**IOU AGREEMENT**

**Background:**

This IOU Agreement (“Agreement”) is made and entered into on the [INSERT DATE] between:

 [INSERT NAME] located at [INSERT ADDRESS] (“**Lender**”) and

 [INSERT NAME] located at [INSERT ADDRESS] (“**Borrower**”)

**Background**

Lender agrees to loan Borrower $[AMOUNT OF LOAN]. Borrower promises to pay to Lender the sum of $[AMOUNT OF LOAN] [together with interest on the principal balance, and in accordance with the terms set forth below].

**Payment**

1. The principal amount [along with accrued interest] and all other charges, costs, and expenses is due and payable [CHOOSE ONE]:

On demand of the Lender **OR**

In one lump sum payment on or before [DATE & YEAR]. **OR**

In installment payments on or before [DATE & YEAR]. Each payment is due on the [2nd **OR** other] day of each [month **OR** quarter **OR** half-year **OR** year] **OR**

In installment payments with a final balloon payment on or before [DATE & YEAR]. Each payment is due on the [2nd **OR** other] day of each [month **OR** quarter **OR** half-year **OR** year]. The final lump sum balloon payment of $[AMOUNT] at the end of the loan term is due and payable on or before [DATE & YEAR].

[All payments are applied first to accrued interest and then to the balance of the outstanding principle.]

**Interest**

1. The principal balance shall not bear interest **OR**

The principal balance shall bear interest at the rate of [PERCENTAGE]% per annum, accruing daily from the date of this Agreement to and until maturity. Notwithstanding, the total interest charged on the principal amount shall not exceed the maximum amount allowed by law and the Borrower shall not be obligated to pay any interest in excess of such amount.

**Guaranty**

1. Guarantor promises to unconditionally guarantee to Lender, the full payment and performance by Borrower of all duties and obligations arising under this Agreement. Guarantor agrees that this guaranty shall remain in full force and effect and be binding on Guarantor until this Agreement is satisfied.

**Successors and Assigns**

1. This Agreement will inure to the benefit of and be binding on the respective successors and permitted assigns of the Borrower. The Borrower may not assign its rights or delegate its duties under this Agreement without the prior written consent of the Lender.

**Joint and Several Liability**

1. If there is more than one Borrower in this Agreement, the obligation of each Borrower shall be joint and several.

**Amendment**

1. This Agreement may be amended or modified, only by a written agreement signed by all parties.

**Severability**

1. In the event that any of the provisions of this Agreement are found to be invalid or unenforceable in whole or in part, the remaining provisions shall not be affected and shall continue to be valid and enforceable as though the invalid and unenforceable parts had not existed.

**Governing Law**

1. The terms of this Agreement shall be governed by and construed in accordance with the laws of the state of [INSERT STATE], not including its conflicts of law provisions.

**SIGNATURES**

|  |  |  |
| --- | --- | --- |
|  |  |  |
| **Borrower Signature** |  | **Borrower Full Name** |

|  |  |  |
| --- | --- | --- |
|  |  |  |
| **Lender Signature** |  | **Lender Full Name** |

|  |  |  |
| --- | --- | --- |
|  |  |  |
| **Guarantor** Signature |  | **Guarantor**Full Name |