*“Your Success is Hornby’s Success”*

OFFICIAL LOAN AGREEMENT (LOAN #)

# Background

The Hornby Island Community Economic Enhancement Corporation (HICEEC) is acting as the clearing house for a group of investors who want to support small business establishment and business expansions on the island. Loans of up to $5,000 may be provided. Requests above this amount may be considered on a case-by-case basis. This document serves as the legal contract between the Lender(s) and Borrower(s), and specifies all terms, responsibilities, and timeline for the loan.

This Loan Agreement (“Agreement”) is made and effective the (DATE),

**BETWEEN: (LENDER(S) NAME)** (the “Lender”), an individual(s) or business with his/her/their/its address located at: **(COMPLETE ADDRESS)**

**AND: (BORROWER(S) NAME)** (the “Borrower”), an individual or business with his/her/its/their address located at **(COMPLETE ADDRESS)**

**1.PROMISE TO PAY**

Within (NUMBER) of months from today, as per the following payment schedule, the Borrower promises to pay the Lender the sum of (AMOUNT), and interest and other charges stated below.

**2. RESPONSIBILITY**

Although this Agreement may be signed below by more than one person, the Borrower understands that we are each as individuals responsible for paying back the full amount.

**3. BREAKDOWN OF LOAN**

**Amount of Loan: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Finance Charge: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Total of payments: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Effective Annual Interest Rate: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**4. LOAN DISBURSEMENT**

The Lender(s) will immediately disburse the funds in full via cheque upon signing of this Agreement.

**5. REPAYMENT**

This is how the Borrower will repay. Borrower will repay the amount of this note in (NUMBER) of payments as per the following schedule:

**6. PREPAYMENT**

The Borrower has the right to prepay the whole outstanding amount at any time.

**7. LATE CHARGE**

Any installment not paid on its due date will be assigned a 2% monthly late charge.

**8. SECURITY**

To protect the Lender, the Borrower offers the following collateral should they not be able to repay the full amount of the loan or any installment owed.

The collateral offered is: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**9. DEFAULT**

If for any reason the Borrower fails to make any payment in time, the Borrower shall be in default. The Lender can then demand immediate payment of the entire remaining unpaid balance of the loan, without giving anyone further notice. If the Borrower has not paid the full amount of the loan is due, the Lender will charge a 2% additional monthly interest, or collect on the collateral above, at the Lender’s discretion.

**10. CONFIDENTIALITY AND COMMUNICATION**

The Borrower and Lender agree to keep the terms of this loan confidential. The parties may communicate publicly that a Lending Agreement exists between the parties only if the Borrower agrees on each communication instance as they arise via email consent.

**11. BINDING AGREEMENT**

By signing the Borrower and Lender agree to be legally bound by the terms of this Agreement.

 The Borrower(s) The Lender(s)

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Dated: Dated: