

Promissory Note

\$ _____, 20__

FOR VALUE RECEIVED, _____ promises to pay to _____, his heirs, successors and assigns, the principal sum of _____ (\$_____), together with interest from the date hereof on the unpaid balance at the initial rate of _____% per annum ("Initial Interest Rate"), principal and interest shall be payable in equal monthly installments of \$_____ each, beginning on _____, 20__, and continuing on the ___th day of each and every month thereafter until _____, 20__, and continuing on the ___th day of each and every month thereafter, in equal monthly installments of principal and interest determined in accordance with the terms of this Note until the principal and interest thereon shall have been fully paid, the entire unpaid balance of principal and interest to be due and payable _____, 20__. Each monthly installment payment shall be applied first to the payment of interest on the principal unpaid and the balance to the payment of principal. Each year, on the ___th day of _____, beginning on _____, 20__, Initial Interest Rate shall be modified (but may not ever be less than _____%, the "Minimum Interest Rate," or more than _____%, the "Maximum Interest Rate") to the amount of the arithmetic mean of the prime rate of interest reported in *The Wall Street Journal* for _____ of each such year (or if _____ is a Saturday, Sunday or holiday, the prime rate of interest reported for the next day that is not a Saturday, Sunday or holiday).

The modified interest rate, the Minimum Interest Rate, or the Maximum Interest Rate, whichever shall be applicable, shall be the interest rate of this Note for the next 12-month period beginning on each such date during the term of this Note commencing _____, 20__.

No change in the interest rate shall be made during the period beginning _____, 20__ and ending _____, 20__.

When there is a change in the interest rate, the amount of each monthly installment payable shall be increased or decreased to an amount which, when paid in equal monthly installments of principal and interest, will be sufficient to amortize the then unpaid principal together with interest thereon at the changed rate over the unexpired term of the Note. The term of this Note shall be 10 years payable in 120 monthly installments, determined in accordance with the terms of this Note. The first installment shall be due _____, 20__, and the last installment shall be due _____, 20__. Notice of any change in interest rate and the amount of the monthly installment shall be given by the holders of this Note and shall be deemed made when deposited in the United States mail, postage prepaid addressed to _____, _____ of each year commencing on _____, 20__.

In the event *The Wall Street Journal* shall cease as a daily newspaper publication or discontinue reporting the prime rate of interest, the Initial Interest Rate shall be modified to the amount of the prime rate of interest charged by _____ (or its successors