

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>
--	---