

SECURED PROMISSORY NOTE

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This Secured 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. To secure repayment, Borrower has agreed to grant Lender a security interest in the Collateral described in this Note. 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. For value received, Borrower unconditionally promises to pay to the order of Lender the principal sum of [AMOUNT IN WORDS] dollars (\$[AMOUNT]) (the "Principal"), together with interest on the unpaid Principal as provided in Section 2, on the terms set out in this Note.

1.2 Disbursement. 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 and method. All amounts under this Note are payable in [CURRENCY, e.g. US dollars] in immediately available funds by [CHECK / ACH / WIRE TRANSFER] to [LENDER PAYMENT INSTRUCTIONS], or to such other place or account as Lender designates in writing.

1.4 Application of payments. Unless applicable law requires otherwise, each payment will be applied first to accrued and unpaid late charges and costs, then to accrued and unpaid interest, and then to the 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 Usury savings. Notwithstanding anything to the contrary, the interest and charges payable under this Note will not exceed the maximum amount permitted by applicable law. If any amount charged or received would exceed that maximum, the excess will be applied to reduce the Principal or, if the Principal has been paid in full,

refunded to Borrower. The Parties intend to comply with all applicable usury and consumer-credit laws, which vary by jurisdiction.

2.3 Default interest. From and after the occurrence of an Event of Default, the unpaid Principal will bear interest at the lesser of **[NUMBER]% per annum** or the maximum rate permitted by applicable law, until the default is cured or the Note is paid in full.

3. Repayment

3.1 Payment schedule. Borrower will repay the Principal and interest in **[NUMBER]** consecutive **[monthly / quarterly]** installments of **[\$[INSTALLMENT AMOUNT]]** each, beginning on **[FIRST PAYMENT DATE]** and continuing on the **[same day]** of each successive period until the Maturity Date.

3.2 Maturity date. All unpaid Principal, accrued interest, and other amounts due under this Note are due and payable in full on **[MATURITY DATE]** (the "**Maturity Date**"), whether by scheduled payments or otherwise.

3.3 Prepayment. Borrower may prepay the Principal in whole or in part at any time **[without penalty / subject to a prepayment charge of [DESCRIBE]]**. Any partial prepayment will be applied to the Principal and **[will not / will]** reduce the amount of scheduled installments, but **[will / will not]** reduce the number of remaining installments.

3.4 Late charge. If any payment is not received within **[NUMBER, e.g. 10]** days after its due date, Borrower will pay a late charge equal to **[the lesser of [NUMBER]% of the overdue payment or \$[AMOUNT]]**, to the extent permitted by applicable law, to compensate Lender for the cost of handling the delinquency.

4. Security Interest and Collateral

4.1 Grant of security interest. To secure the prompt payment and performance of all obligations under this Note (the "**Obligations**"), Borrower grants Lender a security interest in the following property and all proceeds of it (the "**Collateral**"): **[DESCRIBE COLLATERAL — e.g. the equipment, vehicle, account, or other property, with serial numbers, VIN, account numbers, or other identifying detail]**.

4.2 Perfection. Borrower authorizes Lender to file any financing statements and take any other action reasonably necessary to perfect and maintain Lender's security interest. Borrower will cooperate and execute documents Lender reasonably requests for that purpose. Perfection requirements vary by jurisdiction and Collateral type.

4.3 Maintenance of Collateral. Borrower will keep the Collateral in good condition, will not sell, lease, or encumber it without Lender's prior written consent, and will keep it free of liens other than this Note and any expressly permitted by Lender in writing.

4.4 Insurance. Borrower will keep tangible Collateral insured against loss in an amount not less than its replacement value, with Lender named as loss payee, and will provide proof of insurance on Lender's request.

4.5 Rights on default. On an Event of Default, Lender may exercise all rights and remedies of a secured party under applicable law, including the right to take possession of and dispose of the Collateral and apply the proceeds to the Obligations, all subject to the notice and other requirements of applicable law.

5. Events of Default

5.1 Events of Default. Each of the following is an "**Event of Default**": (a) Borrower fails to pay any amount when due and does not cure within **[NUMBER]** days after written notice; (b) Borrower breaches any other covenant in this Note and does not cure within **[NUMBER]** days after written notice; (c) any representation by Borrower proves materially false when made; (d) loss, sale, or material impairment of the Collateral not promptly remedied;

or (e) Borrower becomes insolvent, makes an assignment for the benefit of creditors, or becomes the subject of a bankruptcy or similar proceeding.

5.2 Acceleration. On an Event of Default, Lender may, by written notice, declare the entire unpaid Principal and accrued interest immediately due and payable, except that the Obligations become automatically due without notice on an insolvency or bankruptcy Event of Default to the extent permitted by law.

5.3 Remedies cumulative. Lender's rights and remedies are cumulative and may be exercised singly or together. No delay or omission in exercising a right is a waiver of it.

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 an Event of Default.

6.2 Waiver by Borrower. To the extent permitted by applicable law, Borrower waives presentment, demand for payment, notice of dishonor, protest, and notice of protest. No such waiver affects any notice or cure right expressly granted in this Note or required 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.

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; (c) it owns the Collateral free of undisclosed liens; and (d) the loan proceeds will be used for **[PURPOSE, e.g. business / personal — note consumer-credit rules differ]**.

7.2 Affirmative covenants. Borrower will pay the Obligations when due, keep accurate records, 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 Obligations, and Lender may 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. Notices 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 and its rights in the Collateral 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, together with any security documents it references, 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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