

PAYMENT AGREEMENT **SAMPLE**

I. THE PARTIES. This Payment (Installment) Agreement ("Agreement") dated **February 15th, 2020** is by and between:

Creditor: **Jason Freeman** with a mailing address of **500 S Main Street, Los Angeles, CA 90013** ("Creditor"), and

Debtor: **Jon Smith** with a mailing address of **900 Wilshire Blvd, Santa Monica, CA 90401** ("Debtor").

HEREINAFTER, the Debtor and Creditor ("Parties") agrees to the following:

II. BALANCE. At the time of this Agreement, the Debtor owes the Creditor the amount of **Ten-Thousand Dollars (\$10,000.00)** ("Current Balance") for: (check one)

☒ - an Outstanding Balance.

☐ - Property described as: _____.

☐ - Service described as: _____.

☐ - Other: _____.

III. DISCOUNTED BALANCE. In consideration of the Debtor's faith to repay the Current Balance in this Agreement, the Creditor agrees to: (check one)

☐ - No Discounted Balance. The Debtor shall pay the full Current Balance ("Amount Owed").

☒ - A Discounted Balance. The Debtor shall only be obligated to pay the discounted amount of **Nine-Thousand Dollars (\$9,000.00)** ("Amount Owed"). If the Debtor shall default under any of the terms of this Agreement, the Debtor shall owe the Creditor the Current Balance in addition to other penalties, fees, and any accumulated interest.

IV. REPAYMENT PLAN. To satisfy the Amount Owed, the Debtor agrees to repay the Creditor under the following terms:

a.) Down-Payment. The Debtor shall pay: (check one)

☒ - Down-Payment of **\$1,500.00**.

☐ - No Down-Payment.

b.) Interest Rate. The Amount Owed shall: (check one)

☐ - Bear interest at a rate of _____ percent (____%) compounded annually. The rate must be equal to or less than the usury rate in the State of the Borrower.

☒ - Not bear interest.

c.) Repayment Period. The Debtor shall re-pay the Creditor on a: (check one)

☐ - Weekly basis beginning on _____, 20____, in the amount of \$_____ to be paid every seven (7) days ending on _____, 20____ or when the Amount Owed is paid-in-full.

☐ - Bi-Weekly basis beginning on _____, 20____, in the amount of \$_____ to be paid every fourteen (14) days ending on _____, 20____ or when the Amount Owed is paid-in-full.

☒ - Monthly basis beginning on **March 1st, 2020**, in the amount of **\$1,000.00** to be paid on the **1st** of every month ending on **November 1st, 2020** or when the Amount Owed is paid-in-full.

☐ - Other. _____.

d.) Payment Instructions. The Debtor is required to pay the Creditor under the following instructions: **The Debtor shall pay through an ACH directly to the Creditor's bank account.**

V. LATE PAYMENT. Any partial or late payment under this Agreement shall: (check one)

☒ - Not be allowed and consider the Debtor in default.

☐ - Allow the Debtor to make payment within ____ days provided the Debtor pays a late fee of: _____ ("Extension Period").
If payment is not made within the Extension Period, this Agreement shall be in default.

VI. PREPAYMENT: The Debtor may: (check one)

☒ - Pre-pay the Amount Owed without penalty.

☐ - Not prepay the Amount Owed. If the Debtor decides to prepay the Amount Owed, the Debtor shall pay the penalty of: _____.

VII. DEFAULT. If for any reason the Debtor should not oblige to any section or portion of this Agreement, the Debtor shall be considered in default. Under such event, the remaining balance of the Amount Owed shall be due within five (5) business days with the Debtor liable to pay all reasonable attorney's fees and costs of collection of the Creditor. In addition, the Creditor may reclaim any property or goods in connection with the Amount Owed, hold and dispose of same, and collect expenses, together with any deficiency due from the Debtor, subject to the Debtor's right to redeem said items pursuant to law.

VIII. GOVERNING LAW. This Agreement shall be governed by, and construed in accordance with, the laws of the State of **California** ("Governing Law").

IX. SEVERABILITY: The unenforceability or invalidity of any clause in this Agreement shall not have an impact on the enforceability or validity of any other clause. Any unenforceable or invalid clause shall be regarded as removed from this Agreement to the extent of its unenforceability and invalidity. Therefore, this Agreement shall be interpreted and enforced as if it did not contain the said clause to the extent of its unenforceability and invalidity.

X. ADDITIONAL TERMS & CONDITIONS. N/A

XI. ENTIRE AGREEMENT. This Agreement contains all the terms agreed to by the Debtor and Creditor relating to its subject matter, including any attachments or addendums. This Agreement replaces all previous discussions, understandings, and oral agreements.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the undersigned dates written below.

Debtor's Signature:  Date: February 22nd, 2020

Print: Jon Smith

Creditor's Signature:  Date: February 18th, 2020

Print: Jason Freeman