

SC-COM510 Unsecured

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Contents

Date

Parties

Definitions

- 1 Purpose of Agreement
- 2 Amount of the loan
- 3 Advances
- 4 Repayment conditions
- 5 Interest payable
- 6 Early repayment of
- 7 Method of payment
- 8 Default in payment
- 9 No change to capital
- 10 Borrower's warrant
- 11 Contract is divisible
- 12 Notices and service
- 13 Headings
- 14 Dispute resolution
- 15 Waiver
- 16 Jurisdiction



SC-COM510

This agreement is dated:

It is made between [Lender]

("the Lender")

And

[Borrower name] of [address]

("the Borrower")

Definitions

These are the definitions of terms which, in the context requires a different interpretation:

the context requires a

"Advance"

by the Borrower at his

"Interest Date"

rest is payable.

"Loan"

now or at any later date due from the Borrower to

1 Purpose of Agreement

The purpose of this Agreement is that the Lender will lend an

terms under which the Loan.

2 Amount of the Loan

The Loan is in the sum of £[amount] lent by the Lender to the Borrower or a lesser sum as shall be determined.

shall in fact have been repaid, no payment subsists, or such amount has not been made.

3 Advances

3.1 The Loan shall be made in [number] instalments, as the Borrower shall determine from time to time (the "Instalments").
OR

Instalments, as the Borrower shall determine from time to time (the "Instalments").

3.1 The Loan shall be repaid on as this agreement has been signed.
OR

3.1 The loan shall be repaid when the Borrower has provided certain information to the Lender.
OR

3.1 The initial date of repayment shall be when the Borrower has provided certain information to the Lender. Thereafter, the Borrower shall repay the amount or amounts, as specified in the agreement ("the advances").

3.2 Before any repayment, the Borrower shall send to the Lender the following information:

4 Repayment conditions

The Loan shall be repaid on [list of dates] day.
OR

4 The Loan shall be repaid on [list of dates] day.
OR

4 The Loan shall be repaid on [list of dates] day. The amount of each repayment shall be [list of amounts] of profit or sales, and

5 Interest payable

5.1 Interest at the rate of [list of rates] shall be paid on the Loan.
OR

5.1 Interest at the rate of [list of rates] shall be paid on the Loan from time to time of [list of dates].

5.2 Interest shall be paid [list of frequencies] annually]

5.3 Interest shall be paid [list of frequencies]

6 Early repayment conditions

The Borrower may repay the Loan at any time provided that not less than [list of notice periods] before the Lender specifies the date for repayment. This notice then binds the Borrower to repay the Loan on the date specified.

7 Method of payment

All payments due to the Lender shall be paid in pounds sterling by bankers in the United Kingdom as the Lender may from time to time direct.

shall be paid in pounds sterling by bankers in the United Kingdom as the Lender may from time to time direct.

8 Default in payment

8.1 An "event of default" shall occur if:

8.1.1 The Borrower fails to pay any sum due to the Lender on the date for payment any days after the Lender by notice in writing;

the date for payment any days after the Lender by notice in writing; or the bankruptcy or insolvency of the Borrower;

8.1.2 a petition is presented for the winding up of the Borrower or for the appointment of a receiver or liquidator of the Borrower;

8.1.3 a receiver or liquidator is appointed of the Borrower other than for the purpose of selling the property of the Borrower;

the bankruptcy or insolvency of the Borrower;

8.1.4 a petition is presented for the winding up of the Borrower or for the appointment of a receiver or liquidator of the Borrower other than for the purpose of selling the property of the Borrower;

the bankruptcy or insolvency of the Borrower;

8.1.5 a petition is presented for the winding up of the Borrower or for the appointment of a receiver or liquidator of the Borrower other than for the purpose of selling the property of the Borrower.

the bankruptcy or insolvency of the Borrower;

8.2 Where an event of default occurs, the Lender may issue a notice of demand for the repayment of the Loan then outstanding and interest thereon.

the Lender may issue a notice of demand for the repayment of the Loan then outstanding and interest thereon.

8.3 From the date of the issue of a notice of demand on the loan, the rate of interest payable on the loan shall be the rate of interest then in force (including any percentage) and such rate shall be payable in arrears.

From the date of the issue of a notice of demand on the loan, the rate of interest payable on the loan shall be the rate of interest then in force (including any percentage) and such rate shall be payable in arrears.

9 No change to capital structure

Until the Loan is repaid, the Borrower shall not make any change to its capital structure.

9.1 The Borrower shall not make any change to its capital structure by issuing any new shares or securities or by any other means.

the Lender any issue by the Borrower of any new shares or securities or by any other means.

9.2 The Borrower shall not issue any new shares or securities or by any other means attaching to its existing shares or securities any right attaching to the shares or securities.

the Lender any issue by the Borrower of any new shares or securities or by any other means attaching to its existing shares or securities any right attaching to the shares or securities.

12.3 Any notice or
have been du

ans, shall be deemed to

12.4 Service of an
shall be effec
served at his
address as
concerned.

g out of this agreement
ered to the party to be
office, or to such other
n writing by the party

13 Headings

The headings in this

14 Dispute Resolution

In the event of a d
attempt to settle it th

ne parties undertake to
nminating litigation.

15 Waiver

The failure by either
of the terms or cond
right at any time sub

period any one or more
waiver of them or of the
tions of this Contract.

16 Jurisdiction

This Contract shall b
agree to submit to th

Scotland and the parties
ourts.



Signed by [name] [on behalf

Witness name:

address:

Signed by [name]
[on behalf of] [Borrower]:

Witness name:

address:

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General comments

- 1 There is little statutory provision of this nature, so the parties can make more
- 2 The wording of the clause depends upon whether one or the other party

Comments relating to the

- 1 Note that the definition of interest may be more than one
- 3 Provides for alternative provision of information to the lender.
- 5 The provision for accumulation of interest requires careful attention, particularly if the rate in interest is to be added to the capital, so that there is a "compound interest on interest", as so on. This cumulating effect increases the total cost of the loan (and consequent return to the lender).
- 9 This paragraph may be relevant to an individual.
- 10 Insofar as the lender is to be satisfied by the borrower verbally or in writing, it should be noted that if the information proves to be false, the lender has no remedy.

End of notes