

LMA Facility Agreement - Cover Summary (Sample)

This is a short, narrative-style summary intended for document parsing demos.
It is NOT legal advice and is NOT a complete facility agreement.

Parties

Borrower: Acme Manufacturing LLC (the "Borrower")
Arranger: Example Bank plc
Facility Agent: Example Bank plc
Security Agent: Example Security Trustee Ltd.

Facilities

Type: Senior Secured Term Loan Facility
Commitment: USD 25,000,000
Purpose: General corporate purposes and permitted acquisitions
Availability Period: 90 days from signing

Interest

Rate: SOFR + 3.50% per annum (margin 350 bps)
Interest Period: 1 month (Borrower may elect 1 or 3 months)
Default Interest: +2.00% above the rate otherwise applicable

Repayment & Maturity

Final Maturity Date: 31 December 2030
Amortisation: 1.00% of principal per quarter, balance due at maturity
Voluntary Prepayment: Allowed (subject to customary notice and break costs)

Security & Guarantees

Security: First-ranking security over material assets (where permitted)
Guarantees: Guarantees from material subsidiaries (subject to limitations)

Financial Covenants (tested quarterly)

Leverage Ratio: <= 4.50x
Interest Cover: >= 2.00x
Minimum Liquidity: >= USD 2,000,000

Events of Default (summary)

Non-payment, breach of financial covenants, insolvency, cross-default, and unlawfulness (subject to cure periods and thresholds where applicable).

Governing Law

English law