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**KENTUCKY BOARD OF NURSING
NURSING INCENTIVE SCHOLARSHIP FUND
PROMISSORY NOTE**

Upon verified completion of an approved program of nursing and verified completion of the required employment, as determined pursuant to applicable regulations, the remaining unpaid debt evidenced by this promissory note shall be forgiven as an interest free scholarship.

Otherwise, for value received in the amount of \$_____ from the Kentucky Board of Nursing (KBN) on behalf of the Nursing Incentive Scholarship Fund (NISF), I, the undersigned Maker, promise, subject to the conditions contained in this promissory note and applicable regulations, to pay to NISF (or any subsequent holder of this promissory note) the foregoing principal amount plus interest at the simple annualized rate of eight percent (8%). Interest shall accrue daily from the date of disbursement of the principal amount on behalf of the Maker.

1. I agree that I shall, upon written demand by KBN on behalf of NISF (or by any subsequent holder of this promissory note) sent to my last known address, immediately repay the entire outstanding balance of principal and accrued interest if I:

- (A) Fail to enroll in an approved program of nursing;
- (B) Cease, prior to the completion of the program, to be enrolled in an approved program of nursing (other than by reason of inter-semester vacations or leaves of absence authorized by the program);
- (C) Fail to meet the employment duration requirement (unless excused by KBN);
- (D) Make any false or incomplete representations of material fact in applying for or receiving any benefits under applicable regulations. Interest shall continue to accrue on any outstanding portion of the principal until the debt is paid in full. Acceptance of any partial payment of principal or interest shall not constitute a waiver of unpaid portions of principal and interest, absent an agreement signed by an approved officer of KBN (or any subsequent holder of this note) authorized to waive payment of the remaining balance. Election by KBN (or any subsequent holder of this note) not to take legal action to recover any portion of this debt when due shall not, by reason of estoppel, preclude subsequent action for recovery. I further agree to pay any and all attorney fees and other costs of collection authorized by law, which are necessary for the collection of any amount payable under this promissory note.
- (E) Should enrollment of an approved nursing program be delayed or interrupted for any reason, KBN will continue with default procedure until such time that I produce proper documentation showing that I have come within compliance of all terms of this promissory note and accompanying contract.

2. KBN and I may agree to a repayment schedule and/or deferment in accordance with applicable regulations. There shall be no penalty for prepayment of all or any portion of the principal hereunder. Since interest accrues daily on the outstanding loan balance, I will not be entitled to a refund of any interest.

3. I shall promptly notify KBN (or any subsequent holder of this note), in writing, of any change of address, enrollment status, deferment condition or pertinent employment status.

4. I hereby warrant and covenant that all representations and assurances of fact made by me or provided on my behalf in requesting or receiving the proceeds of this scholarship or other benefits pursuant to applicable regulations are true, accurate, and complete.

5. I may not assign, delegate, or otherwise transfer any interest, right, or obligation, arising hereunder.

6. I understand that this document, which encompasses both a promissory agreement as well as the accompanying contractual agreement, is executed pursuant to, and is to be administered and interpreted in all respects in accordance with, the terms of applicable regulations now or hereafter in effect. The foregoing regulations are incorporated herein by reference. The terms and conditions of this promissory note shall be deemed automatically amended to conform to any addition, omission, or other change permitted or required by duly enacted law or administrative regulation. The terms and conditions of this promissory note may otherwise be amended by mutual written consent of the parties.

7. The place of making and/or performance of the obligations hereunder shall be deemed to be Louisville, Kentucky. For the purpose of resolving any conflict between the laws of several states, the laws of the Commonwealth of Kentucky shall govern. Venue of any legal action necessary to recover amounts due under this note shall be Jefferson County, Kentucky.

8. This note may be consolidated with prior and subsequent notes under NISF into one aggregate indebtedness for the purposes of billing and collection, and any forgiveness of said aggregate indebtedness may be apportioned among said notes in accordance with applicable regulations now or hereafter adopted.

9. Default: For purpose of this promissory note, "default" means any situation in which the debtor does not meet the obligations of KENTUCKY BOARD OF NURSING, NURSING INCENTIVE SCHOLARSHIP FUND CONTRACT. Upon failure to repay any portion of this note when due, including failure to repay any installment under a repayment schedule, the entire outstanding balance of

principal and accrued interest shall be immediately due and payable. In the event of said default, if judgment is rendered on the debt, then the annual interest rate shall be a rate determined in accordance with applicable regulations from the date of said judgment until the principal is repaid in full. Should I be deemed to have entered into default status, KBN will engage in collection efforts as allowed by law.

RECIPIENT'S NAME _____ SOCIAL SECURITY # _____

Please Print

COMPLETE HOME ADDRESS _____

Street

City

State

Zip

SCHOOL _____ PROGRAM TYPE ADN/BSN/GRD/LPN SCHOOL TERM 2012-2013

Circle one

RECIPIENT'S SIGNATURE _____

I hereby certify that _____ signed this before me this _____ day of _____, _____.

S E A L

Notary Public _____

State of _____

My Commission Expires _____