

Loan Agreement

1. Date of agreement:

2. Between

Name:

Address:

(the Lender)

and

Name:

Address:

(the borrower, hereinafter referred to as "the Co-operative")

3. Date the loan is to be made:

4. By method (bank transfer, cheque):

(Note that money laundering legislation makes it problematic to accept sums in excess of say £1,000 in cash.)

5. The principal (*amount loaned*) is:

(words)

(figures)

6. The term for which the principal is loaned is:

(length of time)

If the principal is to be repaid by a single payment, go to 7. If the principal is to be repaid according to a schedule, go to 11.

7. The principal is to be repaid by:

(date)

(method)

8. The interest rate to be paid equates to
per cent per annum APR. Interest to be calculated monthly.

9. The interest is to be paid quarterly* / annually* / at the end of the term*
[*delete 2] by:

(method)

10. Default upon payment of interest will cause the repayment of the principal to fall due with immediate effect.

Go to 14.

11. The loan is to be repaid according to the attached schedule. *[Ensure schedule is attached.]*
12. The interest rate to be paid equates toper cent per annum APR.
13. Default upon payment will cause the repayment of the whole of the remaining principal to fall due with immediate effect.
14. Security: the Lender takes a fixed and floating charge against the assets of the Co-operative and this charge will be duly registered by the Co-operative. Therefore, in the event of the Co-operative failing to repay the loan in full the Lender will be a secured creditor, though not necessarily the only secured creditor. The Lender has no specific charge, lien or mortgage upon any particular piece of property nor any right to seize any asset in the ownership of the Co-operative except by due legal process.
15. Guarantees: this loan is not the subject of any personal guarantees by the directors of the Co-operative but is expressly a loan to the Co-operative as a corporate body and the Lender is fully aware of the nature of the Co-operative as a corporate body affording limited liability to its members and directors.
16. Fees, administrative charges and the costs of professional advice incurred in relation to this contract will be waived by both parties to this agreement and no charges in relation to this contract will be charged by either party to this agreement to the other party except with their explicit agreement in writing in advance stating the amount that they agree to pay.
17. Variance of this contract, for example the extension of the term or variation of the payment schedule can only be made by the consent of both parties in writing except that the Co-operative reserves the right to redeem the loan early in whole or in part or by increments and both the fixed and floating charge against the Co-operative's assets and the interest to be paid will be reduced commensurately.

Signed:
the Lender

Signed:

Name: (Director)
for and on behalf of the Co-operative

Signed:

Name: (Secretary or 2nd Director)
for and on behalf of the Co-operative

Witnessed by:

Signed:

Name:
independent witness

Address of witness:

Occupation of witness:

Date signed: