

LOAN AGREEMENT

This LOAN AGREEMENT (the "Agreement") is made and entered into on this _____ day of _____, 20_____, by and between:

LENDER(S):

Lender 1 Name: _____

Street Address: _____

City: _____ State: _____ Zip Code: _____

Lender 2 Name (if applicable): _____

Street Address: _____

City: _____ State: _____ Zip Code: _____

(collectively, "Lender")

AND

BORROWER:

Borrower Name: _____

Street Address: _____

City: _____ State: _____ Zip Code: _____

("Borrower")

RECITALS

WHEREAS, Lender is the parent(s) of Borrower; and

WHEREAS, Borrower desires to obtain a loan from Lender for personal purposes; and

WHEREAS, Lender is willing to provide such a loan to Borrower, subject to the terms and conditions set forth herein; and

WHEREAS, the Parties desire to formalize the terms of this loan to ensure clarity, prevent misunderstandings, and address potential tax implications.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows: 1. LOAN AMOUNT AND TERMS

a. **Principal Amount:** Lender hereby agrees to lend to Borrower, and Borrower hereby agrees to borrow from Lender, the principal sum of _____ Dollars (\$ _____) (the "Principal Amount").

b. **Interest Rate:** The Principal Amount shall bear interest at an annual rate of _____ percent (_____ %) (the "Interest Rate"). This interest rate is established to comply with applicable federal and state laws regarding family loans and to avoid potential gift tax implications.

c. **Maturity Date:** The entire unpaid Principal Amount, together with any accrued and unpaid interest, shall be due and payable in full on the _____ day of _____, 20____ (the "Maturity Date").

2. REPAYMENT

a. **Payment Schedule:** Borrower shall repay the Principal Amount and accrued interest to Lender according to the following schedule:

b. **First Payment Due Date:** The first payment shall be due on the _____ day of _____, 20____. Subsequent payments shall be due on the _____ of each _____ thereafter until the Maturity Date.

c. **Method of Payment:** All payments shall be made in lawful money of the United States of America to Lender at the address specified above, or at such other address as Lender may designate in writing. Payments may be made by cash, check, electronic transfer, or other mutually agreed-upon method.

d. **Application of Payments:** Each payment made by Borrower shall be applied first to any accrued and unpaid interest, and then to the reduction of the Principal Amount.

3. INTEREST

a. **Interest Calculation:** Interest shall be calculated on the outstanding Principal Amount on a _____ basis (e.g., simple interest, compounded annually).

b. **Late Payments:** If any payment is not received by Lender within _____ (_____) days after its due date, a late fee of _____ Dollars (\$ _____) may be assessed. This late fee is intended to cover the administrative costs associated with processing late payments and is not considered interest.

4. PREPAYMENT

Borrower shall have the right to prepay the Loan in whole or in part at any time without penalty or premium. Any partial prepayment shall be applied first to accrued and unpaid interest, and then to the Principal Amount, and shall not excuse Borrower from making regularly scheduled payments unless otherwise agreed to in writing by Lender.

5. DEFAULT

The occurrence of any of the following events shall constitute an "Event of Default" under this Agreement:

a. **Failure to Pay:** Borrower fails to make any payment of Principal or interest when due under this Agreement and such failure continues for a period of _____ (_____) days after written notice from Lender.

b. **Breach of Covenant:** Borrower breaches any other covenant, term, or condition of this Agreement and fails to cure such breach within _____ (_____) days after written notice from Lender.

c. **Insolvency:** Borrower becomes insolvent, makes an assignment for the benefit of creditors, or files a petition in bankruptcy.

Upon the occurrence of an Event of Default, Lender may, at its option, declare the entire unpaid Principal Amount of the Loan, together with all accrued and unpaid interest and any other amounts payable hereunder, to be immediately due and payable without further notice or demand.

6. REPRESENTATIONS AND WARRANTIES

a. **Borrower's Representations:** Borrower represents and warrants that:

- i. Borrower has the full power and authority to enter into and perform this Agreement.
- ii. This Agreement constitutes a legal, valid, and binding obligation of Borrower, enforceable in accordance with its terms.

b. **Lender's Representations:** Lender represents and warrants that:

- i. Lender has the full power and authority to enter into and perform this Agreement.
- ii. This Agreement constitutes a legal, valid, and binding obligation of Lender, enforceable in accordance with its terms.

7. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the State of _____, without regard to its conflict of laws principles.

8. NOTICES

Any notice or communication required or permitted under this Agreement shall be in writing and shall be deemed to have been duly given when delivered personally, sent by certified or registered mail (return receipt requested), or by recognized overnight courier service, to the addresses set forth above, or to such other address as either Party may designate in writing from time to time.

9. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior discussions, negotiations, and agreements, whether oral or written.

10. AMENDMENTS

No amendment, modification, or waiver of any provision of this Agreement shall be effective unless in writing and signed by both Lender and Borrower.

11. WAIVER

No waiver of any breach of any provision of this Agreement shall be effective unless it is in writing and

signed by the Party waiving the breach. No waiver of any breach shall be deemed a waiver of any subsequent or other breach. The failure of either Party to enforce any provision of this Agreement shall not be construed as a waiver of such provision or of the right to enforce such provision at a later time.

12. SEVERABILITY

If any provision of this Agreement is held to be invalid or unenforceable, the remaining provisions shall continue in full force and effect, and the invalid or unenforceable provision shall be reformed to the extent necessary to make it valid and enforceable while preserving its intent.

13. SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, executors, administrators, successors, and permitted assigns. Borrower may not assign its rights or obligations under this Agreement without the prior written consent of Lender.

14. HEADINGS

The headings of the sections and subsections of this Agreement are for convenience only and shall not affect the interpretation or construction of any of its provisions.

15. COUNTERPARTS

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have executed this Loan Agreement as of the date first written above.

LENDER(S):

LENDER 1

Signature: _____

Print Name: _____

Date: _____ day of _____, 20 _____

Address: _____

LENDER 2 (if applicable)

Signature: _____

Print Name: _____

Date: _____ day of _____, 20 _____

Address: _____

BORROWER:

BORROWER

Signature: _____

Print Name: _____

Date: _____ day of _____, 20 _____

Address: _____