**LOAN AGREEMENT**

This Loan Agreement (referred to as the "**Agreement**") is entered into as of [DATE] (the "**Effective Date**") by and between [PARTY NAME], a [corporation/LLC/[OTHER ENTITY TYPE]] organized under the laws of [JURISDICTION OF ORGANIZATION], with its principal place of business at [ADDRESS] (the “**Borrower**"), and [PARTY NAME], a [corporation/LLC/[OTHER ENTITY TYPE]] formed under the laws of [JURISDICTION OF ORGANIZATION], with its headquarters at [ADDRESS] (the “**Lender**"). The Borrower and the Lender are individually referred to as a "**Party**" and collectively as the "**Parties**".

1. **LOAN**

The Lender agrees to provide the Borrower with [a secured/an unsecured] term loan in a principal amount not exceeding $[AMOUNT], subject to the terms and conditions of this Agreement (the “**Loan**”).

1. **LOAN PURPOSE**
   1. The Borrower shall use all Loan proceeds exclusively for [PURPOSE FOR WHICH THE LOAN IS TO BE USED].
   2. The Lender has no obligation to monitor or verify the Borrower’s use of any funds advanced under this Agreement.
2. **LOAN CONDITIONS**
   1. The Borrower may not request a Loan disbursement unless the Lender has received all documents and evidence specified in Schedule 1, in a form and substance satisfactory to the Lender. [The Lender shall promptly notify the Borrower upon satisfaction of these conditions.]
   2. The Lender’s obligation to fund the Loan is subject to the following conditions being met on both the date of the Borrower’s Loan request and the scheduled drawdown date:
      1. the representations and warranties in Section 9 are true and correct [in all material respects] and remain so immediately after the Loan is disbursed; and
      2. No Event of Default (as defined below) or Potential Event of Default is ongoing or would occur as a result of the Loan. “**Potential Event of Default**” means any event or circumstance listed in Section 11, which if not remedied or if certain conditions are met—such as notice being given, a grace period expiring, or a required determination being made—could become an Event of Default under this Agreement.
   3. The conditions in this Section 3 are for the sole benefit of the Lender. The Lender may, at its discretion, waive any of these conditions, in whole or in part, with or without additional requirements, without affecting its right to require compliance with such conditions in the future.
3. **LOAN DRAWDOWN**
   1. Subject to Section 4, the Borrower may access the Loan in a single disbursement on any Business Day from and including the date of this Agreement to and including [DATE] (the “**Availability Period**”). To initiate a drawdown, the Borrower must provide the Lender with at least one (1) Business Day’s prior written notice specifying:
      1. the requested Loan amount;
      2. the Business Day on which the funds are to be disbursed; and
      3. the bank account where the Loan proceeds should be deposited.
   2. Any drawdown notice submitted under Section 4.1 is irrevocable. For the purposes of this Agreement, “**Business Day**” means a day, other than a Saturday, Sunday or public holiday in Delaware, when banks in Delaware are open for business.
   3. Any portion of the Loan that remains undrawn at the end of the Availability Period will be automatically canceled.
4. **INTEREST**
   1. The Borrower shall pay interest on the Loan at an annual rate of [PERCENTAGE]% above the Federal Reserve’s Prime Rate, as adjusted from time to time.
   2. Interest shall accrue daily and be payable [monthly in arrears on the last Business Day of each month and on the Final Repayment Date] OR [quarterly in arrears on the last Business Day of March, June, September, and December, as well as on the Final Repayment Date].
   3. If the Borrower fails to make any payment due under this Agreement by the due date, interest on the outstanding amount shall accrue daily at a rate of 1% above the rate specified in Section 5.1, from the due date until the date of actual payment (both before and after judgment). Any interest accrued under this Section 5.3 shall be payable immediately upon demand by the Lender.
5. **REPAYMENT**
   1. The Borrower shall repay the Loan in full on the repayment date, being [INSERT DATE] (the “**Repayment Date**”).

**OR**

The Borrower shall repay the Loan in full by making the following installment payments, with each Repayment Installment due on the corresponding Repayment Date (as defined below). The final installment shall be paid on the Final Repayment Date (being the final Repayment Date listed below), covering any remaining balance of the outstanding Loan:

|  |  |
| --- | --- |
| **Repayment Date** | **Repayment Installment** |
| [DATE] | $[AMOUNT] |
| [DATE] | $[AMOUNT] |

1. **COSTS**
   1. The Borrower shall pay all costs and expenses incurred by the Lender in connection with the negotiation, preparation, execution, amendment, extension, enforcement, or preservation of the Loan and this Agreement. Such costs, including any applicable taxes, shall be payable [within three (3) Business Days of demand / on demand].
   2. The Borrower shall be responsible for any stamp, documentary, or similar duties and taxes arising from this Agreement. The Borrower shall indemnify the Lender against any losses or liabilities incurred due to a delay or failure to pay such duties or taxes.
2. **PAYMENT**
   1. The Borrower shall make all payments under this Agreement in U.S. dollars and in immediately available funds to the Lender at [account number] with [bank name], located at [bank address], or any other account designated by the Lender in writing.
   2. If a payment due under this Agreement falls on a day that is not a Business Day, the due date shall be extended to the next Business Day. However, if that Business Day falls in the following calendar month, the payment shall be due on the preceding Business Day.
   3. All payments by the Borrower under this Agreement shall be made in full, without set-off, counterclaim, or condition, and free and clear of any deductions or withholdings. If the Borrower is required by law to make such a deduction or withholding, it shall:
      1. ensure that the deduction or withholding is the minimum required by law;
      2. pay the full amount of the deduction or withholding to the relevant tax or governmental authority;
      3. provide the Lender with either: (i) an official receipt from the relevant tax authority confirming payment, or (ii) If such a receipt is not available, a certificate of deduction or equivalent evidence of the withholding; and
      4. pay the Lender an additional amount necessary to ensure that the net amount received by the Lender is the same as if no deduction or withholding had been required.
3. **REPRESENTATIONS AND WARRANTIES**
   1. The Borrower represents and warrants to the Lender as of the date of this Agreement:
      1. the Borrower is a duly incorporated and validly existing entity under the laws of its jurisdiction of incorporation;
      2. the Borrower has the legal authority to own its assets and conduct its business;
      3. the Borrower has the legal capacity to enter into, deliver, and perform this Agreement and any related documents and has taken all necessary steps to authorize its execution and obligations under this Agreement;
      4. the execution and performance of this Agreement do not and will not: (i) violate its governing documents; (ii) conflict with any contract or obligation that binds it; and (iii) breach any applicable law, regulation, or court order;
      5. the Borrower has obtained all necessary approvals, licenses, and consents required to enter into and perform this Agreement, and they remain in full force and effect;
      6. the obligations of the Borrower under this Agreement are valid, binding, and enforceable in accordance with their terms;
      7. no Event of Default has occurred or is continuing, and none will result from entering into or performing under this Agreement;
      8. the Borrower is not: (i) insolvent or unable to pay its debts when due; or (ii) the subject of any bankruptcy, reorganization, or liquidation proceedings;
      9. there are no pending or threatened legal, regulatory, or administrative proceedings against the Borrower that could materially impact its ability to fulfill its obligations under this Agreement;
      10. the financial statements provided to the Lender were prepared in accordance with Generally Accepted Accounting Principles (GAAP) and fairly present the Borrower's financial condition;
      11. since the date of the last financial statements provided, there has been no material adverse change in the Borrower’s business, assets, or financial position;
      12. any written or electronic information provided by or on behalf of the Borrower to the Lender was, at the time of disclosure: (i) accurate and complete in all material respects; (ii) based on reasonable assumptions if it was a forecast or projection; (iii) made in good faith if it was an opinion or intention; (iv) not misleading or incomplete in any material way;
      13. any security granted in connection with this Agreement creates a valid, legally binding, and enforceable lien over the specified assets, with the agreed-upon priority; and
      14. except as otherwise agreed, the Borrower repeats these representations and warranties on: (i) the date of any Loan disbursement request; (ii) the date of actual disbursement; and (iii) each date when an interest payment is due under this Agreement.
4. **COVENANTS**
   1. The Borrower agrees and covenants with the Lender that, from the date of this Agreement until all of its obligations under this Agreement have been fully satisfied:
      1. within 180 days after the end of each fiscal year, the Borrower shall provide the Lender with its audited financial statements;
      2. within 30 days after the end of each month, the Borrower shall provide its monthly management accounts;
      3. the Borrower shall promptly provide the Lender with any notices or documents sent to its shareholders or creditors;
      4. the Borrower shall provide any additional financial or operational information as reasonably requested by the Lender;
      5. the Borrower shall notify the Lender promptly if it becomes aware of any legal, arbitration, or regulatory proceedings that may materially impact its business or financial condition;
      6. the Borrower shall obtain and maintain all necessary licenses, consents, and authorizations required to perform its obligations under this Agreement;
      7. the Borrower’s obligations under this Agreement shall rank equally with its other unsecured and unsubordinated liabilities, except for those that are mandatorily preferred by law;
      8. the Borrower shall comply with all applicable laws and regulations, where failure to do so would have a material adverse impact on its business or ability to meet its obligations under this Agreement;
      9. the Borrower shall promptly notify the Lender if an Event of Default or Potential Event of Default occurs, along with any actions being taken to remedy the issue;
      10. the Borrower shall operate its business efficiently and shall not make any material changes to its business model or operations without the Lender’s prior consent;
      11. if the Lender is required to comply with KYC or similar identification procedures, the Borrower shall provide all necessary documentation and evidence as requested;
      12. the Borrower shall not create or allow any security interests (e.g., liens, pledges) on its assets, except as explicitly permitted in this Agreement;
      13. the Borrower shall not, without the Lender’s prior written consent: (i) sell, transfer, or dispose of any of its assets outside the ordinary course of business, except: (a) trading stock in the normal course of operations; (b) exchanging assets for comparable or superior ones; or (c) selling assets valued below a de minimis threshold set forth in this Agreement; and
      14. the Borrower shall not incur or maintain any additional debt beyond what is expressly permitted under this Agreement.
5. **EVENTS OF DEFAULT**
   1. Each of the following events or circumstances constitutes an Event of Default under this Agreement:
      1. the Borrower fails to pay any amount due under this Agreement, unless: (i) the failure is due to an administrative or technical error; and (ii) the payment is made within three (3) Business Days after the due date;
      2. the Borrower fails to comply with any term of this Agreement and does not remedy the breach within fourteen (14) Business Days after: (i) the Lender notifies the Borrower of the breach and required remedy; or (ii) the Borrower becomes aware of the breach;
      3. any representation or warranty made by the Borrower in connection with this Agreement is found to be false, misleading, or incomplete in a material respect when made or repeated;
      4. if the Borrower defaults on any other borrowed money obligation, including: (i) failure to pay any borrowed money when due; (ii) any creditor accelerating repayment due to an event of default; (iii) any cancellation or suspension of a credit facility due to an event of default;
      5. the Borrower stops or suspends payments on any of its debts or admits its inability to pay debts as they become due;
      6. the Borrower's liabilities exceed its assets, including contingent or prospective liabilities;
      7. a moratorium is declared on any of the Borrower's debts;
      8. the Borrower enters into or proposes any composition, compromise, or arrangement with creditors;
      9. any legal action is taken against the Borrower, including: (i) winding-up, dissolution, administration, or reorganization; (ii) appointment of a receiver, trustee, or similar officer over the Borrower’s assets; (iii) enforcement of any security interest over the Borrower’s property;
      10. the Borrower is subject to seizure, attachment, or execution of its assets that is not discharged or stayed within 21-30 days;
      11. the Borrower ceases, suspends, or threatens to cease or suspend all or a substantial part of its business;
      12. any part of this Agreement becomes invalid, unlawful, unenforceable, or ceases to be effective;
      13. the Borrower repudiates or rescinds this Agreement or shows an intention to do so; and/or
      14. any event or circumstance occurs that, in the Lender’s reasonable opinion, materially affects the Borrower’s ability to meet its obligations under this Agreement.
   2. If any Event of Default occurs, the Lender may:
      1. cancel all outstanding obligations under this Agreement;
      2. demand immediate repayment of the Loan, including all accrued interest and outstanding amounts; and/or
      3. exercise all rights and remedies available under law or any applicable security agreement.
6. **SET OFF**
   1. The Lender may, at any time, set off any liability owed by the Borrower to the Lender against any liability the Lender owes to the Borrower. This applies whether the liabilities: (i) are present or future; (ii) are liquidated or unliquidated; and/or (iii) arise under this Agreement or any related document.
   2. If the liabilities are in different currencies, the Lender may convert either liability at a market exchange rate for the purpose of set-off. The Lender’s exercise of set-off rights does not affect any other rights or remedies available under this Agreement or applicable law.
   3. The Lender is not required to exercise its set-off rights. If the Lender does apply set-off, it must promptly notify the Borrower of the details of the set-off transaction.
7. **CALCULATIONS, ACCOUNTS, AND CERTIFICATES**
   1. Any interest, commission, or fee under this Agreement shall accrue daily, based on the actual number of days elapsed in a 365-day year.
   2. The Lender shall maintain records and accounts reflecting the amounts owed by the Borrower in accordance with its standard practices. Entries in these accounts shall serve as prima facie evidence of the Borrower’s obligations recorded in them.
   3. Any certification or determination by the Lender of a rate or amount under this Agreement shall be conclusive evidence, absent manifest error.
8. **AMENDMENT**

Any modification, amendment, or supplementation to this Agreement must be in writing and signed by both Parties.

1. **SEVERABILITY**

If any provision of this Agreement is found to be invalid, illegal, or unenforceable in any jurisdiction, such invalidity shall not affect any other provision of the Agreement, nor shall it invalidate or render unenforceable that provision in any other jurisdiction.

1. **COUNTERPARTS**

This Agreement may be executed in counterparts, each of which shall be considered an original, and all of which together shall constitute one and the same document.

1. **RIGHTS OF THIRD PARTIES**

No person other than the Borrower and the Lender shall have any rights under this Agreement. The terms of this Agreement or any part of it may be varied, amended, or modified, or this Agreement may be suspended, canceled, or terminated by a written agreement between the Parties, or this Agreement may be rescinded (in each case) without the consent of any third party.

1. **WAIVER**

No waiver of any provision of this Agreement shall be effective unless made in writing and signed by the waiving Party. Any waiver shall not be deemed a waiver of any other failure, breach, or default not expressly identified. A Party's failure to exercise, or delay in exercising, any right under this Agreement does not constitute a waiver of that right, nor does any partial exercise of a right preclude further exercise of that right or any other rights.

1. **GOVERNING LAW AND JURISDICTION**

This Agreement shall be governed by and interpreted in accordance with the internal laws of the State of Delaware, without regard to any principles of conflict of laws. Any legal action, suit, or proceeding arising out of or related to this Agreement shall be brought exclusively in the courts of the State of Delaware, and each Party irrevocably consents to the exclusive jurisdiction of such courts. The Parties waive any objections related to improper venue or the doctrine of forum non conveniens.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have executed this Agreement to be effective as of the Effective Date.

[NAME OF PARTY]

By:

Name:

Title:

[NAME OF PARTY]

By:

Name:

Title:

**SCHEDULE 1**

**CONDITIONS**

[INSERT CONDITIONS TO LOAN]