

# Business Line of Credit Agreement

This Business Line of Credit Agreement ("Agreement") is made and entered into as of \_\_\_\_\_, by and between [Lender Name], having a principal place of business at [Lender Address] ("Lender"), and [Borrower Name], a business entity organized under the laws of [State] with its principal place of business at [Borrower Address] ("Borrower").

## 1. Line of Credit

Subject to the terms and conditions of this Agreement, the Lender hereby establishes in favor of the Borrower a line of credit in the principal amount of \$\_\_\_\_\_ ("Credit Limit").

## 2. Advances

Borrower may request advances under this line of credit in accordance with the procedures established by Lender. Aggregate outstanding advances shall not exceed the Credit Limit at any time.

## 3. Interest Rate

All amounts advanced under this line of credit shall bear interest at a rate of \_\_\_\_\_% per annum, calculated on the outstanding principal balance.

## 4. Repayment

Borrower shall pay accrued interest on the outstanding principal amount monthly. The entire unpaid principal and accrued interest shall be due and payable in full on [Maturity Date].

## 5. Use of Proceeds

Borrower shall use the proceeds of this line of credit solely for business purposes and not for any personal, family, or household purposes.

## 6. Representations and Warranties

- Borrower is duly organized, validly existing, and in good standing under the laws of its jurisdiction.
- This Agreement constitutes a valid, legally binding obligation of the Borrower.

## 7. Events of Default

The following events constitute an Event of Default under this Agreement:

- Failure to pay any amount due hereunder when due.
- Any representation or warranty made by Borrower proves to be false or misleading.
- Borrower becomes insolvent or files for bankruptcy.

## 8. Remedies

Upon the occurrence of an Event of Default, Lender may, at its option, declare all amounts outstanding under this Agreement to be immediately due and payable and exercise any other rights available at law or in equity.

## **9. Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the State of [State].

## **10. Miscellaneous**

- This Agreement constitutes the entire agreement between the parties, superseding any prior understandings.
- No amendment to this Agreement shall be effective unless in writing and signed by both parties.

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Lender: [Lender Name]  
Date: \_\_\_\_\_

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Borrower: [Borrower Name]  
Date: \_\_\_\_\_