

Loan Agreement

This Loan Agreement (this "Agreement"), is made as of this 22 day of January, 2018 (the "Effective Date") by and between Eleanor S Herrington, an individual located at 1623 Kelley Road, Gulfport, MS 39503 ("Borrower"), and Dorothy R Silver, an individual located at 292 Poe Lane, Overland Park, KS 66210 ("Lender").

WHEREAS, Lender has agreed to give Borrower the Loan, as defined below, and Borrower has agreed to repay the Loan in accordance with the terms and conditions set forth in this Agreement.

NOW THEREFORE, in consideration of the mutual considerations contained herein and other good and sufficient consideration, the receipt of which is hereby acknowledged, Borrower and Lender hereby agree as follows:

1. Loan Amount. Lender promises to loan Borrower the principal sum of \$30,000.00 USD (the "Loan") in accordance with the terms set forth below.

2. Repayment of Loan. The Loan together with all other charges, costs and expenses, is due and payable on demand of Lender (the "Maturity Date").

3. Representations and Warranties. Borrower represents and warrants to Lender as follows:

- Borrower is an entity validly existing and in good standing under the laws of its state of formation.
- Borrower has the full power and authority to execute, deliver and perform this Agreement.
- The execution, delivery and performance of this Agreement has been duly authorized by Borrower.
- The execution, delivery and performance of this Agreement does not and will not violate or conflict with any applicable law, regulation, order or any other requirement by any government or other organization.
- This Agreement constitutes a legal, valid and binding obligation of Borrower enforceable against Borrower in accordance with its terms.

4. Covenants. Unless Lender otherwise consents in writing, Borrower covenants and agrees as follows:

- Borrower shall maintain its legal existence and remain in good standing under the laws of its state of formation.
- Borrower shall acquire, maintain and renew all rights, licenses, permits and approvals necessary in the performance of its obligations under this Agreement.
- Borrower shall comply with all applicable laws.
- Borrower shall not make or permit to be made any material change to its business.
- Borrower shall not create, incur, assume or otherwise become directly or indirectly liable for any other indebtedness.

5. Events of Default. The following shall each constitute an "Event of Default" under this Agreement if not cured within five (5) days after receiving written notice of such failure or breach:

- Borrower's failure to make any required payment in this Agreement.
- A material misrepresentation or misstatement of any representation or warranty made by Borrower in this Agreement.
- The insolvency of Borrower, including (i) the commencement of a voluntary or involuntary case against Borrower under any applicable bankruptcy, insolvency, or other similar law now or hereafter in effect and (ii) a decree or order of a court for relief with respect to Borrower in a voluntary or involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect.
- The failure of Guarantor to make any required payment after receiving notice of non-payment by Borrower.
- The liquidation, dissolution, incompetency or death of Borrower.

6. Acceleration. Upon the occurrence of an Event of Default, Lender in its sole discretion may demand that the Principal Balance and any accrued and unpaid interest be immediately due and payable in full.

7. Remedies. If one or more Event of Default occurs and is not cured within with five (5) days, Lender may enforce its rights or remedies in equity or at law, or both, whether for specific performance of any provision in this Agreement or to enforce the payment of the Loan or any other legal or equitable right or remedy. The rights and remedies of Lender now or hereafter existing at law or in equity or by statute or otherwise shall be cumulative and shall be in addition to every other such right or remedy.

8. Costs and Expenses. Borrower shall pay to Lender all costs of collection, including reasonable attorney's fees, Lender incurs in enforcing this Agreement.

9. Waiver. Borrower and all sureties, guarantors and endorsers hereof, waive presentment, protest and demand, notice of protest, demand and dishonor and nonpayment of this Agreement.

10. Successors and Assigns. This Agreement will inure to the benefit of and be binding on the respective successors and permitted assigns of Lender and Borrower. Borrower may not assign its rights or delegate its duties under this Agreement without Lender's prior written consent.

11. Amendment. This Agreement may be amended or modified only by a written agreement signed by Borrower and Lender.

12. Notices. Any notice or communication under this Loan must be in writing and sent via one of the following options:

- Delivery in Person
- Certified or Registered Mail (Postage Prepaid, Return Receipt Requested)
- Electronic Email Transmission

13. No Waiver. Lender shall not be deemed to have waived any provision of this Agreement or the exercise of any rights held under this Agreement unless such waiver is made expressly and in writing. Waiver by Lender of a breach or violation of any provision of this Agreement shall not constitute a waiver of any other subsequent breach or violation.

14. Severability. In the event that any of the provisions of this Agreement are held to be invalid or unenforceable in whole or in part, the remaining provisions shall not be affected and shall continue to be valid and enforceable as though the invalid or unenforceable parts had not been included in this Agreement.

15. Assignment. Borrower shall not assign this Agreement, in whole or in part, without the written consent of Lender. Lender may assign all or any portion of this Agreement with written notice to Borrower.

16. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Kansas, not including its conflicts of law provisions.

17. Disputes. Any dispute arising from this Agreement shall be resolved through mediation. If the dispute cannot be resolved through mediation, then the dispute will be resolved through binding arbitration conducted in accordance with the rules of the American Arbitration Association.

18. Entire Agreement. This Agreement contains the entire understanding between the parties and supersedes and cancels all prior agreements of the parties, whether oral or written, with respect to such subject matter.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first stated above.

SIGNATURES

Borrower Signature _____ **Eleanor S Herrington**
Borrower Full Name _____

Lender Signature _____ **Dorothy R Silver**
Lender Full Name _____

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GENERAL INSTRUCTIONS

WHAT IS A LOAN AGREEMENT?

A Loan Agreement is a written contract between two parties — a lender and a borrower — that can be enforced in court if one party does not hold up their end of the bargain.

The borrower understands that the money being borrowed will be repaid to the lender at a future date and possibly with interest. Similarly, the lender cannot change their mind and decide to not lend the borrower money, especially if the borrower relies on that promise and makes a purchase with the expectation that they will receive money soon.

A Loan Agreement protects the rights of both the borrower and the lender. Reducing the terms and conditions to writing helps make the parties address and discuss the important terms of the loan transaction ensuring that they are clear and fair to both parties. The document can prevent the lender from taking advantage of the borrower in relation to the repayment of the loan and it can serve to protect the money loaned by the lender.

While the existence of the Loan Agreement itself does not necessarily guarantee that the borrower will repay the money back in a timely manner, the presence of such a document can help to support the lender's claim if legal action has to be taken to reclaim any money. At a minimum, the parties have a written agreement evidencing that a loan has taken place.

WHEN SHOULD ONE BE USED?

- If you borrow money from an individual lender or a business and you want to document the terms and conditions of the loan in writing.
- If you plan to loan any amount of money to another individual or entity and you want to create a formal record of the transaction and specify the terms of repayment.

- If you borrow money from an individual lender or a business and you want to document the terms and conditions of the loan in writing.
- If you plan to loan any amount of money to another individual or entity and you want to create a formal record of the transaction and specify the terms of repayment.
- If you are either the borrower or lender in a loan transaction which involves interest on the principal amount of the loan.
- If you are either the borrower or lender and want a written record defining the loan repayment schedule.

SITUATIONS IN WHICH A LOAN AGREEMENT IS COMMONLY USED

- Private or personal lending between friends, family members, neighbors or colleagues.
- Down payments on property
- Mortgages or real estate loans
- Student or educational loans
- Commercial or business loans
- Loans for car or vehicle purchases

WHAT TO INCLUDE

When creating a Loan Agreement, it is important to include certain information. To make sure the document is complete, you should include the following:

- Full details of the lender including the name and address
- Full details of the borrower including the name and address
- Principal amount of the loan
- Any interest accrued on the loan and the rate of interest
- Repayment options
- Repayment schedule
- Any additional stipulations relating to the loan such as prepayment or default of the loan

REPAYMENT OPTIONS

The Loan Agreement should clearly set out the repayment schedule so that there is no question as to how and when the borrower must repay the principal amount of the loan and interest (if applicable) to the lender. The most common types of repayment options are lump sum payments, installment payments and "due on demand" payments.