

## Collateral Monthly Payment Note

\$\_\_\_\_\_ No. \_\_\_\_\_  
\_\_\_\_\_ [Date]

For value received, the undersigned jointly and severally promise to pay to the order of \_\_\_\_\_ National Bank (the "bank"), at its above office, the sum of \$\_\_\_\_\_ in \_\_\_\_\_ consecutive monthly installments of \$\_\_\_\_\_ each, and one last installment of \$\_\_\_\_\_, the first installment to become due and payable on \_\_\_\_\_ [Date], and the other installments to become due and payable on the \_\_\_\_\_ day of each succeeding month until this note is fully paid, with interest on the unpaid balance after maturity at the highest lawful rate. The face amount of this note includes interest at the rate of \_\_\_\_\_ percent per year which the undersigned agree to pay.

If the holder of this note deems itself insecure or its prospects for payment impaired or if any installment of this note is not paid when due, the entire unpaid balance here shall become immediately due and payable at the election of the holder of this note. If any installment is not paid within \_\_\_\_\_ days after it becomes due, the undersigned agree to pay a default charge in the amount of \$\_\_\_\_\_ or \_\_\_\_\_ percent of the unpaid installment, whichever is less.

If this note is referred to an attorney for collection the parties liable here agree to pay a reasonable attorney's fee of \_\_\_\_\_ percent of the outstanding balance of this note in addition to all other sums owed here.

To secure the payment of this note and of all other liabilities as subsequently defined, the undersigned pledge to the bank and grant the bank a security interest under the [state] Uniform Commercial Code in the following property (the "collateral"): \_\_\_\_\_.

If there is any default in the payment of any installment on this note, the holder of this note may take and apply to this note any sums that the undersigned have on deposit with the holder of this note.

It is agreed that upon the nonpayment of this note or of any other of the liabilities, the bank shall have all of the rights and remedies of a secured party under the [state] Uniform Commercial Code and may sell the collateral at public or private sale for cash or on credit, as a whole or in parcels, and the bank may at any such sale purchase the same or any part of it for its own account, and after deducting all costs of sale the balance of the proceeds shall be applied first to this note, and the surplus, if any, to any other of the liabilities as subsequently defined, such application to be made in such manner and proportions as the bank may see fit. Upon the discharge of this note the bank may deliver the collateral to the undersigned, or order, but shall have the right to retain the same to secure any other liabilities as subsequently defined. It is also agreed that any collateral which may be added to or substituted for the collateral shall be held by the bank subject to the terms and conditions set forth above. The term "liabilities" shall include any and all debts, notes, obligations and liabilities of every kind of any party to this note, whether maker, surety, endorser or guarantor, to the bank, now or subsequently existing. All parties to this note, whether principals, sureties, endorsers, guarantors, or other parties, waive presentment, protest, and demand, notice of protest, demand, and dishonor, and agree that any extension of time for the payment of this note shall not affect the liability of such parties, and all notice of such extension is waived.

In witness, etc.

I acknowledge receipt of a copy of the disclosure statement relating to this loan.

Accepted:  
\_\_\_\_\_ National Bank  
By: \_\_\_\_\_

\_\_\_\_\_(Seal)  
\_\_\_\_\_(Seal)  
\_\_\_\_\_(Seal)