

Personal Loan Agreement

Effective Date: August 26, 2025

Parties

This Personal Loan Agreement (the "Agreement") is entered into by and between:

- **Lender:** Summit Financial Group, a corporation organized under the laws of California, with its principal office at 789 Capital Avenue, San Francisco, CA 94105.
- **Borrower:** Alex Johnson, an individual with a principal address at 123 Ocean Drive, Los Angeles, CA 90001.

Recitals

WHEREAS, the Borrower has requested a personal loan from the Lender for the purpose of home renovation and debt consolidation, totaling an estimated cost of \$75,000; and

WHEREAS, the Lender, after reviewing the Borrower's credit history and financial statements, is willing to extend such a loan to the Borrower on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties agree as follows.

Loan Terms

The Lender agrees to loan the Borrower the principal amount of \$75,000 (the "Loan Amount"). The Loan shall bear interest at a fixed rate of 6.5% per annum, calculated on the outstanding principal balance and compounded monthly, commencing on the Effective Date. The Lender reserves the right to adjust the interest rate by 0.5% annually based on market conditions, with written notice provided to the Borrower 30 days in advance.

Repayment Schedule

The Borrower shall repay the Loan in 60 equal monthly installments of \$1,490.31 each, beginning on September 26, 2025, and continuing on the 26th day of each subsequent month until the Loan Amount and all accrued interest are fully paid, with the final payment due on August 26, 2030. All payments shall be made via electronic transfer to the Lender's designated account at Summit Financial Group, Account Number 9876543210. The Borrower may make additional payments or pay off the Loan early without penalty, provided written notice is given 15 days prior.

Obligations of the Borrower

The Borrower agrees to:

- Use the Loan Amount solely for the purposes stated in the Recitals and provide documentation of expenditures upon request.

- Make all payments in a timely manner as outlined in the Repayment Schedule, without setoff or deduction, unless agreed otherwise in writing.
- Notify the Lender in writing of any change in address, employment, or financial status within 10 days of such change, including updates to income sources or credit obligations.
- Provide security in the form of a lien on the Borrower's personal property, including a 2022 Tesla Model 3, VIN 5YJ3E1EA0NF123456, to secure the Loan.
- Maintain comprehensive insurance on the collateral at the Borrower's expense and submit annual proof of coverage to the Lender.
- Refrain from transferring or encumbering the collateral without prior written consent from the Lender.

Representations and Warranties

The Borrower represents and warrants to the Lender that:

- The Borrower has full legal capacity to enter into this Agreement and perform the obligations hereunder, with no existing legal restrictions.
- All information provided by the Borrower in connection with the Loan, including credit reports and financial statements, is true, accurate, and complete as of the Effective Date.
- The Borrower is not in default under any other loan or financial obligation exceeding \$10,000.
- There are no pending or threatened legal actions against the Borrower that could materially affect their ability to repay the Loan, including any bankruptcy proceedings.

Events of Default and Remedies

The occurrence of any of the following shall constitute an Event of Default:

- Failure to make any payment within 10 days of the due date, including late fees of \$25 per incident.
- Breach of any representation, warranty, or covenant under this Agreement, including unauthorized use of the Loan Amount.
- Bankruptcy, insolvency, or assignment for the benefit of creditors by the Borrower, or any similar proceeding.
- Death or incapacity of the Borrower, unless a legal representative assumes the obligations within 30 days.

Upon an Event of Default, the Lender may, at its option:

- Declare the entire outstanding Loan Amount, accrued interest, and any late fees immediately due and payable, with a 10-day cure period provided in writing.
- Enforce the security interest in the collateral, including repossession and sale at a public auction, with proceeds applied to the outstanding balance.
- Pursue any other remedies available at law or in equity, including collection costs, reasonable attorney's fees not exceeding 15% of the outstanding balance, and court costs.

Confidentiality

The Borrower agrees to maintain the confidentiality of all financial terms and conditions of this Agreement, disclosing them only to legal or financial advisors with a need to know, and to return or destroy any Lender-provided documents upon request.

Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of California, without regard to its conflict of laws principles. Any legal action arising under this Agreement shall be brought exclusively in the state or federal courts located in San Francisco County, California, and the Borrower consents to the jurisdiction of such courts.

Miscellaneous

- **Notices:** All notices required under this Agreement shall be in writing and sent via certified mail or email to the addresses specified in the Parties section, with email notices deemed delivered upon receipt confirmation.
- **Amendments:** This Agreement may be amended only by a written instrument signed by both parties, with any verbal modifications deemed invalid.
- **Severability:** If any provision is held invalid or unenforceable, the remainder shall continue in full force and effect, and the invalid provision shall be reformed to the extent necessary.
- **Entire Agreement:** This Agreement constitutes the entire understanding between the parties and supersedes all prior agreements, negotiations, or understandings, whether written or oral.
- **Force Majeure:** Neither party shall be liable for delays or failures due to acts of God, war, or other unforeseen events beyond their control, provided notice is given within 5 days.

Signatures

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

Summit Financial Group

Alex Johnson

Signature

Signature

Name: Lisa Chen
Title: Loan Manager
Date: August 26, 2025

Name: Alex Johnson
Title: Borrower
Date: August 26, 2025