

INSTALLMENT PROMISSORY NOTE

Principal Amount: Effective Date: Governing State: CA

FOR VALUE RECEIVED, [BORROWER NAME], a Individual with an address of [BORROWER ADDRESS] (the "Borrower"), hereby promises to pay to the order of [LENDER NAME], a Individual with an address of [LENDER ADDRESS] (together with its successors and assigns, the "Holder" or "Lender"), the principal sum of **** () in the legal currency of the United States, together with interest on the unpaid balance as set forth below.

1. Interest

Interest shall accrue on the unpaid principal balance at the rate of **6% per annum**, calculated on a Actual/365 basis, beginning on and continuing until this Note is paid in full.

Any amount of principal or interest not paid when due shall accrue interest at the default rate of **12% per annum**, or the maximum rate permitted under applicable law, whichever is lower, from the date the payment was due until the date it is paid in full.

2. Payment Terms

Borrower shall pay the principal and interest in [NUMBER OF INSTALLMENTS] equal Monthly installments of **** each, beginning on **** and continuing on the same day of each Monthly period thereafter, with the final installment due on **** (the "Maturity Date"). Each installment shall be applied first to accrued and unpaid interest, then to principal.

All payments shall be made at the Lender's address specified above, or at such other place as the Lender may from time to time designate in writing. Payments shall be applied first to accrued interest, then to principal.

Prepayment. Borrower may prepay this Note, in whole or in part, at any time without penalty. Any prepayment shall be applied first to accrued interest, then to principal in the inverse order of maturity.

Late charge. If any payment is not received within **10 days** after its due date, Borrower shall pay a late charge equal to **5%** of the overdue payment. The late charge is in addition to, and does not reduce or substitute for, the default interest rate or any other remedy available to the Lender.

4. Events of Default

Each of the following constitutes an "Event of Default" under this Note:

1. Borrower's failure to pay any installment of principal or interest when due and such failure continues for **10 days** after written notice from Lender;

2. The death, adjudication of incompetency, liquidation, dissolution, or termination of existence of Borrower;
3. The filing of a voluntary or involuntary petition in bankruptcy by or against Borrower, or the appointment of a receiver or trustee for Borrower or any material portion of Borrower's assets;
4. A general assignment for the benefit of creditors by Borrower;
5. Borrower's insolvency or admission in writing of inability to pay debts as they become due;
6. Any representation or warranty made by Borrower in connection with this Note proves to have been false or misleading in any material respect when made;

5. Acceleration and Remedies

Upon the occurrence of an Event of Default, Lender may, at Lender's option and without further notice or demand, declare the entire unpaid principal balance of this Note, together with all accrued and unpaid interest and any other amounts owing hereunder, to be immediately due and payable.

Lender may pursue any and all remedies available at law, in equity, or under this Note, including without limitation:

1. Legal action to recover the outstanding balance and any other amounts owed; All rights and remedies available to Lender under this Note, at law, and in equity are cumulative and may be exercised concurrently or consecutively at Lender's option.

6. Collection Costs and Attorney's Fees

If this Note is referred to an attorney for collection after default, or if any action or proceeding is commenced to enforce this Note, Borrower shall pay all costs of collection, including reasonable attorney's fees, court costs, and expenses, whether or not a lawsuit is filed. Under California Civil Code §1717, any attorney's-fee clause in this Note shall be deemed reciprocal, and the prevailing party in any action or proceeding to enforce this Note — whether Lender or Borrower — shall be entitled to recover reasonable attorney's fees and costs from the non-prevailing party.

7. Servicemembers Civil Relief Act Notice

If Borrower is, or becomes, an active-duty member of the United States Armed Forces (as defined in 50 U.S.C. §3911), Borrower may provide written notice to Lender together with a copy of Borrower's military orders, after which the interest rate on this Note shall be reduced to **six percent (6%) per annum** for the duration of Borrower's period of active duty, as required by the Servicemembers Civil Relief Act, 50 U.S.C. §3937. Interest accruing above 6% during such period shall be **forgiven** and shall not accrue or become payable after the period of active duty ends.

8. Waivers

Borrower and all endorsers, sureties, and guarantors hereby waive presentment for payment, demand, notice of dishonor, notice of protest, protest, and notice of non-payment. No delay or omission by Lender in exercising any right under this Note shall operate as a waiver of that right or any other right, and no single or partial exercise of any right shall preclude any further exercise of the same or any other right.

General Provisions

Governing Law and Venue. This Note shall be governed by and construed in accordance with the laws of the State of CA, without regard to its conflict-of-laws principles. Any action or proceeding arising out of or relating to this Note shall be brought exclusively in the state or federal courts located in [VENUE CITY FOR ANY DISPUTE], CA, and the parties irrevocably submit to the personal jurisdiction of such courts.

Assignment. Lender may assign or transfer this Note at any time without Borrower's consent. Borrower may not assign or transfer Borrower's obligations under this Note without Lender's prior written consent.

Notices. All notices under this Note shall be in writing and delivered by hand, nationally recognized overnight courier, certified mail (return receipt requested), or email (with read receipt) to the addresses specified in the preamble. Notices are effective upon receipt or, for certified mail, three (3) business days after deposit in the U.S. mail, postage prepaid.

Severability. If any provision of this Note is held to be invalid, illegal, or unenforceable by a court of competent jurisdiction (including by reason of usury or other applicable law), the remaining provisions shall continue in full force and effect, and the invalid provision shall be modified to the minimum extent necessary to preserve the parties' original intent while complying with applicable law.

Entire Agreement; Amendment. This Note (together with any Security Agreement, Deed of Trust, or other document expressly referenced herein) constitutes the entire agreement between Borrower and Lender concerning the subject matter. This Note may be amended only by a written instrument signed by both Borrower and Lender.

Counterparts and Electronic Signatures. This Note may be executed in counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument. Electronic signatures are valid and binding under the federal ESIGN Act (15 U.S.C. §7001 et seq.) and applicable state law.

Non-Waiver; Cumulative Rights. All rights of Lender under this Note are cumulative and may be exercised concurrently or consecutively at Lender's option. No failure or delay by Lender in exercising any right shall constitute a waiver.

Headings. Section headings are for convenience only and do not affect interpretation.

Signatures

IN WITNESS WHEREOF, the parties have executed this Note as of the Effective Date.

Borrower

_____ PRINTED NAME

_____ SIGNATURE

_____ DATE

Lender

_____ PRINTED NAME

_____ SIGNATURE

_____ DATE