

LOAN AGREEMENT

Agreement Number: ACME-2021

PARTIES:

This Loan Agreement ("Agreement") is made between ACME Corporation ("Borrower") and Global Bank ("Lender") on January 1, 2021.

RECITALS:

WHEREAS, Borrower desires to obtain a loan from Lender under the terms set forth herein;

WHEREAS, Lender agrees to provide such loan subject to the conditions contained in this Agreement.

DEFINITIONS:

"LIBOR" refers to the London Interbank Offered Rate.

"Collateral" refers to assets pledged by Borrower.

"Business Day" means any day other than Saturday, Sunday, or a day on which banks are authorized to close.

SECTION 1: LOAN TERMS

1.1 Principal Amount: \$10,000,000.

1.2 Interest Rate: Clause 3.1: Interest will adjust quarterly based on LIBOR + 2% margin.

1.3 Payment Schedule: Monthly installments due on the 1st of each month.

1.4 Late Payment: Any payment not received within 10 Business Days shall incur a penalty of 1% of the overdue amount.

SECTION 2: EARLY REPAYMENT

Clause 4.2: Early repayment is permitted without penalty if notice is given 30 days in advance.

Clause 4.3: Partial prepayments allowed with proportional interest adjustment.

Clause 4.4: Borrower must provide written confirmation of intent to prepay.

SECTION 3: COLLATERAL

Clause 5.1: Borrower pledges equipment valued at \$1,000,000 as collateral.

Clause 5.2: Collateral must be insured for full value.

Clause 5.3: Borrower shall maintain collateral in good condition and provide quarterly reports.

SECTION 4: REPRESENTATIONS AND WARRANTIES

Borrower represents that all financial statements provided are accurate and complete.

Borrower warrants compliance with all applicable laws.

SECTION 5: COVENANTS

Borrower shall maintain a minimum liquidity ratio of 1.5.

Borrower shall not incur additional debt exceeding \$2,000,000 without prior consent.

SECTION 6: EVENTS OF DEFAULT

Failure to pay any amount due within 30 days.

Insolvency or bankruptcy of Borrower.

Misrepresentation of material facts.

SECTION 7: GOVERNING LAW

This Agreement shall be governed by the laws of the State of New York.

SECTION 8: DISPUTE RESOLUTION

Any dispute shall be resolved through arbitration in New York City.

APPENDIX A: CONTACT INFORMATION

Global Bank Loan Department: loans@globalbank.com

ACME Corp Finance Team: finance@acme.com