

## PROMISSORY NOTE AGREEMENT

A promissory note is a legally binding financial document that outlines a borrower's promise to repay a specific sum of money to a lender, typically with a specified interest rate and repayment schedule. It serves as evidence of a debt obligation, detailing terms and conditions of the loan. Promissory notes are commonly used for personal loans, business transactions, real estate deals, and various financial agreements. They provide clarity and legal protection for both parties involved, ensuring repayment terms are understood and enforceable.

Promissory notes are utilized when individuals or entities want a written agreement to formalize a loan or financial transaction. They are especially valuable in cases of significant sums or complex arrangements, helping prevent misunderstandings and disputes by clearly defining repayment terms and consequences of default.

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## PROMISSORY NOTE AGREEMENT

THIS PROMISSORY NOTE (the “*Agreement*”) is made as of \_\_\_\_\_ (the “*Effective Date*”) by and among \_\_\_\_\_ a \_\_\_\_\_ corporation (the “*Company*”), and \_\_\_\_\_ (“*Purchaser*”).

### RECITAL

To provide the Company with additional resources to conduct its business, the Purchaser is willing to loan to the Company in one or more disbursements up to an aggregate amount of \$\_\_\_\_\_, subject to the conditions specified below.

In consideration of the foregoing, and the representations, warranties, covenants and conditions set forth below, the Company and the Purchaser, intending to be legally bound, agree as follows:

### AGREEMENT

#### AMOUNT AND TERMS OF THE LOAN

**The Loan.** Subject to the terms of this Agreement, Purchaser agrees to lend to the Company at the Closing \$\_\_\_\_\_ (“*Loan Amount*”) against the issuance and delivery by the Company of a promissory note for such amount, attached as **EXHIBIT A** (“*Note*”).

#### CLOSING AND DELIVERY

**Closing.** The closing of the sale and purchase of the Notes (the “*Closing*”) will be held on the Effective Date, or at such other time as the Company and Purchasers may mutually agree (such date is referred to as the “*Closing Date*”).

**Delivery.** At the Closing (i) Purchaser will deliver to the Company a check or wire transfer funds in the amount of the Loan Amount; and (ii) the Company will issue and deliver to Purchaser a Note in favor of Purchaser payable in the principal amount of Purchaser’s Loan Amount.

#### REPRESENTATIONS, WARRANTIES THE COMPANY

The Company represents and warrants to each Purchaser as of the Closing as follows:

**Organization, Good Standing and Qualification.** The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of \_\_\_\_\_. The Company has the requisite corporate power to own and operate its properties and assets and to carry on its business as now conducted and as proposed to be conducted. The Company is duly qualified and is authorized to do business and is in good standing as a foreign corporation in all jurisdictions in which the nature of its activities and of its properties (both owned and leased) makes

such qualification necessary, except for those jurisdictions in which failure to do so would not have a material adverse effect on the Company or its business.

**Corporate Power.** The Company has all requisite corporate power to execute and deliver this Agreement, to issue the Note and to carry out and perform its obligations under the terms of the Note.

**Authorization.** All corporate action has been taken on the part of the Company, its directors and its stockholders necessary for the authorization of the Note and the execution, delivery and performance of all obligations of the Company under the Note. The Note, when executed and delivered by the Company, will constitute valid and binding obligations of the Company enforceable in accordance with its terms, subject to laws of general application relating to bankruptcy, insolvency, the relief of debtors.

**Compliance with Laws.** To its knowledge, the Company is not in violation of any applicable statute, rule, regulation, order or restriction of any domestic or foreign government or any instrumentality or agency in respect of the conduct of its business or the ownership of its properties, which violation would materially and adversely affect the business, assets, liabilities, financial condition or operations of the Company.

**Use of Proceeds.** The Company will use the proceeds of the Note for the operations of its business, and not for any personal, family or household purpose.

#### MISCELLANEOUS

**Binding Agreement.** The terms and conditions of this Agreement will inure to the benefit of and be binding upon the respective successors and assigns of the parties. Nothing in this Agreement, expressed or implied, is intended to confer upon any third party any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

**Governing Law.** This Agreement will be governed by and construed under the laws of the State of \_\_\_\_\_ without giving effect to conflicts of laws principles.

**Counterparts.** This Agreement may be executed in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

**Notices.** All notices required or permitted under this Agreement will be in writing and will be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed electronic mail or facsimile if sent during normal business hours of the recipient, if not, then on the next business day, (c) five days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt.

**Modification; Waiver.** No modification or waiver of any provision of this Agreement or consent to departure will be effective only upon the written consent of the Company and Purchaser.

Any provision of the Note may be amended or waived by the written consent of the Company and the Purchaser.

**Delays or Omissions.** It is agreed that no delay or omission to exercise any right, power or remedy accruing to Purchaser, upon any breach or default of the Company under the Note will impair any such right, power or remedy, nor will it be construed to be a waiver of any such breach or default; nor will any waiver of any single breach or default be deemed a waiver of any other breach or default. It is further agreed that any waiver by Purchaser of any breach or default under this Agreement or the Note must be in writing and will be effective only to the extent specifically set forth in writing.

**Entire Agreement.** This Agreement contains the entire agreement of the parties regarding the subject matter and may not be modified or amended, except in writing signed and dated by both parties. Any prior agreements between Consultant and Client concerning the subject matter of this Agreement are superseded by this Agreement, and are void and without force and effect.

[signature page follows]

The parties have executed this **PROMISSORY NOTE AGREEMENT** as of the date first written above.

**COMPANY:**

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**PURCHASER:**

\_\_\_\_\_

Name of Purchaser (Please Print)

\_\_\_\_\_

Signature

\_\_\_\_\_

Title (if applicable)

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**EXHIBIT A**

**PROMISSORY NOTE**

\$ \_\_\_\_\_

Date: \_\_\_\_\_

FOR VALUE RECEIVED, the undersigned \_\_\_\_\_ a \_\_\_\_\_ corporation (“Maker”) promises to pay to the order of \_\_\_\_\_ (“Holder”), the principal amount of \_\_\_\_\_ (\$ \_\_\_\_\_) with interest on unpaid principal at the rate of fifteen percent (\_\_\_\_%) per annum in accordance with the terms below.

Said principal and interest (\$ \_\_\_\_\_) are to be paid in \_\_\_\_ (#) monthly installments of \$ \_\_\_\_\_ with each payment due on the \_\_\_\_ (#) of the month. Payments will be made in accordance with the dates and amounts set forth in Schedule-1.

The principal may be prepaid in whole or in part at any time without penalty; provided, that all interest then due or accrued and unpaid will be paid on the date of prepayment.

If the outstanding principal balance with accrued interest is not paid when due or within the ten (10) day grace period, then interest on the Unpaid Principal Balance will begin to accrue at a rate equal to two percent (2%) per annum above the previously stated rate.

If the outstanding principal balance with accrued interest on this Note is not paid when due and this Note is placed with an attorney for collection, there will be due and payable by the Maker, in addition to the outstanding principal balance and any accrued interest, the reasonable fees and expenses of such attorney and any court costs.

Presentment, demand for payment, protest, notice of protest, notice of dishonor and diligence in bringing suit against any party are waived by all present and future parties. All notices, demands and requests required or permitted to be given under this Note will be in writing and will be delivered in person or by United States mail, or by electronic mail at the addresses set forth above. Any such notices, demands or requests will be deemed received when delivered in person or by electronic mail or three (3) days after mailing.

The provisions of this Note may not be changed, modified or terminated orally, but only by an agreement in writing signed by both the Maker and the holder of this Note, nor will any waiver be applicable except in the specific instance for which it is given.

This Note will be construed and enforced in all respects in accordance with the internal laws of the State of \_\_\_\_\_.

**MAKER:** \_\_\_\_\_

**HOLDER:** \_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

**Schedule A-1**  
**Payment Schedule**