# SECURED PROMISSORY NOTE

**Principal Amount:** $25,000.00 **Effective Date:** May 15, 2026 **Governing State:** FL **Maturity Date:** May 15, 2027 **Secured By:** Personal Property

FOR VALUE RECEIVED, **Morgan Example**, a Individual with an address of 100 Example Lane, FL (the "Borrower," "Maker," or "Debtor"), hereby unconditionally promises to pay to the order of **Taylor Example**, a Individual with an address of 200 Example Lane, FL (together with its successors and assigns, the "Holder," "Lender," or "Secured Party"), the principal sum of **$25,000.00** (twenty-five thousand dollars and 00/100) in lawful currency of the United States, together with interest thereon as provided below. **This Note is SECURED** by the Collateral described in Section 4 below, pursuant to the security provisions of this Note and any separately executed security instrument referenced herein.

## 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 **5% per annum**, computed on an Actual/365 basis, commencing on the Disbursement Date and continuing until paid in full.

**Default Rate.** Any amount not paid when due shall bear interest at the lesser of **5% per annum** or the maximum lawful rate.

**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 principal balance plus all accrued interest in a single lump-sum payment on May 15, 2027** (the "Maturity Date"). Payments shall be made in immediately available U.S. funds at Lender's address above, applied first to late charges and costs, then to accrued interest, then to principal.

**Prepayment Without Penalty.** Borrower may prepay in whole or in part at any time without premium or penalty.


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## 4. Grant of Security Interest; Collateral

As security for the prompt and complete payment and performance of all obligations under this Note, Borrower hereby grants to Lender a continuing security interest in, and a lien upon, the following property, together with all accessions, attachments, replacements, substitutions, products, and proceeds thereof (collectively, the "Collateral"):

Identified workshop machine, serial EX-010

Borrower represents and warrants that (a) Borrower is the sole owner of the Collateral, free and clear of all liens, security interests, encumbrances, and adverse claims, except as disclosed to Lender in writing; (b) Borrower has full right and authority to grant this security interest; (c) no financing statement, lien, or adverse claim covering the Collateral is on file in any public office or registry except in favor of Lender; and (d) the agreed location of the collateral is **Workshop at 100 Example Lane, FL**. Borrower will notify Lender before moving the identified collateral.

Borrower covenants that Borrower shall: (i) maintain the Collateral in good working order and condition (reasonable wear and tear excepted); (ii) keep the Collateral insured against loss, theft, fire, and damage in amounts not less than the replacement cost, with insurers reasonably acceptable to Lender, naming Lender as loss payee and additional insured, and deliver certificates of insurance to Lender upon request; (iii) not sell, lease, transfer, further encumber, or permit any liens to attach to the Collateral without Lender's prior written consent; (iv) pay when due all taxes, assessments, and charges on the Collateral; (v) permit Lender and its representatives to inspect the Collateral at reasonable times; and (vi) execute and deliver such further documents and take such further actions as Lender may reasonably request to perfect, continue, and protect the security interest.

**UCC-1 Filing.** Borrower authorizes Lender to file a Uniform Commercial Code Financing Statement (UCC-1), and any amendments or continuations thereof, with the Secretary of State of **FL** (and any other jurisdiction Lender deems appropriate) describing the Collateral. Following satisfaction, the holder will take the termination step required by applicable filing law. Timing depends on the obligation, collateral, any further advance commitment, and any qualifying debtor demand.

## 5. Events of Default

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

1. Borrower's failure to pay any sum when due and such failure continues for **10 days** after written notice;
2. Borrower's breach of any covenant or agreement relating to the Collateral (including insurance, maintenance, non-transfer, or non-encumbrance);
3. Any representation or warranty proves false or misleading in any material respect;


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4. Death, dissolution, liquidation, or termination of Borrower;
5. Bankruptcy, insolvency, assignment for the benefit of creditors, or appointment of a receiver;
6. Loss, theft, substantial damage, destruction, or impairment of the Collateral;
7. Any attachment, levy, garnishment, or judicial seizure of the Collateral;

## 6. Remedies Upon Default

Upon an Event of Default, Lender may, at its option:

1. Declare the entire unpaid principal, accrued interest, and all other sums immediately due and payable without further demand or notice;
2. Exercise all rights and remedies of a secured party under UCC Article 9, including the right to take possession of the Collateral (with or without judicial process, so long as done without breach of the peace), to require assembly where authorized, and to dispose of collateral only after any required notice to the debtor and other protected parties, using commercially reasonable terms;
3. With respect to real-property Collateral, use only the foreclosure procedure available under the security instrument and the law governing the property in FL, including required notices and protections;
4. Apply the proceeds of any disposition of Collateral first to reasonable expenses of retaking, holding, preparing for sale, selling, and the like (including reasonable attorneys' fees), then to accrued interest, then to principal, with any surplus paid as required by law;
5. Pursue any other remedy available at law or in equity.

Any deficiency may be sought only to the extent permitted by applicable law, after required notices, disposition procedures and accounting. Lender's rights and remedies are cumulative and may be exercised concurrently or successively.

## 7. Collection Costs and Attorneys' Fees

Borrower shall pay all of Lender's costs of collection, enforcement, and realization upon the Collateral, including reasonable attorneys' fees and court costs.

## 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.


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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

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

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 waives presentment, demand, notice of dishonor, protest, and notice of non-payment. No delay or omission by Lender is a waiver.

## 13. General Provisions

**Governing Law; Venue.** Laws of FL; exclusive venue in Tampa, FL.

**Assignment.** Lender may assign freely; Borrower may not assign without Lender's written consent.

**Severability; Entire Agreement; Counterparts; Electronic Signatures.** Standard terms apply. This Note, together with the security instruments referenced herein, is the entire agreement between the parties and may be amended only in a writing signed by both. Executable in counterparts and by electronic signature (ESIGN Act).


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## Signatures

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

| **Borrower / Debtor** | **Lender / Secured Party** |
| --- | --- |
| PRINTED NAME | PRINTED NAME |
| SIGNATURE | SIGNATURE |
| DATE | DATE |



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