

## UNSECURED PROMISSORY NOTE

("Note")

\$5,000

San Diego, California

November 1, 2013

FOR VALUE RECENED, First Unitarian Universalist Church of San Diego, a California religious corporation ("Borrower") promises to pay to the order of John and Mary Doe ("Lender"), at 1234 Main St., San Diego, CA 92100-0000 or such other place as Lender may designate from time to time by written notice to Borrower, in lawful money of the United States, the principal amount of Five Thousand and no/100 Dollars ("Principal Amount"), plus interest as set forth below.

1. Interest. The Principal Amount shall bear interest from the date disbursed until such time as the Note has been paid in full. The interest rate is Three percent (2.00%) per annum.

INTEREST CALCULATION METHOD. Interest on this loan Is computed on a 365/365 simple interest basis: that is, by applying the ratio of the interest rate over the number of days in a year, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All Interest payable under this loan is computed using this method.

2. Payments. Accrued interest shall be paid semi-annually, the payment of which shall be due on December 15 and June 15 or the next business day. The Principal Amount is due and payable on the Maturity Date (defined below).

3. Term and Maturity Date. The term of this Note is two (2) years. The Maturity Date is November 1, 2015.

4. Prepayment. Borrower may prepay this Note in whole or in part at any time without penalty.

5. Payments. Any and all payments received by Lender from Borrower shall be credited first to accrued interest and then to principal. All payments shall be made in lawful money of the United States, without offset, deduction, or counterclaim of any kind.

6. Waivers. No delay or omission by Lender in exercising any right or remedy under this Note shall operate as a waiver of the future exercise of that right or remedy or of any other rights or remedies under this Note.

7. Attorneys' Fees. If either party commences an action for breach of this Note, collection of the amount due hereunder, or in connection with a dispute regarding this Note, the prevailing party shall be entitled to a judgment against the other for an amount equal to

reasonable attorneys' fees and court and other costs incurred.

8. Usury. Borrower and Lender intend to comply with all applicable usury laws. In fulfilling this intention, all agreements between Borrower and Lender are expressly limited so that the amount of interest paid or agreed to be paid to Lender for the use, forbearance, or detention of money under this Note shall not exceed the maximum amount permissible under applicable law. If for any reason payment of any amount required under this Note shall be prohibited by law, the obligation shall be reduced to the maximum allowed by law. If for any reason Lender receives as interest an amount that would exceed the highest lawful rate, the amount that would be excessive interest shall be applied to the reduction of the principal of this Note and not to the payment of interest. If any conflict arises between this provision and any provision of any other agreement between Borrower and Lender, this provision shall control.

9. Amendment. This Note may not be amended, altered or modified except in writing signed by the Borrower and Lender.

10. Entire Agreement. This Note constitutes the entire agreement between the parties pertaining to the subject matter contained in it and supersedes all prior and contemporaneous agreements, representations, communications and understandings of the parties.

11. Transferability. This Note is non-transferable by either party.

12. Security / Collateral. This Note is unsecured.

13. Severability. It is intended that each provision of this Note shall be viewed as separate and divisible, and in the event that any provision shall be held to be invalid, illegal or unenforceable, this Note and the remaining provisions hereof shall continue in full force and effect.

14. Applicable Law. This Note shall be governed and construed in accordance with the laws of the state of California.

15. No Partnership or Joint Venture. The Lender shall in no event be construed or held to be a partner or joint venturer of Borrower, and nothing herein shall be construed to establish such relationship, but the relationship is and shall at all times be that of a creditor and debtor.

LENDER: \_\_\_\_\_  
John Doe

\_\_\_\_\_  
Date

\_\_\_\_\_  
Mary Doe

\_\_\_\_\_  
Date

BORROWER: First Unitarian Universalist Church of San Diego, a California religious corporation

By: \_\_\_\_\_  
Robie Evans, Director of Operations

\_\_\_\_\_  
Date

SAMPLE