

DATED << >>

LOAN AGREEMENT

Between

(1) << Name of Borrower >> 'The Borrower'

and

(2) << Name of Lender >> 'The Lender'

THIS AGREEMENT is made the day of

BETWEEN:

- (1) <<Name of Borrower>> of << Registered Address >>, and
- (2) <<Name of Lender>> of << Registered Address >>.

NOW IT IS HEREBY AGREED as follows:

1. Definitions and Interpretation

1.1 In this Agreement:-

- “Commencement Date”** The date of this Agreement;
- “Default”** means any event or circumstances as specified in clause 5;
- “Existing Security”** Any security created or outstanding with the prior written consent of the Lender.
- “Loan”** The term loan facility made available under this Agreement;
- “Security”** means any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, assignment by way of security, title retention or any other type of arrangement having a similar effect to any of them;

2. The Facility

The Lender agrees to provide the Borrower with a Loan under the terms of this agreement as set out in Schedule 1.

3. Commencement

This Agreement shall be deemed to be made on the day it is received by the Lender having been signed by the Borrower.

4. Purpose

- 4.1 The Borrower shall use all sums borrowed by it under this agreement for << purpose for which the loan is to be used >>.
- 4.2 The Lender is not obliged to monitor or verify how any amount under this agreement is used.

5. Default

- 5.1 The Loan plus interest and Charges on Default shall (subject to the service of notice and/or the obtaining of any court order) become immediately due

including interest and payable by the Borrower, in so far as then remaining unpaid, if any of the following events occurs:-

- 5.1.1 Non-payment of any payments due (including interest) within << >> from the date on which it is due
 - 5.1.2 Any information given or representation made by or at the request of the Borrower to the Lender proving to be inaccurate;
 - 5.1.3 Commencement of any insolvency proceedings against the Borrower or the Borrower making an arrangement with creditors
 - 5.1.4 Any procedure being used against the Borrower or the Borrower making an arrangement with creditors;
 - 5.1.5 Any procedure being used against the Borrower to attach or take possession of property for payment of a debt;
 - 5.1.6 The death of Borrower
 - 5.1.7 Use of the Loan otherwise than as specified in this Agreement
- 5.2 The Borrower shall be liable for any costs incurred by the Lender in taking any steps to obtain payment of monies due under this Agreement.

6. **Set-off**

The Lender may set off any amounts due under this Agreement against any sums owing the Lender to the Borrower.

7. **Security**

Notwithstanding the terms of any charge created by the Borrower to secure other sums due to the Lender, this Agreement is and will remain unsecured.

Or

The Borrower agrees to secure the repayment of the Loan by executing those security documents attached hereto as Schedule 2 and shall deliver the security documents on the Commencement Date.

8. **Drawdowns**

- 8.1 The Borrower agrees to authorise the Lender to drawdown the Loan whether in full, or if requested by the Borrower, in Tranches to, or for the account of, the Borrower.

9. **Repayments**

- 9.1 Repayments will begin on the Commencement Date and continue in accordance with Schedule 1.
- 9.2 Without any obligation upon the Lender to do so, the Lender shall be entitled to allow the Borrower extended time to pay or grant any other indulgence to the Borrower without affecting any of the rights of the Lender in whole or in part.

10. **Assignment**

- 10.1 The Lender may assign any of its rights, or transfer any of its rights or obligations by novation.
- 10.2 The Borrower may not assign any of its rights or obligations under this Agreement.

11. **Communications**

- 11.1 All communications between the parties about the loan shall be in writing and delivered by hand or sent by pre-paid first class post or sent by fax or e-mail:
 - 11.1.1 (in the case of communications to the Lender) to its registered office or such changed address as shall be notified to the Borrower by the Lender; or
 - 11.1.2 (in the case of the communications to the Borrower) to the registered office of the addressee (if it is a company) or (in any other case) to any address of the Borrower set out in any document which forms part of the Contract or such other address as shall be notified to the Lender by the Borrower.
- 11.2 Communications shall be deemed to have been received:
 - 11.2.1 if sent by pre-paid first class post, two Business Days after posting (exclusive of the day of posting); or
 - 11.2.2 if delivered by hand, on the day of delivery; or
 - 11.2.3 if sent by fax or e-mail on a Business Day prior to 4.00 pm, at the time of transmission and otherwise on the next Business Day.
- 11.3 Communications addressed to the Lender shall be marked for the attention of << Name of person >>.

12. **Governing Law and Jurisdiction**

The Agreement shall be governed by, construed and enforced in accordance with the law of England and Wales to the jurisdiction of which the parties hereto submit.

IN WITNESS WHEREOF this Agreement has been duly executed the day and year first before written

SIGNED by

<<Name and Title of person signing for Part1>>
for and on behalf of <<Part1's Name>>

In the presence of
<<Name & Address of Witness>>

SIGNED by

<<Name and Title of person signing for Part2>>
for and on behalf of <<Part2's Name>>

In the presence of
<<Name & Address of Witness>>

Sample

SCHEDULE 1
Repayment Schedule

Loan Amount: £ << >>

Interest payable: £ << >>

Charge for credit: £ << >>

Commencement Date: << Date >>

Repayment Date	Capital Balance remaining	Capital Repayment	Interest Repayment
<< Date >>	<< Loan Amount >>		
<< Date >>			
<< Date >>			
<< Date >>			
<< Date >>			
<< Date >>			
<< Date >>			
<< Date >>			
<< Date >>			

SCHEDULE 2
Security Documents

Sample