The Lender may assign this Promissory Note without notice to the Maker.

**15. Notices**

All notices required or permitted under this Promissory Note shall be in writing and shall be deemed effectively given upon personal delivery or upon deposit with the United States Postal Service, by certified mail, return receipt requested, addressed as follows:

* **Lender**: [Lender's Full Legal Name], [Lender's Address]
* **Maker**: [Maker's Full Legal Name], [Maker's Address]

**16. Waivers**

The failure of the Lender to exercise any of its rights under this Promissory Note shall not be deemed a waiver of such rights or any other rights.

**17. Binding Effect**

This Promissory Note shall be binding upon the Maker and the Maker's heirs, executors, administrators, successors, and assigns, and shall inure to the benefit of the Lender and the Lender's successors and assigns.

**18. Execution**

IN WITNESS WHEREOF, the Maker has executed this Promissory Note as of the date first above written.

**Maker (Borrower):**

[Buyer's Full Legal Name]  
Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Witnesses:**

[Witness #1 Name]  
Address: [Witness #1 Address]

[Witness #2 Name]  
Address: [Witness #2 Address]

**Notary Acknowledgment**

**STATE OF FLORIDA  
COUNTY OF [County Name]**

The foregoing instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_\_**, 20**, by [Buyer's Full Legal Name], who is personally known to me or has produced [Type of Identification] as identification.

Notary Public, State of Florida  
(Print Notary Name): \_\_\_\_\_\_\_\_\_\_\_\_\_\_  
Commission No.: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
My Commission Expires: \_\_\_\_\_\_\_\_\_\_\_\_\_

**Additional Clauses and Notes**

**Interest Rate Compliance**

Ensure that the interest rate complies with Florida's usury laws, which set maximum allowable interest rates to prevent excessive charges.

**Security Interest Reference**

Reference any additional security instruments, such as a Mortgage or Security Agreement, if applicable:

* **"This Promissory Note is secured by a Mortgage dated [Date], executed by the Maker in favor of the Lender, encumbering the Property described therein."**

**Prepayment Penalties**

If there are any penalties or fees associated with prepayment, include them explicitly. In this draft, prepayment is allowed without penalty.

**Compliance with Trust Agreement**

Ensure that all terms in this Promissory Note are consistent with the Irrevocable Trust Agreement, especially regarding default and reversion provisions.

**Attorney's Fees**

Include a clause specifying that the prevailing party in any legal action shall be entitled to recover reasonable attorney's fees and costs.

**Assignment by Lender**

If the Lender wishes to retain the right to assign the Promissory Note, include:

* **"The Lender may assign this Promissory Note, and the assignee shall have all the rights and remedies of the Lender."**

**Time is of the Essence**

* **"Time is of the essence with respect to all obligations under this Promissory Note."**

**Instructions for Completing the Promissory Note**

1. **Insert Specific Details**:
   * **Principal Amount**: The total financed amount (purchase price minus down payment).
   * **Interest Rate**: The agreed annual interest rate.
   * **Repayment Schedule**: Number of payments, payment amounts, first payment date, and maturity date.
   * **Late Fees**: Specify any late payment charges and grace periods.
   * **Addresses**: Accurate addresses for both Maker and Lender.
2. **Review for Consistency**:
   * Verify that all terms align with those in the Trust Agreement and Deed.
   * Ensure that default provisions match the conditions under which title reverts to the Lender.
3. **Legal Compliance**:
   * Confirm that the note complies with all applicable Florida laws, including usury laws.
   * Consider consulting with a legal professional to review the document.
4. **Execution**:
   * The Maker (Borrower) must sign the Promissory Note.
   * Two witnesses should observe the signing and sign as witnesses.
   * Notarization adds to the enforceability, although not always legally required for promissory notes.
5. **Distribution**:
   * Provide a copy to the Lender.
   * Retain the original in a safe place.
   * If secured by a mortgage or other security instrument, ensure those documents are properly executed and recorded.

**Important Considerations**

* **Default Remedies**:
  + The Promissory Note should clearly state the Lender's rights upon default, including acceleration of the debt and enforcement of security interests.
* **Integration with Other Documents**:
  + Reference the Trust Agreement and any security agreements to create a cohesive set of documents governing the transaction.
* **Tax Implications**:
  + Both parties should be aware of any tax consequences related to interest income and deductions.
* **Dispute Resolution**:
  + Consider adding a clause specifying mediation or arbitration before litigation.

**[End of Promissory Note Draft]**