

PROMISSORY NOTE

\_\_\_\_\_ , \_\_\_\_\_

Maker: American Exchange Loans, LLC  
807 Amboy Ave.  
Perth Amboy, NJ 08861

Payee: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

FOR VALUE RECEIVED, American Exchange Loans, LLC, a New Jersey limited liability company (“Maker”), promises to pay to \_\_\_\_\_ (“Payee”), in lawful money of the United States of America, the principal sum of \_\_\_\_\_ (\$ \_\_\_\_\_), together with interest on the unpaid principal balance at an annual rate equal to \_\_\_\_\_ percent (\_\_\_\_%), in the manner provided below. Interest shall be calculated on the basis of a year of 365 or 366 days, as applicable, and charged for the actual number of days elapsed. The initial term of this loan is for \_\_\_\_\_ (\_\_\_\_) year (s).

1. PAYMENTS

1.1 INTEREST ONLY: This Note shall be due and payable in \_\_\_\_\_ (\_\_\_\_) equal consecutive quarterly installments of \_\_\_\_\_ (\_\_\_\_\_) commencing on \_\_\_\_\_, \_\_\_\_\_, and quarterly thereafter of interest only. The unpaid principal balance of this Note shall be due and payable on \_\_\_\_\_, unless the note is renewed in accordance with the provisions of paragraph 3.8.

1.2 MANNER OF PAYMENT. All payments of principal and interest on this Note shall be made by a business check delivered to the address for Payee set forth above or to such other place in the United States of America as Payee shall designate to Maker in writing or (b) by wire transfer of immediately available funds to an account designated by Payee in writing. If any payment of principal or interest on this Note is due on a day that is not a Business Day, such payment shall be due on the next succeeding Business Day, and such extension of time shall be taken into account in calculating the amount of interest payable under this Note. “Business Day” means any day other than a Saturday, Sunday or legal holiday in the State of New Jersey.

1.3 PREPAYMENT. Maker may, without premium or penalty, at any time and from time to time, prepay all or any portion of the outstanding principal balance due under this Note.

## 2. DEFAULTS

2.1 EVENTS OF DEFAULT. The occurrence of any one or more of the following events with respect to Maker shall constitute an event of default hereunder (“Event of Default”):

- (a) If Maker shall fail to pay when due any payment of principal or interest on this Note and such failure continues for fifteen (15) days after Payee notifies Maker thereof in writing.
- (b) If, pursuant to or within the meaning of the United States Bankruptcy Code or any other federal or state law relating to insolvency or relief of debtors (a “Bankruptcy Law”), Maker shall (i) commence a voluntary case or proceeding; (ii) consent to the entry of an order for relief against it in an involuntary case; (iii) consent to the appointment of a trustee, receiver, assignee, liquidator or similar official; (iv) make an assignment for the benefit of its creditors; or (v) admit in writing its inability to pay its debts as they become due.
- (c) If a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that (i) is for relief against Maker in an involuntary case; (ii) appoints a trustee, receiver, assignee, liquidator or similar official for Maker or substantially all of Maker’s properties; or (iii) orders the liquidation of Maker, and in each case the order or decree is not dismissed within sixty (60) days.

2.2 REMEDIES. Upon the occurrence of an Event of Default hereunder (unless all Events of Default have been cured or waived by Payee), Payee may, at its option, (i) by written notice to Maker, declare the entire unpaid principal balance of this Note, together with all accrued interest thereon, immediately due and payable regardless of any prior forbearance and (ii) exercise any and all rights and remedies available to it under applicable law, including, without limitation, the right to collect from Maker all sums due under this Note.

## 3. MISCELLANEOUS

3.1 WAIVER. The rights and remedies of Payee under this Note shall be cumulative and not alternative. No waiver by Payee of any right or remedy under this Note shall be effective unless in writing signed by Payee. Neither the failure nor any delay in exercising any right, power or privilege under this Note will operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power or privilege by Payee will preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. To the maximum extent permitted by applicable law, (a) no claim or right of Payee arising out of this Note can be

discharged by Payee, in whole or in part, by a waiver or renunciation of the claim or right unless in a writing signed by Payee; (b) no waiver that may be given by Payee will be applicable except in the specific instance for which it is given; and (c) no notice to

or demand on Maker will be deemed to be a waiver of any obligation of Maker or of the right of Payee to take further action without notice or demand as provided in this Note. Maker hereby waives presentment, demand, protest and notice of dishonor and protest.

3.2 NOTICES. Any notice required or permitted to be given hereunder shall be given by certified and regular mail at the addresses listed above or any subsequent address provided by the Maker or Payee.

3.3 SEVERABILITY. If any provision in this Note is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Note will remain in full force and effect. Any provision of this Note held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

3.4 GOVERNING LAW. This Note will be governed by and construed under the laws of the State of New Jersey without regard to conflicts-of-laws principles that would require the application of any other law.

3.5 PARTIES IN INTEREST. This Note shall not be assigned or transferred by Payee without the express prior written consent of Maker, except that Payee may assign this Note to a Shareholder or Member if Payee is a corporation or LLC. Subject to the preceding sentence, this Note will be binding in all respects upon Maker and inure to the benefit of Payee and its successors and assigns.

3.6 SECTION HEADINGS; CONSTRUCTION. The headings of Sections in this Note are provided for convenience only and will not affect its construction or interpretation. All references to "Section" or "Sections" refer to the corresponding Section or Sections of this Note unless otherwise specified. All words used in this Note will be construed to be of such gender or number as the circumstances require. Unless otherwise expressly provided, the words "hereof" and "hereunder" and similar references refer to this Note in its entirety and not to any specific section or subsection hereof, the words "including" or "includes" do limit the preceding words or terms and the word "or" is used in the inclusive sense.

3.7 UNSECURED LOAN: This is an unsecured loan and Payee may not record this note as a lien against any of Maker's assets. American Exchange Loans, LLC is a private business; it is not a federally insured bank which would provide any type of government guarantee of payment of the loan proceeds.

3.8 AUTOMATIC RENEWAL: The initial term of this loan is for \_\_\_\_\_ (\_\_\_) year (s). Quarterly payments of interest only are due throughout the term of the loan and the entire principal balance is due at the expiration of the loan unless the loan renews. The loan will automatically renew each year for an additional twelve month term, payments of interest only on the principal, unless at least thirty (30) days prior to the expiration of the loan term the Payee send written correspondence, via certified and regular mail, to Maker, of the intent not to renew the loan. Provide said notice is properly made the Maker will pay to Payee a sum equal to the principal of the loan plus any outstanding interest on the expiration date of the Promissory Note.

3.9 INTEREST ON RENEWAL: The interest paid on the renewal term will be the same as the prior term unless the Maker sends notification, at least sixty (60) days prior to the expiration of the current term of the Promissory Note, of the intention to pay a different rate of interest. If no objection is received by Maker within thirty days of mailing of the notification of interest rate change to Payee, the note will continue for another term and subsequent terms at the new rate of interest. If Payee timely objects to the interest rate change, the Note will terminate at the end of that renewal term.

**IN WITNESS WHEREOF**, Maker has executed and delivered this Note as of the date first stated above.

**American Exchange Loans, LLC**  
**A New Jersey limited Liability Company**

By: \_\_\_\_\_  
Name:  
Title:

Payee: \_\_\_\_\_  
Name: