



Demand Promissory Note (Bank as Lender)

Document 2060A

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DEMAND PROMISSORY NOTE

[\$AMOUNT]

[LOCATION OF CLOSING]
[____], 20[__]

FOR VALUE RECEIVED, [NAME OF BORROWER], a [____] corporation (the “**Maker**”) promises to pay to the order of [NAME OF LENDER], a [____] corporation] (the “**Lender**”), the principal sum of \$[____], payable ON WRITTEN DEMAND, together with interest, in arrears, from the date hereof on the unpaid balance from time to time outstanding and on all unpaid installments of interest, whether before or after the maturity of or default under this Note, at a rate equal to [[__]%] [[__]% greater than the floating rate of interest per annum designated from time to time by the Lender as being its “prime rate” of interest per annum (the “**Prime Rate**”). Such interest rate shall be adjusted on the effective date of any change thereof by the Lender.

[All interest payable hereunder shall be computed on the basis of the actual number of days elapsed using a 360-day year and shall be payable in consecutive equal [monthly] [quarterly] installments of \$[__] each, commencing on [DATE] and continuing on the same day of each month thereafter through and including the month of payment of the entire outstanding principal amount of this Note in full and on the date of such payment in full.]

The entire principal balance, together with all unpaid interest, fees, expenses and other charges, if not sooner paid, shall in any event be paid ON WRITTEN DEMAND by the Lender.

All sums payable hereunder are payable in lawful money of the United States of America in immediately available funds at the Lender’s principal place of business, located at [____] or at such other place or places as the Lender, its successors or assigns (the “**Holder**”) may designate in writing.

This Note may be prepaid at any time, in whole or in part, without penalty or premium, upon [__] days’ prior written notice to the Lender of the date and the amount of such prepayment. [Any partial prepayment must be [in the minimum amount of \$[____]] [in whole number multiples of \$[____]].] Any prepayments received under this Note shall be credited to any accrued and unpaid interest and then to principal [in the inverse order of installments due hereunder].

All sums paid under this Note shall be applied first to any interest, fees, expenses and other charges then due and unpaid, in such order as the Holder shall determine, with the remaining balance, if any, to be applied to unpaid principal.

Whenever a day on which payment of interest or principal required to be made hereunder falls on a Saturday, Sunday or public holiday, such payment shall be due on the next following normal business day, and where time is extended for the payment of principal because the due date thereof falls on a Saturday, Sunday or public holiday, such extended time shall be included in the computation of interest.

The Holder may assign, transfer or negotiate this Note, and in such event all the provisions of this Note shall inure to the benefit of and may be exercised by or on behalf of the successor Holder, and all payments of principal and of interest due and to become due under this Note shall not thereafter be subject to any defense, counterclaim or set-off which the Maker may have against any prior Holder.

UPON WRITTEN DEMAND, all principal and interest then due under this Note shall become immediately due and payable without notice of any kind and the Holder shall have and may exercise from time to time all rights and remedies available at law or in equity. The Holder's failure to exercise such option shall not constitute a waiver of the right to exercise it at any other time. Irrespective of the exercise or non-exercise of the foregoing option, if any payment of principal or interest is not paid in full within [ten] days after the same is due, the Maker shall pay to the Lender a late fee on such unpaid amount equal to []% of such late payment.

No renewal or extension granted, or any indulgence shown to, or any release of, or any dealings between the Holder and any other person or entity now or hereafter interested in this Note, whether as owner, encumbrancer, guarantor, or otherwise, shall discharge, extend or in any way affect the obligations of the Maker hereunder.

The Maker will pay the legal and other fees and expenses of the Holder reasonably incurred in connection with or incidental to (a) the negotiation, closing and administration of the loan evidenced by this Note and (b) the enforcement of any of the obligations of the Maker or rights of the Holder under this Note or any other agreement, document or instrument now or hereafter executed in connection herewith, by litigation or otherwise, and all such fees and expenses shall be indebtedness under this Note.

All provisions of this Note are expressly subject to the condition that in no event, whether by reason of acceleration of maturity of the indebtedness evidenced hereby or otherwise, shall the amount paid or agreed to be paid to the Lender hereunder and deemed interest under applicable law exceed the maximum rate of interest (the "**Maximum Allowable Rate**") on the unpaid principal balance of this Note allowed by applicable law, as amended from time to time. In the event that fulfillment of any provision of this Note results in the interest rate hereunder being in excess of the Maximum Allowable Rate, the obligation to be fulfilled shall automatically be reduced to eliminate such excess. If, notwithstanding the foregoing, the Holder receives an amount which under applicable law would cause the interest rate hereunder to exceed the Maximum Allowable Rate, the portion thereof which would be excessive shall automatically be applied to and deemed a prepayment of the unpaid principal balance of this Note and not a payment of interest.

[This Note is secured by the Security Agreement.]

This Note may not be modified or terminated orally.

The Maker expressly waives presentment, demand for payment (except as expressly provided for above), protest and notice of non-payment. If this Note is signed by more than one Maker, all obligations of the Maker are their joint and several obligations, and all references to the Maker shall be deemed to refer to each of them, either of them, and all of them.

This Note has been executed and delivered in [LOCATION OF CLOSING] and for all purposes shall be enforced and construed in accordance with the local laws of the [CHOICE OF LAW], without regard to such state's conflict of laws principles.

[NAME OF BORROWER]

By: _____

Name:

Title:

WITNESS:
