

BUSINESS LOAN AGREEMENT

Loan Amount: _____ Dollars (\$ _____)
Date: _____ (mm/dd/yyyy)

1. THE PARTIES. This Business Loan Agreement ("Agreement") is made as of this _____ (mm/dd/yyyy) for the above value ("Loan") by and between _____ (Business Name), a _____ Company, having a place of business at _____ ("Borrower"), and _____ (Lender Name), having a place of business at _____ ("Lender").

2. PAYMENT. The Loan shall be due and payable, including the principal and any accrued interest, in one (1) of the following ways (check one):

- Borrower will make weekly payments of \$ _____ beginning on _____ (mm/dd/yyyy) and to be paid every _____ (day of week) until the balance is paid, ending on _____ (mm/dd/yyyy) ("Term").

- Borrower will make monthly payments of \$ _____ beginning on _____ (mm/dd/yyyy) and to be paid on the _____ of every month until the balance is paid, ending on _____ (mm/dd/yyyy) ("Term").

- Borrower will make lump sum payment of \$ _____ to be paid on _____ (mm/dd/yyyy) ("Term").

- Other: _____ ("Term").

All payments made by the Borrower are to be applied first to any accrued interest and secondly to the principal balance.

3. INTEREST. The Loan will bear interest at a rate of _____ Percent (____%) compounded annually. The rate must be equal to or less than the usury rate in the State of the Borrower.

4. PREPAYMENT. The Borrower (check one):

- Has the right to pay back the Loan in-full or make additional payments at any time without penalty.

- Required to pay a prepayment penalty if Borrower pays _____% or more of outstanding Loan balance within the first _____ years of the Term. Fees are as listed:

- Year 1: _____% of prepayment amount.
- Year 2: _____% of prepayment amount.
- Year 3: _____% of prepayment amount.
- Year 4: _____% of prepayment amount.
- Year 5: _____% of prepayment amount.

5. **ATTORNEYS FEES.** In the event any payment under this Agreement is not paid when due, the Borrower agrees to pay, in addition to the principal and interest hereunder, reasonable attorneys' fees not exceeding a sum equal to the maximum usury rate in the State of _____, of the then outstanding balance owing on the Loan, plus all other reasonable expenses incurred by Lender in exercising any of its rights and remedies upon default.
6. **REIMBURSABLE EXPENSES.** Borrower certifies that they will reimburse Lender for expenses incurred in the making and administration of the Loan.
7. **TAXES.** Borrower certifies that they will pay all federal, state, and local taxes, including income, payroll, real estate, and sales taxes of the business when they come due.
8. **OWNERSHIP CHANGES.** Borrower certifies that it will not, without Lender's prior written consent, change the business's ownership structure during the Term.
9. **DISTRIBUTIONS.** Borrower certifies that it will not, without Lender's prior written consent, make any distribution of company assets that will adversely affect the financial condition of Borrower.
10. **LOCATION LIMITATION.** Borrower certifies that it will not, without Lender's prior written consent, acquire by purchase or lease, any additional locations.
11. **TRANSFER OF ASSETS.** Borrower certifies that it will not, without Lender's prior written consent, sell, lease, pledge, encumber (except by purchase money liens on property acquired after the date of the Agreement), or otherwise dispose of any of Borrower's property or assets, except in the ordinary course of business.
12. **REMEDIES.** No delay or omission on the part of the holder of this Agreement in exercising any right hereunder shall operate as a waiver of any such right or of any other right of such holder, nor shall any delay, omission, or waiver on any one occasion be deemed a bar to or waiver of the same or any other right on any future occasion. The rights and remedies shall be cumulative and may be pursued singly, successively, or together, at the sole discretion of the Lender.
13. **EVENTS OF ACCELERATION.** The occurrence of any of the following shall constitute an "Event of Acceleration" by the Lender under this Agreement:
 - a) Borrower's failure to pay any part of the principal or interest as and when due under this Agreement; or
 - b) Borrower's becoming insolvent or not paying its debts as they become due.
14. **ACCELERATION.** Upon the occurrence of an Event of Acceleration under this Agreement, and in addition to any other rights and remedies that Lender's may have, Lender shall have the right, at its sole and exclusive option, to declare the balance of the Loan immediately due and payable.
15. **SUBORDINATION.** The Borrower's obligations under this Agreement are subordinated to all indebtedness of the Borrower or any unrelated third-party lender to the extent such indebtedness is outstanding on the date of this Agreement and such subordination is required under this Agreement providing for such indebtedness.

16. WAIVERS BY BORROWER. No waiver of any provision of this Agreement shall be effective unless made in writing and signed by the waiving party. The failure of any party to require the performance of any term or obligation of this Agreement, or the waiver by any party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

17. SUCCESSORS. This Agreement shall be binding upon and inure to the benefit of the respective successors and permitted assigns of each of the parties to this Agreement.

18. GOVERNING LAW. This Agreement shall be governed by, and construed in accordance with, the laws in the State of _____.

19. ADDITIONAL TERMS & CONDITIONS.

IN WITNESS WHEREOF, Borrower has executed this Agreement as of the day and year first above written.

Borrower Signature: _____ **Date:** _____

Printed Name: _____

Lender Signature: _____ **Date:** _____

Printed Name: _____

Witness Signature: _____ **Date:** _____

Printed Name: _____

Witness Signature: _____ **Date:** _____

Printed Name: _____