

Information & Instructions: Promissory Note Long Form All Inclusive

PREVIEW

1. The form that follows is a Promissory Note. The Note provides for:
 - a. The terms and conditions of payment, including the date that payments commence, the number of installments, and the monthly amount of the installment.
 - b. Prepay of all or part of the principal due without any penalty.
 - c. Subjection of the sale of the real property to payment of a prior outstanding real estate Note made by holder in favor of the person or parties set forth in the Note for the amount stated.

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Payment by the maker of all monies owed on the land including the Notes referred to in Item 3, the maker is required to comply with the terms and conditions of the Promissory Notes.

- e. The consequences of failure of the maker to make the required payments referred to in Item 3.

- f. Obligation of the holder to furnish a full release of the Liens securing this Note after the Notes are discharged.

- g. The monies owed by the maker in the event that the maker defaults on payment and collection procedures are initiated.

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h. Acceleration by the holder of the unpaid principal and interest accrued as of the date of the default.

- i. Acknowledgment that the Promissory Note is secured by a Deed of Trust in addition to the Deed of Trust referred to in Item 3.

- j. Credit of excess interest to payments so as to avoid usury in the event the Note does not comply with the maximum rate of interest allowed by law.

- k. Protection of the maker from personal liability.

- l. The place where the Promissory Note is payable.

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PREVIEW
ALL-INCLUSIVE PROMISSORY NOTE

[Date]

FOR VALUABLE CONSIDERATION, [name] ("Maker") hereby promises to pay to [name] ("Holder"), in lawful money of the United States of America, the sum of \$[Amount] with interest on the unpaid balance from [date] at the rate of _____ percent (____%) per annum.

1. This Note shall be payable to Holder's Agent [name].

2. Maker shall have the right to prepay all or any portion of the principal due under this Note at any time without penalty.

3. Notice: The total principal amount of this Note represents the entire deferred consideration for the purchase of the property described below, but the conveyance of the property is made subject to the Liens described below securing the present unpaid balance owing on the following Promissory Note ("Included Promissory Note"): One certain Promissory Note dated _____, in the original principal amount of \$[Amount], executed by [name of borrower], payable to the order of [name of lender], in the manner therein set out, payment of which is secured by Deed of Trust of even date therewith, to [name of trustee], Trustee, recorded under County Clerk's File No. _____, and refiled under County Clerk's File No. _____, of the Official Public Records of Real Property of [Name of County] County, Texas, ("Included Deed of Trust") and being additionally secured by the Vendor's Lien retained in the Deed of even date from [name of lender] to [name of borrower], recorded under County Clerk's File No. _____ and refiled under No. _____ of the Official Public Records of Real Property of [Name of County] County, Texas,

(a) It is agreed that Maker will make all payments due under this Note for the account of Holder to [name], [title] as Holder's Agent, and Agent shall make all the payments of principal and interest required to be made pursuant to the terms of the Included Promissory Note, except as otherwise provided in this Note.

(b) The Agent shall hereafter pay each obligatory installment of principal and interest due on the Included Promissory Note no less than seven (7) days prior to the date each such installment is actually due as provided in the Included Promissory Note. On the date of each payment, by depositing it in the United States Mail, postage prepaid, addressed to Maker at [address] Agent shall submit to the Maker of this Note evidence of payment of each such installment so paid on the Included Promissory Note.

(c) If Agent fails to provide such evidence of payment or if the payments have not been paid as above, or if any default should occur under the terms of the Included Promissory Note, or the Deed of Trust securing the Included Promissory Note, the Maker of this Note shall have the right to pay sum to the Holder of the included Promissory Note within 30 days payment to cure any default under the Included Promissory Note. The amount of any such payment made by

the Maker, together with interest at _____ percent (____%) per annum from date paid, shall be credited to the payment. The request need not be made under this Note.

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(d) After payment of all sums due on the Included Promissory Note, Agent shall pay to the Holder of this Note any sums remaining in Holder's account to be maintained for receipt of all sums due under this Note.

4. It is further understood and agreed that in the event and by whatever manner the obligation of the Maker of this Note shall be discharged, Payee shall be obligated to furnish a full release of all the Liens securing the Included Promissory Note, together with a release of the Liens securing this Note.

5. Maker shall have the right to obtain partial releases of the Liens securing this Note in accordance with the provisions of a separate Partial Release Agreement of Vendor to be made herewith, a copy of which is attached to this Note, marked Exhibit "B" and made a part of this Note for all purposes.

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6. If default is made on this Note and if the Note is placed in the hands of an attorney for collection, or if the Note is collected by suit or through the Probate or Bankruptcy Court, or if any action of foreclosure is had pursuant to this Note, _____% shall be added to the principal and interest of this Note still unpaid as attorney's or collection fees. All makers, sureties, and endorsers waive grace, protest, notice, demand, diligence, presentation, and time of commencement of suit, and consent that additional security may be taken for this Note and/or the time of payment of this Note may be extended without notice and without releasing the liability of any maker, surety, or endorser.

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7. Failure to pay any portion of the principal or accrued interest on this Note as it becomes due according to its terms, or failure to carry out any of the undertakings agreed to be done by the Maker or Makers of this Note in any instrument or instruments recited to have been given as security for the payment of this Note, shall, at the option of the Holder or Holders of this Note, mature all of the unpaid portion of the principal and accrued interest due on this Note at that time; provided, however, that in the event of any foreclosure under this Note, Holder shall have the option to foreclose subject to the unpaid balance of the Included Promissory Note, in which event the then unpaid balance of that Note shall be credited to the then unpaid balance of this Note. Alternatively, Noteholder may elect to foreclose and sell the property at foreclosure sale free and clear of the Liens securing the Included Promissory Note, in which event the proceeds of any such sale shall be applied first to pay the balance due on the Included Promissory Note, and any proceeds of the sale shall be credited against any amount due by reason of this Promissory Note.

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8. This Note is secured by the accompanying Deed of Trust to [name], Trustee, all the terms, covenants, and conditions of which are incorporated herein by reference as if set forth in full, and by Vendor's Lien on the property, together with all improvements thereon.

9. No provision of this Note shall require or permit the collection from the Maker of interest in excess of the maximum rate or amount that Maker could be required or permitted to pay

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pursuant to applicable law and be prevented from asserting successfully the claim or defense of usury. Any such excess interest shall be credited toward principal payments in inverse order of their maturity.

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10. Maker shall have no personal liability for the payment of any sums due under this Note, and the Holder agrees to look only to the security property for the payment of any and all sums due under this Note.

11. This Note shall be payable at _____, [Name of County] County, Texas.

MAKER
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