

Some Cameron Law clients need to buy a vehicle from a friend or relative before or during a bankruptcy. It is important that they don't just borrow the money for a vehicle because then they would own the vehicle outright and have an unsecured loan. If the vehicle is worth more than \$1,500 it could be taken by the Trustee. If the loan is secured by a lien and if the amount owed on the vehicle was subtracted from the value of the vehicle with the resulting amount being \$1,500 or less, then the vehicle will probably be exempt in North Carolina.

Please understand that this is not legal advice, and use of this document or this information does not constitute an attorney-client relationship. Each case is different, and Cameron Law strongly advises you to consult with a competent attorney before undertaking any action that may have legal consequences.

Cameron law can be found on the web at <http://www.NC-Bankruptcy.com> and can be contacted at (919) 627-7748.

## PROMISSORY NOTE

Borrower: \_\_\_\_\_ of (address): \_\_\_\_\_

Borrower: \_\_\_\_\_ of (address): \_\_\_\_\_

Lender: \_\_\_\_\_

Principal Amount: \$ \_\_\_\_\_

- 1) FOR VALUE RECEIVED, Borrower(s) \_\_\_\_\_ promises to pay to Lender \_\_\_\_\_ at such address as may be provided in writing to Borrower(s) \_\_\_\_\_, the principal sum of \_\_\_\_\_ ( \$ \_\_\_\_\_ ) USD, with interest payable on the unpaid principal at the rate of \_\_\_\_\_ percent per annum, calculated \_\_\_\_\_.
- 2) This Note will be repaid in \_\_\_\_\_ equal consecutive monthly installments of principal and interest on the \_\_\_\_\_ day of each month commencing the month following execution of this Note with the balance owing under this Note being paid at the end of its term.
- 3) At any time while not in default under this Note, Borrower(s) \_\_\_\_\_ may pay the outstanding balance then owing under this Note to Lender \_\_\_\_\_ without further bonus or penalty.
- 4) Notwithstanding anything to the contrary in this Note, if Borrower(s) \_\_\_\_\_ default in the performance of any obligation under this Note, then Lender \_\_\_\_\_ may declare the principal amount owing under this Note at that time to be immediately due and payable.
- 5) If Borrower(s) \_\_\_\_\_ default in payment as required under this Note or after demand for ten (10) days, the Security will be immediately provided to Lender \_\_\_\_\_ and Lender \_\_\_\_\_ is granted all rights of repossession as a secured party.
- 6) This Note will be construed in accordance with and governed by the laws of the State of North Carolina.
- 7) All costs, expenses and expenditures including, and without limitation, the complete legal costs incurred by Lender \_\_\_\_\_ in enforcing this Note as a result of any default by Borrower(s) \_\_\_\_\_, will be added to the principal then outstanding and will immediately be paid by Borrower(s) \_\_\_\_\_.
- 8) This Note will endure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and assigns of Borrower(s) \_\_\_\_\_ and Lender \_\_\_\_\_. Borrower(s) \_\_\_\_\_ waive presentment for payment, notice of non-payment, protest and notice of protest.
- 9) Additional Clause:

10) This Note is given to secure the payment of the purchase price of the following vehicle (the 'Security'):

Make:

Model:

Year:

VIN:

11) Title to the Security will be transferred to Borrower(s) \_\_\_\_\_ at execution of this Note.

**12) Lender \_\_\_\_\_ will retain a vendors' lien in the Security and Borrower(s) \_\_\_\_\_ grants to Lender \_\_\_\_\_ a security interest in the Security until this Note is paid in full. Lender \_\_\_\_\_ will be listed as a lender on the title of the Security whether or not Lender \_\_\_\_\_ elects to perfect a seller's security interest in the Security.**

13) Users of this form agree to hold Cameron Law non-labile for its use.

14) Cameron Law always advises to consult an attorney for all legal matters.

15) Use of this form does not create an attorney-client relationship with Cameron Law.

IN WITNESS WHEREOF Borrower(s) \_\_\_\_\_ duly affixed their signatures under seal on this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

<p>SIGNED UNDER OATH this                  _____ day of _____, _____</p>       <p>_____                  A NOTARY PUBLIC IN AND FOR                  The State of North Carolina                  County of _____</p>	<p>Borrower _____</p>       <p>Second Borrower _____</p>
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