

DEMAND PROMISSORY NOTE

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This Demand Promissory Note (this "Note") is made and effective as of [EFFECTIVE DATE] (the "Effective Date") by and between:

[BORROWER LEGAL NAME], [an individual residing at / a [STATE] [ENTITY TYPE] with its principal place of business at] [BORROWER ADDRESS] (the "Borrower"); and

[LENDER LEGAL NAME], [an individual residing at / a [STATE] [ENTITY TYPE] with its principal place of business at] [LENDER ADDRESS] (the "Lender").

Borrower and Lender are each a "Party" and together the "Parties."

Recitals. Lender has agreed to lend, and Borrower has agreed to borrow, the principal sum stated below. Unlike a term note, this Note has **no fixed maturity date**: the entire balance becomes due whenever Lender demands payment. In consideration of the loan and the mutual promises below, the Parties agree as follows.

1. Promise to Pay and Principal

1.1 Promise to pay on demand. For value received, Borrower unconditionally promises to pay to the order of Lender, **ON DEMAND**, the principal sum of [AMOUNT IN WORDS] dollars (\$[AMOUNT]) (the "Principal"), together with all accrued and unpaid interest as provided in Section 2.

1.2 Disbursement and receipt. The Principal will be disbursed to Borrower [in a single advance on the Effective Date / as described in [SCHEDULE/EXHIBIT]]. Borrower acknowledges receipt of the Principal [on the Effective Date / upon disbursement as recorded by Lender].

1.3 Currency, method, and application. All amounts are payable in [CURRENCY, e.g. US dollars] in immediately available funds by [CHECK / ACH / WIRE TRANSFER] to [LENDER PAYMENT INSTRUCTIONS]. Unless applicable law requires otherwise, each payment is applied first to **costs and charges**, then to accrued and unpaid **interest**, and then to outstanding **Principal**.

2. Interest

2.1 Interest rate. The unpaid Principal bears interest at a fixed rate of [NUMBER]% per annum (the "Interest Rate"), computed on the basis of a [365-day / 360-day] year for the actual number of days the Principal remains outstanding, beginning on the Effective Date.

2.2 Interest payments. Until demand is made, Borrower will pay accrued interest [monthly / quarterly / on demand together with Principal], beginning on [FIRST INTEREST PAYMENT DATE, IF ANY]. All accrued and unpaid interest is due with the Principal upon demand.

2.3 Usury savings. Notwithstanding anything to the contrary, interest and charges under this Note will not exceed the maximum amount permitted by applicable law. Any excess will be applied to reduce the Principal or, if

the Principal is paid in full, refunded to Borrower. The Parties intend to comply with all applicable usury and consumer-credit laws, which vary by jurisdiction.

2.4 Default interest. From and after an Event of Default, the unpaid Principal bears interest at the lesser of **[NUMBER]% per annum** or the maximum rate permitted by applicable law, until paid in full.

3. Demand and Repayment

3.1 Payment on demand. The entire unpaid Principal and all accrued interest are due and payable in full **immediately upon written demand** by Lender, which Lender may make at any time and for any reason or no reason, in Lender's sole discretion.

3.2 Form of demand. A demand is effective when delivered in writing to Borrower at the address in this Note (or as updated in writing). Unless the demand states a later date, Borrower will pay the full balance within **[NUMBER, e.g. 5]** days after the demand is delivered, or such other period as applicable law may require.

3.3 No maturity date. This Note has no scheduled maturity date and does not amortize. Borrower's obligation to repay continues until Lender demands payment and Borrower pays in full, or until Borrower voluntarily prepays.

3.4 Prepayment. Borrower may prepay the Principal in whole or in part at any time before demand **[without penalty / subject to [DESCRIBE]]**. Any partial prepayment is applied to the Principal and reduces the amount payable on demand.

3.5 Late charge. If Borrower fails to pay within the period stated in the demand, Borrower will pay a late charge equal to **[the lesser of [NUMBER]% of the overdue amount or \$[AMOUNT]]**, to the extent permitted by applicable law.

4. Limitations Period and No Waiver of Demand Right

4.1 Statute of limitations. The Parties acknowledge that, in many jurisdictions, the limitations period for enforcing a demand note may begin to run from the date of the Note or the date of first demand. **[Confirm the applicable limitations rule with counsel in the governing jurisdiction.]**

4.2 No waiver of demand right. Lender's forbearance from making demand, or its acceptance of interest or partial payments, does not waive, suspend, or impair Lender's right to demand payment in full at any later time.

5. Events of Default

5.1 Events of Default. Each of the following is an "Event of Default": (a) Borrower fails to pay the balance within the time stated in a demand; (b) Borrower fails to pay any scheduled interest when due and does not cure within **[NUMBER]** days after written notice; (c) any representation by Borrower proves materially false when made; or (d) Borrower becomes insolvent, makes an assignment for the benefit of creditors, or becomes the subject of a bankruptcy or similar proceeding.

5.2 Remedies. On an Event of Default, Lender may pursue any remedy available at law or in equity to collect the amounts owed. All of Lender's rights and remedies are cumulative and may be exercised singly or together.

6. Collection Costs and Waivers

6.1 Collection costs. Borrower will pay Lender's reasonable costs of collection, including reasonable attorneys' fees and court costs, to the extent permitted by applicable law, incurred in enforcing this Note after demand or an Event of Default.

6.2 Waiver by Borrower. Because this Note is payable on demand, Borrower waives presentment for payment, notice of dishonor, protest, and notice of protest to the extent permitted by applicable law. No such waiver affects any notice expressly required by this Note or by applicable law.

6.3 No waiver by Lender. Lender's acceptance of a late or partial payment, or its failure to exercise a right, is not a waiver of any default or of Lender's right to require strict performance or to make demand.

7. Representations and Covenants

7.1 Borrower representations. Borrower represents that: (a) it has full power and authority to enter into this Note; (b) this Note is a valid and binding obligation enforceable against Borrower; and (c) it understands the loan is repayable in full whenever Lender demands.

7.2 Affirmative covenants. Borrower will pay all amounts when due or demanded, comply with applicable law, and promptly notify Lender of any event that could become an Event of Default.

7.3 Joint and several liability. If more than one person signs as Borrower, each is jointly and severally liable for the entire amount owed, and Lender may demand payment from and proceed against any one or more of them.

8. General Provisions

8.1 Governing law and venue. This Note is governed by the laws of the State of [STATE], without regard to its conflict-of-laws rules. The Parties submit to the exclusive jurisdiction of the state and federal courts located in [COUNTY, STATE].

8.2 Notices and demands. Notices and demands must be in writing and sent to the addresses above (or as updated in writing) and are effective on receipt or, if sent by a method that confirms delivery, on confirmed delivery.

8.3 Assignment. Lender may assign or transfer this Note, including the right to make demand, without Borrower's consent. Borrower may not assign its obligations without Lender's prior written consent.

8.4 Successors. This Note binds and benefits the Parties and their respective heirs, successors, and permitted assigns.

8.5 Severability and waiver. If any provision is unenforceable, the rest remains in effect. A waiver is effective only if in writing and signed by the waiving Party.

8.6 Entire agreement; amendment. This Note is the entire agreement between the Parties on its subject and supersedes prior discussions. It may be amended only by a writing signed by both Parties.

8.7 Counterparts and electronic signature. This Note may be signed in counterparts and by electronic signature, each of which is an original and all of which together form one instrument.

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

BORROWER	LENDER
Signature: _____	Signature: _____
Printed name: [NAME]	Printed name: [NAME]

Title: **[TITLE OR N/A]**

Title: **[TITLE OR N/A]**

Date: _____

Date: _____

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