

SAMPLE

Mortgage Note

This Mortgage Note is made on **(DATE)**
BETWEEN the Borrower(s)

FERRET, INC.
whose address is 362 Central Avenue, North Caldwell, New Jersey 07006

referred to as "I"
AND the Lender

(LENDER'S NAME), whose address is **(LENDER'S ADDRESS)**

referred to as the "Lender."

If more than one Borrower signs this Note, the word "I" shall mean each Borrower named above. The word "Lender" means the original Lender and anyone else who takes this Note by transfer.

1. Borrower's Promise to Pay Principal and Interest. In return for a loan that I received, I promise to pay **\$(LOAN AMOUNT)** (called "principal"), plus interest to the order of the Lender. Interest, at a yearly rate of 12%, will be charged on that part of the principal which has not been paid from the date of this Note until all principal has been paid.

2. Payments.

SIMPLE INTEREST WILL BE PAID EVERY SIX (6) MONTHS AFTER THE DATE OF THIS MORTGAGE.

ALL PRINCIPAL AND ANY UNPAID EARNED INTEREST WILL BE PAID AT THE TIME TITLE TO THE PROPERTY IS TRANSFERRED TO A THRID PARTY.

THE MINIMUM INTEREST TO BE PAID TO THE BORROWER WILL BE **\$(MINIMUM INTEREST PAYABLE)**, REPRESENTING THREE (3) MONTHS OF INTEREST, REGARDLESS OF WHEN FULL PAYMENT IS RECEIVED.

BORROWER HAS THE RIGHT TO PREPAY ALL SUMS DUE WITHOUT PENALTY PRIOR TO THE MATURITY DATE.

I will pay all amounts owed under this Note no later than (ONE YEAR FROM DATE OF INCEPTION).

All payments will be made to the Lender at the address shown above or to a different place upon receipt of written notice from the Lender.

3. Early Payments. I have the right to make payments at any time before they are due. These early payments will mean that this Note will be paid in less time. However, unless I pay this Note in full, my monthly payments will remain the same.

4. Late Charge for Overdue Payments. If the Lender has not received any payment within 10 days after its due date, I will pay the Lender a late charge of 5 % of the payment. This charge will be paid with the late payment.

5. Mortgage to Secure Payment. The Lender has been given a Mortgage dated, to protect the Lender if the promises made in this Note are not kept. I agree to keep all promises made in the Mortgage covering property I own located at **(PROPERTY ADDRESS)**. All terms of the Mortgage are made part of this Note.

6. Default. If I fail to make any payment required by this Note within 30 days after its due date, or if I fail to keep any other promise I make in this Note or in the Mortgage, the Lender may declare that I am in default on the Mortgage and this Note. Upon default, I must immediately pay the full amount of all unpaid principal, interest,