

*The Council of Michigan Foundations is pleased to facilitate the provision of this model document. However, it is for educational purposes only, and you should consult your own professional advisors.*

**PROMISSORY NOTE**

AMOUNT \_\_\_\_\_, Michigan  
\_\_\_\_\_, 20\_\_

FOR VALUE RECEIVED, the undersigned \_\_\_\_\_  
\_\_\_\_\_ (“Maker”) promises to pay to the other of \_\_\_\_\_  
\_\_\_\_\_ (“Payee”) the sum of \_\_\_\_\_

(\$ \_\_\_\_\_) Dollars, together with interest on the unpaid balance at the rate of \_\_\_\_\_  
( \_\_\_\_\_ %) Percent per annum.

Principal and interest shall be paid in U.S. legal tender at the officer of Payee at \_\_\_\_\_  
\_\_\_\_\_ or at such other place as the holder hereof directs in writing. Principal and interest shall be paid as follows:

\_\_\_\_\_

All payments required to be made hereunder shall be applied first, to late charges due hereunder, second, to default interest due hereunder, third, to interest due; and last, to principal.

This Note is secured by a first mortgage covering real estate in the State of Michigan and is subject to the terms and conditions of such mortgage which is made a part hereof by reference (the “Mortgage”).

This Note is secured by a Security Agreement covering Collateral as defined therein and is subject to the terms and conditions of such Security Agreement which is made a part hereof by reference (the “Security Agreement”).

If default be made in the payment of any amount due hereunder, or if default shall occur under the Mortgage/Security Agreement, then the entire indebtedness evidenced hereby, together with any accrued interest, shall be accelerated without further notice, every person at any time liable for the payment of the debt evidenced hereby waives presentment for payment and notice of nonpayment of this note, and consents that the holder may extend the time of payment of any part or the whole of the debt at any time at the request of any other person liable. In the event of a default, the rate of interest from the date of default until the principal amount is fully paid, shall be \_\_\_\_\_ ( \_\_\_\_\_ %) Percent per annum. All costs and expenses of collection, including reasonable attorneys fees, shall be added to and become a part of the total indebtedness. In the event of any such default, the failure of the holder hereof promptly to exercise any of his rights hereunder shall not constitute a waiver of such rights in connection with any future default on the part of the undersigned.

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If the full payment due hereunder is not received by Payee on or before \_\_\_\_\_, 20\_\_\_\_, then Maker shall become immediately liable to Payee for all costs and fees, including reasonable attorney fees, whatsoever incurred by Payee thereafter to enforce its rights hereunder.

This Note may be prepaid, in whole or in part, as any time, without penalty or premium.

Notwithstanding any provision hereof, it is not intended by this Note to impose upon the Maker any obligation to pay interest in excess of the maximum rate of interest permitted by law, and any interest which so exceeds such maximum rate of interest shall automatically be applied in reduction of principal due on this Note to the extent of such excess.

Any maker signing this Note shall be jointly and severally liable for the amounts due hereunder with any other maker signing the Note.

This Note and the liability of all parties hereunder shall be governed by the laws of the State of Michigan, where this Note has been delivered for value.

SIGNED:

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