

**Loan agreement, company borrower, secured on physical assets, guarantor option**

**Borrower:** [Name]

**Lender:** [Name]

**Date:** [Date]

**This agreement is dated:** [date]

**It is made between:**

**And**

**And**

[Full Name] of [full █ █ █ █ ], ("█ █ █ █")

## Background:

**It is now agreed as follows:**

## 1. Definitions

## 2. Interpretation

In this agreement unless the context otherwise requires:

- 2.4. a reference to a paragraph or schedule is to a paragraph or schedule to this agreement unless the context ■■■■■ . ■■■■■ .
  - 2.5. the headings to the paragraphs and schedules (if any) to this agreement are inserted ■■■■■ . ■■■■■ .
  - 2.6. any agreement by any party not to do or omit to do something includes an obligation not to allow some ■■■■■ ; ■■■■■ .
  - 2.7. [except where stated otherwise], any obligation of any person arising from this ■■■■■ ■■■■■ . ■■ .
  - 2.8. a reference to the knowledge, information, belief or awareness of any person shall be deemed to include the knowledge, information, ■■■■■ ■■■■■ . ■■■■■ .
  - 2.9. a reference to an act or regulation includes new law of substantially the same ■■■■■ .
  - 2.10. this agreement is made only in the English language. If there is any conflict in meaning between the English language version of this agreement and any version or ■■■■■ , ■■■■■ . ■■ .

### **3. Borrower's warranties**

The Borrower represents that:

- 3.3. it is not insolvent and knows of no circumstance which would entitle any creditor to appoint a receiver or to petition for winding up .
- 3.4. every subsidiary and associated company of the .
- 3.5. the execution of this agreement, the borrowing, and the performance by the Borrower of its obligations are , .
- 3.6. the Financial Information fairly represents the financial state of the .
- 3.7. the Financial Information conforms with generally accepted accounting principles applied on a basis , .
- 3.8. the Borrower has no undisclosed contingent obligations.
- 3.9. there are no material, .
- 3.10. the Borrower will advise the Lender .
- 3.11. no litigation, arbitration proceedings or governmental proceedings are pending , .
- 3.12. none of the assets of the Borrower is subject , .

3.13. the proceeds of the [REDACTED] [REDACTED]  
[REDACTED].

#### **4. Sum of Loan and Advances**

- 4.1. The Initial [REDACTED] \$[REDACTED].
- 4.2. The Loan shall be drawn down [REDACTED]  
[REDACTED].

OR

[specify information required].

OR

OR

#### 4.6. The initial draw down of the Loan

## 5. Security

5.1. The Borrower pledges the [ ] .

OR

[REDACTED]

*OR*

- 5.3. The Borrower pledges as Security for the repayment [REDACTED]  
[REDACTED], [REDACTED] [REDACTED / REDACTED / REDACTED / REDACTED] [REDACTED]  
[REDACTED] 1.
- 5.4. All the Security [REDACTED]  
[REDACTED]:
  - 5.4.1 keep the Security [REDACTED]  
[REDACTED] [REDACTED];
  - 5.4.2 insure the Security [REDACTED]  
[REDACTED];
  - 5.4.3 maintain the Security in good and clean condition;
  - 5.4.4 comply fully with the manufacturer's instructions, the [REDACTED]  
[REDACTED] [REDACTED], [REDACTED]  
[REDACTED] [REDACTED];
  - 5.4.5 comply with [shipping / other] [REDACTED]  
[REDACTED]  
[REDACTED].
- 5.5. The Lender acknowledges receipt of [REDACTED]  
[REDACTED] 1 [REDACTED].
- 5.6. The Lender will keep [REDACTED] [REDACTED / REDACTED]  
[REDACTED, REDACTED].
- 5.7. The Lender will insure [REDACTED]  
[REDACTED] \$ [REDACTED].
- 5.8. The Lender [REDACTED]  
[REDACTED].

## 6. Loan condition: use by Lender

- 6.1. It is a condition of this Loan that the Lender may have [REDACTED]  
[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]  
[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]  
[REDACTED]:

## **7. Interest payable**



OR

- 7.2. Interest at the rate [number] per cent per [number] months

- 7.3. Interest shall be [REDACTED] [REDACTED].
- 7.4. Interest shall be [REDACTED] [REDACTED]  
[REDACTED].
- 7.5. Interest shall be calculated [REDACTED]  
[REDACTED].

AND / OR

- 7.6. If and so long as the Borrower complies [REDACTED]  
[REDACTED], [REDACTED]  
[REDACTED].

## 8. Repayment

- 8.1. The Loan shall [REDACTED] [REDACTED]  
[REDACTED].

OR

- 8.2. The Loan shall be [REDACTED]  
[REDACTED] 2.

OR

- 8.3. The Loan shall be [REDACTED]  
[REDACTED]:

*[here set out the trigger events, such as [REDACTED]  
[REDACTED], [REDACTED]...  
[REDACTED]].]*

- 8.4. The Loan may be repaid in [REDACTED]  
[REDACTED], [REDACTED]  
[REDACTED]:

8.4.1 in multiples of \$ [amount];

8.4.2 a minimum of \$ [amount];

8.4.3 applied to any instalments [REDACTED]  
[REDACTED].

- 8.5. The Borrower may, not more than once in every [two calendar months],  
demand a statement from the Lender [REDACTED]  
[REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED]

A decorative border consisting of four horizontal rows of black dots, with the top and bottom rows being longer than the middle two.



## **9. No change to capital structure and administration**

- 9.1. make any share issue by way of ;
  - 9.2. issue new share capital nor modify the rights attaching to ;
  - 9.3. reduce its share capital or any uncalled ;
  - 9.4. change the location ;
  - 9.5. sell its undertaking or any fixed \$ [ ];
  - 9.6. change its accounting system ;

9.7. make any other [REDACTED]  
[REDACTED].

## 10. Event of Default

10.1. An “Event of Default” occurs when:

- 10.1.1 [REDACTED]  
[REDACTED]  
[REDACTED] [REDACTED];  
[REDACTED]  
[REDACTED]
- 10.1.2 [REDACTED]  
[REDACTED]; [REDACTED]
- 10.1.3 [REDACTED]  
[REDACTED]  
[REDACTED]; [REDACTED]
- 10.1.4 [REDACTED]  
[REDACTED], [REDACTED]  
[REDACTED], [REDACTED]  
[REDACTED]; [REDACTED]
- 10.1.5 [REDACTED], [REDACTED]  
[REDACTED]  
[REDACTED]; [REDACTED]
- 10.1.6 a receiver is appointed to the Borrower; or
- 10.1.7 [REDACTED]  
[REDACTED]; [REDACTED]
- 10.1.8 [REDACTED]  
[REDACTED]  
[REDACTED].

## 11. Notice of Default

- 11.1. [REDACTED]  
[REDACTED] “[REDACTED]”,  
[REDACTED], [REDACTED]

.....



## **12. Consequences of Default**



12.2. the Borrower hereby irrevocably agrees that:

12.3. [ 28 ] , :  
[ 28 ] :

12.3.2 damages for any breach of this agreement;

## **13. Sale of Security**

## **14. Assignment**

## **15. Promise to provide information**



## **16. The Guarantor**

The Guarantor agrees that:

## **17. Miscellaneous matters**

17.2. ....

17.6. [REDACTED]  
[REDACTED], [REDACTED]  
[REDACTED]  
[REDACTED].

17.7. [REDACTED]  
[REDACTED], [REDACTED], [REDACTED]  
[REDACTED]  
[REDACTED].

It shall be deemed to have been delivered:

[REDACTED];  
[REDACTED];  
[REDACTED];  
[REDACTED] 72 [REDACTED];  
[REDACTED]  
[REDACTED] - [REDACTED] : [REDACTED] 24 [REDACTED]  
[REDACTED]  
[REDACTED].

17.8. [REDACTED]  
[REDACTED]  
2017 [REDACTED].

17.9. [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED], [REDACTED]  
[REDACTED].

17.10. [REDACTED], [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED].

**Signed by** [personal name] on behalf of [named Lender] as its representative who personally accepts liability for the proper authorisation by [named Lender] to enter into this agreement.

**Signed by** [personal name] on behalf of [named Borrower] as its representative who personally accepts liability for the proper authorisation by [named Borrower] to enter into this agreement.

**Signed by** [Guarantor]

## **Schedule 1: the Securities**

1. [Two David Brown Superdiggers].
2. 500 gold Krugerrand coins.
- 3.
- 4.

## Schedule 2: Loan Repayment

Dates	Amount to paid
■ ■ ■ ■ - ■ ■ ■ ■ - ■ ■ ■ ■	\$ 000
■ ■ ■ ■ - ■ ■ ■ ■ - ■ ■ ■ ■	\$ 000
■ ■ ■ ■ - ■ ■ ■ ■ - ■ ■ ■ ■	\$ 000
■ ■ ■ ■ - ■ ■ ■ ■ - ■ ■ ■ ■	\$ 000
■ ■ ■ ■ - ■ ■ ■ ■ - ■ ■ ■ ■	\$ 000

## **Schedule 3: example financial report**

## Explanatory notes:

### **Loan agreement, company borrower, secured on physical assets, guarantor option**

## General notes

## **1. Registering an interest**

The Personal Property Securities Act 1999 (PPSA) created the Personal Property Securities Register (PPSR) where security interests over personal property may be registered and can be searched. The Companies Office is the government agency responsible for administering the PPSR. You can access the register online at: <http://www.ppsr.govt.nz>.

## **2. A shareholders' agreement too**

## Paragraph specific notes

#### **Notes relating to the numbered paragraphs**

## 1. Definitions

Note that the definition of "Loan" includes all money outstanding, which may of course [REDACTED].

“ ” .

The definition of interest rates is important. It is not lawful to specify a “penalty” in any contract, no matter what you call it. A claimant is only ever entitled to his “**damages**”, **not** **interest**, **not** **penalties**.

## 2. Interpretation

### **3. Borrower's warranties**

The lender will want to be certain that assumptions it has made ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■

Note that there is an obligation by the borrower to [REDACTED]  
[REDACTED] “ [REDACTED] ”.

#### **4. Sum of Loan and Advances**

## 5. Security

#### **6. Loan condition: use by Lender**

## 7. Interest payable

## **8. Repayment**

We have provided a menu of suggestions. The actual [REDACTED] .

#### **9. No change to capital structure and administration**

## **10. Event of Default**

## **11. Notice of Default**

We have no comment.

## **12. Consequences of Default**

Edit carefully to suit your requirement.

## **13. Sale of Security**

## **14. Assignment**

We have no comment.

#### **15. Promise to provide information**

#### **16. Guarantor**

## 17. Miscellaneous matters

## Schedule 1: the Securities

## Schedule 2: Loan Repayment

### **Schedule 3: example financial report**

Delete if not required.

## End of notes