UNSECURED PROMISSORY NOTE

Principal Amount: $25,000.00 **Effective Date:** May 15, 2026 **Governing State:** CA **Maturity Date:** May 15, 2027

FOR VALUE RECEIVED, **Morgan Example**, a Individual with an address of 100 Example Lane, CA (the "Borrower" or "Maker"), hereby unconditionally promises to pay to the order of **Taylor Example**, a Individual with an address of 200 Example Lane, CA (together with its successors and assigns, the "Holder" or "Lender"), the principal sum of **$25,000.00** (twenty-five thousand dollars and 00/100) in lawful currency of the United States of America, together with simple interest thereon as provided below. This Note is **UNSECURED**; Lender's recourse in the event of non-payment is against Borrower personally and generally, and no collateral of any kind has been pledged or granted to secure payment hereof.

1. Principal and Disbursement

Lender advanced funds on **May 15, 2026**. Borrower confirms actual net receipt of **$25,000.00**. Payment reference: The holder and borrower compared their settled cash ledger on May 15..

2. Interest

Interest shall accrue on the unpaid principal balance at the rate of **5% per annum**, computed on an Actual/365 basis, commencing on the Disbursement Date and continuing until this Note is paid in full. Interest shall be simple (not compounded) and shall be computed on the actual unpaid principal outstanding from day to day.

Default Rate. Any principal or interest not paid when due shall bear interest from the date due until paid at the lesser of (a) **5% per annum** or (b) the maximum rate permitted by applicable law.

Below-market loans. Determine whether the parties, transaction and applicable federal rate bring this arrangement within IRC §7872. Gift, compensation-related and shareholder loans have distinct rules. The $10,000 exceptions consider the total outstanding between the parties and have statutory exclusions, including certain income-producing uses for individual gift loans.

3. Payment at Maturity

Borrower shall pay the **entire outstanding principal balance, together with all accrued and unpaid interest and any other sums owing hereunder, in a single lump-sum payment on May 15, 2027** (the "Maturity Date"). No periodic payments of principal or interest are required prior to the Maturity Date; all interest shall accrue and be payable at maturity together with principal. All payments shall be made in immediately available U.S. funds at Lender's address stated above, or at such other place as Lender may

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designate in writing, and shall be applied first to late charges and costs, then to accrued interest, and then to principal.

Prepayment Without Penalty. Borrower may prepay this Note, in whole or in part, at any time and from time to time, without premium or penalty. Prepayments shall be applied first to accrued interest and then to principal.

4. Late Charges

5. Events of Default

Each of the following constitutes an "Event of Default":

1. Borrower's failure to pay 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 generally 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;

6. Acceleration and Remedies

Upon the occurrence of any Event of Default, Lender may, at its option and without further notice or demand (except as expressly required above), declare the entire unpaid principal balance, all accrued and unpaid interest, and all other sums owing hereunder immediately due and payable. Lender may pursue any and all remedies available at law or in equity, including without limitation commencement of a collection action and entry of judgment against Borrower.

All rights and remedies of Lender are cumulative and may be exercised concurrently or successively.

7. 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 attorneys' fees, court costs, and expenses, whether or not a lawsuit is filed. Under California Civil Code §1717, the attorneys' fee clause herein shall be deemed reciprocal, and the prevailing party in any action

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or proceeding to enforce this Note — whether Lender or Borrower — shall be entitled to recover reasonable attorneys' fees and costs from the non-prevailing party.

8. Servicemembers Civil Relief Act Notice

For a covered obligation incurred before the servicemember entered military service, 50 U.S.C. §3937 limits interest, including covered charges, to 6% during service. For mortgage-type security the protection also covers the following year. Excess interest is forgiven and periodic payments reflect that reduction. Written notice with orders or other qualifying evidence may be given through 180 days after service ends. The statute also provides for creditor verification through the Defense Manpower Data Center and court relief where the legal test is met.

9. Military Lending Act Compliance

Military Lending Act coverage depends on the creditor, the credit and the borrower’s covered status, including qualifying dependents, when the credit is extended. Covered credit requires the separate disclosures, 36% military annual percentage rate calculation and restrictions on terms required by 10 U.S.C. §987 and 32 CFR Part 232. Residential mortgages and certain purchase-money credit secured by the purchased vehicle or personal property have separate exclusions. This note records no representation that disclosures were delivered.

10. Truth in Lending Act Disclosure

If the transaction is consumer credit subject to Regulation Z, identify the applicable creditor, purpose, disclosures and timing before consummation, including any applicable earlier mortgage disclosures. Business or commercial purpose and other exemptions require separate consideration. This note does not supply the required disclosure statement or certify delivery.

11. 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 shall operate as a waiver.

13. General Provisions

Governing Law and Venue. This Note is governed by the laws of the State of CA, without regard to conflict-of-laws principles. Any action to enforce this Note shall be brought exclusively in the state or federal courts sitting in Oakland, CA.

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

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Notices. All notices shall be in writing and delivered by hand, nationally recognized overnight courier, or certified mail (return receipt requested), to the addresses in the preamble.

Severability. If any provision is invalid or unenforceable (including by reason of usury), the remainder shall continue in full force and the offending provision shall be reformed to the minimum extent necessary.

Entire Agreement; Amendment. This Note is the entire agreement regarding the loan and may be amended only by a writing signed by both parties.

Counterparts and Electronic Signatures. This Note may be executed in counterparts and by electronic signature under the ESIGN Act (15 U.S.C. §7001 et seq.).

Signatures

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

Borrower	**Lender**
PRINTED NAME	PRINTED NAME
SIGNATURE	SIGNATURE
DATE	DATE

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