

LINE OF CREDIT AGREEMENT

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This Line of Credit Agreement (this "**Agreement**") is entered into as of [EFFECTIVE DATE] (the "**Effective Date**") by and between:

[LENDER LEGAL NAME], a [STATE] [ENTITY TYPE] with its principal place of business at [LENDER ADDRESS] (the "**Lender**"); and

[BORROWER LEGAL NAME], [a [STATE] [ENTITY TYPE] / an individual] with an address at [BORROWER ADDRESS] (the "**Borrower**").

Lender and Borrower are each a "**Party**" and together the "**Parties**."

Recitals. Lender has agreed to make available to Borrower a revolving line of credit from which Borrower may draw, repay, and re-borrow from time to time up to a maximum amount, and Borrower has agreed to repay all amounts drawn with interest on the terms below. In consideration of the mutual promises below, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties agree as follows.

1. The Credit Line

1.1 **Commitment.** Subject to the terms of this Agreement, Lender establishes a revolving line of credit in favor of Borrower with a maximum aggregate outstanding principal of [AMOUNT IN WORDS] (\$[AMOUNT]) (the "**Credit Limit**").

1.2 **Revolving nature.** Borrower may borrow ("**Advances**"), repay, and re-borrow under this Agreement from time to time during the Draw Period, provided that the aggregate outstanding principal never exceeds the Credit Limit. The "**Outstanding Balance**" at any time means the total Advances made, less Principal repaid, plus accrued and unpaid interest and fees.

1.3 **Draw period.** Borrower may request Advances during the period beginning on the Effective Date and ending on [DRAW PERIOD END DATE] (the "**Draw Period**"), after which no further Advances are available and the Outstanding Balance is repaid under Section 3.

1.4 **Requesting advances.** Borrower may request an Advance by [METHOD, e.g. written request, online portal, ACH request]. Lender will fund each properly requested Advance within [NUMBER] business days, provided no Event of Default exists and the Advance would not exceed the Credit Limit.

2. Interest and Fees

2.1 **Interest rate.** Interest accrues on the daily Outstanding Balance of Principal at a [fixed / variable] annual rate of [RATE]% [or [INDEX] plus [MARGIN]%] (the "**Interest Rate**"), calculated on a [360-day / 365-day] year and actual days elapsed. Interest accrues only on amounts actually drawn and outstanding.

2.2 Maximum lawful rate. The total interest and charges will never exceed the maximum rate permitted by applicable law; any excess will be applied to Principal or refunded. The Parties acknowledge that maximum lawful rates vary by jurisdiction.

2.3 Fees. Borrower will pay: (a) a commitment or unused-line fee of **[PERCENT% per year on the undrawn portion / \$AMOUNT]**, if any; (b) an annual or renewal fee of **[\$AMOUNT]**, if any; and (c) any draw fee of **[\$AMOUNT]** per Advance, if any. Fees are payable **[monthly / as stated]**.

2.4 Default rate. After an uncured Event of Default, interest accrues on the Outstanding Balance at the lesser of **[DEFAULT RATE]%** per year or the maximum rate permitted by applicable law.

3. Repayment

3.1 Periodic payments. During the Draw Period, Borrower will make **[monthly]** payments of at least **[interest only / [PERCENT]% of the Outstanding Balance / \$AMOUNT]**, due on the **[DAY]** of each month.

3.2 Repayment after draw period. On the end of the Draw Period, the entire Outstanding Balance is **[due in full / converted to a term loan repayable in [NUMBER] installments through [MATURITY DATE]]** (the "Maturity Date").

3.3 Application of payments. Lender will apply each payment first to accrued interest, then to fees and costs, and then to Principal, unless applicable law requires otherwise. Repaid Principal becomes available for re-borrowing during the Draw Period.

3.4 Prepayment. Borrower may repay all or part of the Outstanding Balance at any time without penalty, subject to any unused-line fee that continues to apply during the Draw Period.

3.5 Mandatory paydown. If the Outstanding Balance ever exceeds the Credit Limit, Borrower will, within **[NUMBER]** days of notice, repay the excess.

4. Collateral and Guaranty

4.1 Security. This line of credit is **[unsecured / secured]**. If secured, Borrower grants Lender a security interest in the collateral described in **[Exhibit A / a separate Security Agreement]** (the "Collateral") to secure all obligations under this Agreement.

4.2 Perfection and further assurances. Borrower authorizes Lender to file financing statements and take other steps to perfect its security interest and will execute any further documents Lender reasonably requests.

4.3 Guaranty. Repayment **[is / is not]** guaranteed by **[GUARANTOR NAME]** under a separate written guaranty.

5. Borrower Covenants

5.1 Financial information. While the line is available or any amount is outstanding, Borrower will deliver financial statements and other information Lender reasonably requests within **[NUMBER]** days of request.

5.2 Compliance and existence. Borrower will maintain its legal existence and good standing (if an entity), comply in all material respects with applicable laws, and keep its required licenses and permits.

5.3 Notice of default. Borrower will promptly notify Lender of any event that, with notice or the passage of time, would become an Event of Default, and of any material adverse change in its financial condition.

6. Events of Default and Remedies

6.1 Events of default. Each of the following is an "**Event of Default**": (a) Borrower fails to make any required payment when due and does not cure within [NUMBER] days after notice; (b) the Outstanding Balance exceeds the Credit Limit and is not paid down under Section 3.5; (c) Borrower breaches any other material term and does not cure within [NUMBER] days after notice; (d) any representation proves materially false when made; or (e) Borrower becomes insolvent or is the subject of a bankruptcy or similar proceeding.

6.2 Remedies. On an uncured Event of Default, Lender may suspend or terminate the availability of further Advances, declare the entire Outstanding Balance immediately due, enforce against any Collateral or guarantor, and pursue any other remedy available at law or in equity. Remedies are cumulative.

6.3 Suspension for risk. Lender may suspend further Advances, on notice to Borrower, if Lender reasonably determines that a material adverse change has occurred in Borrower's financial condition, without that suspension itself being a breach by Lender.

6.4 Collection costs. To the extent permitted by applicable law, Borrower will reimburse Lender's reasonable costs of collection and enforcement, including reasonable attorneys' fees.

7. Representations and Warranties

7.1 By Borrower. Borrower represents and warrants that: (a) it has full power and authority to enter into and perform this Agreement; (b) this Agreement is a valid and binding obligation enforceable against it; (c) entering into this Agreement does not violate any law or other agreement binding on it; and (d) the financial information it provided to Lender is true and complete in all material respects.

7.2 By Lender. Lender represents that it has the authority to enter into this Agreement and establish the line of credit.

8. General Provisions

8.1 Governing law and venue. This Agreement is governed by the laws of the State of [STATE], without regard to its conflict-of-laws rules. The Parties submit to the exclusive jurisdiction of the state and federal courts located in [COUNTY, STATE].

8.2 Joint and several liability. If more than one person or entity signs as Borrower, each is jointly and severally liable for all obligations.

8.3 Assignment. Lender may assign or participate its rights without Borrower's consent. Borrower may not assign its obligations without Lender's prior written consent. This Agreement binds and benefits the Parties and their permitted successors and assigns.

8.4 Notices. Notices must be in writing and sent to the addresses above (or as updated in writing) and are effective on receipt.

8.5 Entire agreement; amendment. This Agreement, together with its exhibits and related security and guaranty documents, is the entire agreement between the Parties on its subject and supersedes prior discussions. It may be amended only by a writing signed by both Parties.

8.6 Severability and waiver. If any provision is unenforceable, the rest remains in effect. Lender's failure or delay in exercising a right is not a waiver.

8.7 Counterparts and electronic signature. This Agreement may be signed in counterparts and by electronic signature, each of which is an original and all of which together form one agreement.

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

LENDER

Signature: _____

Printed name: **[NAME]**Title: **[TITLE]**

Date: _____

BORROWER

Signature: _____

Printed name: **[NAME]**Title: **[TITLE / N/A]**

Date: _____

GUARANTOR (if any)

Signature: _____

Printed name: **[NAME]**Title: **[TITLE / N/A]**

Date: _____

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