



# COLLATERAL NOTE AND SECURITY AGREEMENT

Installments, Interest Included

Prepared by: Agent \_\_\_\_\_ Phone \_\_\_\_\_  
Broker \_\_\_\_\_ Email \_\_\_\_\_

\$ \_\_\_\_\_ DATE: \_\_\_\_\_, 20\_\_\_\_, at \_\_\_\_\_, California.

1. I promise to pay \_\_\_\_\_, as the Lender, or order,
  - 1.1 at \_\_\_\_\_
  - 1.2 the sum of \_\_\_\_\_ DOLLARS
  - 1.3 with interest from \_\_\_\_\_, 20\_\_\_\_, on unpaid principal,
  - 1.4 at the rate of \_\_\_\_\_ percent per annum.
2. Principal and interest payable in installments of \$\_\_\_\_\_, or more,
  - 2.1 on the \_\_\_\_\_ day of every  month  quarter  year,
  - 2.2 beginning on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,
  - 2.3 and continuing until \_\_\_\_\_, 20\_\_\_\_, when the principal is due and payable.
  - 2.4 Principal and interest payable in lawful money of the United States.
  - 2.5 Each payment shall be credited first on interest then due and the remainder on principal; and interest shall then cease on the principal so credited.
3. On default in payment of any installment when due, the whole sum of principal and interest may be called immediately due at the option of the holder of this Note.
4. In any action to enforce this agreement, the prevailing party shall receive attorney fees.

## Security Agreement

5. As security for the payment of amounts due under the collateral note, Borrower shall assign and deliver to Lender the following personal property held by the Borrower:
  - 5.1 A promissory Note dated \_\_\_\_\_, executed by \_\_\_\_\_, payable to \_\_\_\_\_, in the face amount of \$\_\_\_\_\_, with a remaining balance of \$\_\_\_\_\_, payable \$\_\_\_\_\_, or more, on the \_\_\_\_\_ day of every  month  quarter  year, including interest at \_\_\_\_\_% per annum, with a final/balloon payment due on \_\_\_\_\_, 20\_\_\_\_, in the amount of \$\_\_\_\_\_.
  - 5.2 The Note is secured by a trust deed on real estate referred to as \_\_\_\_\_ Assessor's parcel number \_\_\_\_\_
6. Lender to collect all installments due under the Note and trust deed and account to Borrower for all receipts and disbursements.
  - 6.1 All sums received by the Lender as payments under the Note and trust deed shall first be applied toward payments due on the collateral Note, and any amount remaining shall be forwarded to the Borrower.
7. Should the collateral Note become due and unpaid, the Lender is authorized to sell and dispose of the Note and trust deed at public or private sale, after delivering written notice of the sale to Borrower not less than five (5) days prior to the date of sale.
8. On default in payments on the Note and trust deed, Lender may exercise any and all rights of the beneficiary under the trust deed including foreclosing on the property, and any sums advanced by the Lender to protect the security thereof shall be added to the principal balance of the collateral Note and bear interest as principal until paid.
9. On satisfaction of the collateral Note, the Note and trust deed to be reassigned to Borrower.
10. Borrower's address, for notice is \_\_\_\_\_
11.  See attached Signature Page Addendum. [ft Form 251]

Date: \_\_\_\_\_, 20\_\_\_\_

Borrower's Name: \_\_\_\_\_

Borrower's Signature: \_\_\_\_\_

See Signature Page Addendum. [ft Form 251]

Borrower's Name: \_\_\_\_\_

Borrower's Signature: \_\_\_\_\_