PROMISSORY NOTE PLANNING WORKSHEET

Proposed structure: Convertible. **Selected governing law:** TX. **Borrower:** Morgan Example. **Lender or holder:** Taylor Example.

Borrower location: TX. Lender location: TX.

Proposed principal: $25,000.00. Proposed nominal interest: 0%. Check the actual amount received, charges, relevant state connections, payment schedule and any collateral before signing.

Identify the issuer, investment terms, security to be received, conversion trigger and the effect of any cap, discount or change of control. Check current offering and investor documentation.

Texas credit review. Identify the loan purpose, agreement or renewal date, creditor activity and charge basis. Determine the applicable dated ceiling, interest-like value and payment schedule. A written weekly election differs from the ordinary 10% maximum. The 6% provision for no interest agreement begins on the thirtieth day after the amount is due. A November judgment rate does not determine the contract rate. Check §302.102 before collecting a prepayment charge on financing for a Texas residential homestead. For Texas land, identify the separate property instrument and required owners and spouse. Distinguish original purchase money from home equity, improvements and refinancing. Home equity can require a qualified lender, owner and spouse consent, a limit based on appraised value, nonrecourse terms and a court order. This worksheet authorizes no foreclosure.

No promise to pay, acknowledgment of receipt, discharge or lien release is made by this worksheet.

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