# PROMISSORY NOTE

**$ , 20**

**, CA**

FOR VALUE RECEIVED, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, hereinafter “Maker” promises to pay to

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ hereinafter “Holder” or order the principal sum \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ plus interest thereon on , 20 :

1. **DUE DATE:** The entire balance of this Note together all accrued interest therewith shall be due and payable in full on the \_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_ 20\_\_\_\_\_.
2. **INTEREST:** Interest will be charged on unpaid principal until the full amount of principal has been paid. Maker will pay interest at an annual rate of \_\_\_\_\_\_\_\_\_ percent (\_\_\_%) simple interest.
3. **PAYMENTS:** Maker will pay principal and interest by making a payment every month. Maker will make a monthly payment on the \_\_\_\_\_\_\_\_\_ day of each month beginning on

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_. Maker will make these payments every month until Maker has paid all of the principal and interest and any other charges described below that Maker may owe under this Note. Each monthly payment will be applied as of its scheduled due date and will be applied to interest before principal. If, on , 20 , Maker still owes amounts under this Note, Maker will pay those amounts in full on that date, which is called the “maturity date.” Maker will make all monthly payments at

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ or at a different place if required by the Holder.

1. **DEFAULT INTEREST:** After maturity, or failure to make any payment, any unpaid principal shall accrue interest at the rate of \_\_\_\_\_\_ percent (10%) per annum OR the maximum rate allowed by law, whichever is less, during such period of Maker’s default under this Note.
2. **ALLOCATION OF PAYMENTS:** Each payment shall be credited first to any late charge due, second to interest, and the remainder to principal.
3. **PREPAYMENT:** Maker may prepay all or part of the balance owed under this Note at any time without penalty.
4. **CURRENCY:** All principal and interest payments shall be made by either cashier check, certified check, Money Order.
5. **ATTORNEYS’ FEES AND COSTS:** Maker shall pay all costs incurred by Holder in collecting sums due under this Note after a default, including reasonable attorneys’ fees, whether or not suit is brought. If Maker or Holder sues to enforce this Note or obtain a declaration of its rights hereunder, the prevailing party in any such proceeding shall be entitled to recover its reasonable attorneys’ fees and costs incurred in the proceeding (including those incurred in any bankruptcy proceeding or appeal) from the non-prevailing party.
6. **WAIVER OF PRESENTMENTS:** Maker waives presentment for payment, notice of dishonor, protest, suit, notice of protest and all other requirements necessary to home him labile hereunder and agrees that time or payment bay be extended or renewal not taken or other indulgence granted without notice of or consent to such action, without release of liability as to Holder.
7. **NON-WAIVER:** No failure or delay by Holder in exercising Holder’s rights under this Note shall be a waiver of such rights.
8. **SEVERABILITY:** If any clause or any other portion of this Note shall be determined to be void or unenforceable for any reason, such determination shall not affect the validity or enforceability of any other clause or portion of this Note, all of which shall remain in full force and effect.
9. **INTEGRATION:** There are no verbal or other agreements which modify or affect the terms of

this Note. This Note may not be modified or amended except by written agreement signed by Maker and Holder.

1. **CONFLICTING TERMS:** In the event of any conflict between the terms of this Note and the terms of any Deed of Trust or other instruments securing payment of this Note, the terms of this Note shall prevail.
2. **EXECUTION:** Each Maker executes this Note as a principal and not as a surety. If there is more than one Maker, each such Maker shall be jointly and severally liable under this Note.
3. **DEFINITIONS:** The word Maker shall be construed interchangeably with the words Borrower or Payer and the word Holder shall be construed interchangeably with the words Lender or Payee. In this Note, singular and plural words shall be construed interchangeably as may be appropriate in the context and circumstances to which such words apply.
4. **BINDING EFFECT:** The covenants, obligations and conditions herein contained shall be binding on and inure to the benefit of the heirs, legal representatives, and assigns of the parties hereto.
5. **DESCRIPTIVE HEADINGS:** The descriptive headings used herein are for convenience of reference only and they are not intended to have any effect whatsoever in determining the rights or obligations under this Note.
6. **GOVERNING LAW:** This Note shall be governed, construed and interpreted by, through and under the Laws of the state of California.

Maker (signatures)

State of California )

)ss.

County of )

On before me, , Notary Public, personally appeared , who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

(Seal)