

SENIOR SECURED LOAN & SECURITY AGREEMENT

Borrower: Keystone Capital Partners, LP · Governing law: United States
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1. Loan, Interest, and Default Rate

The Lender shall make a term loan to the Borrower in the principal amount set forth in the Schedule, bearing interest at the rate stated therein. Upon the occurrence of any Event of Default, interest shall accrue on all outstanding obligations at a default rate equal to the contract rate plus five percent (5%) per annum, and a late charge of ten percent (10%) shall apply to any payment more than five (5) days late, in each case compounding monthly.

2. Security Interest

To secure all obligations, the Borrower grants the Lender a continuing first-priority security interest in all of the Borrower's assets, whether now owned or hereafter acquired, including accounts, inventory, equipment, general intangibles, intellectual property, deposit accounts, and the proceeds thereof. The security interest also secures all other present and future indebtedness of the Borrower to the Lender of every kind (a cross-collateralization / dragnet clause).

3. Guaranty

As a condition of the loan, each principal of the Borrower absolutely, unconditionally, and irrevocably guarantees, jointly and severally, the full and prompt payment of all obligations, without limitation as to amount. The guaranty is one of payment and not collection; the guarantors waive all defenses, including any requirement that the Lender first proceed against the Borrower or the collateral, and waive all rights of subrogation until the obligations are paid in full.

4. Financial Covenants

The Borrower shall at all times maintain a minimum fixed-charge coverage ratio of 1.25:1.00 and a maximum total leverage ratio of 3.00:1.00, tested monthly. The Borrower shall deliver monthly financial statements within fifteen (15) days of month-end. Any failure to maintain a covenant, even for a single testing date, constitutes an immediate Event of Default without any cure period.

5. Material Adverse Change; Demand

Notwithstanding any other provision, the Lender may declare all obligations immediately due and payable, and may cease making any advances, at any time the Lender determines in its sole and absolute discretion that a material adverse change has occurred or may occur in the Borrower's business, financial condition, or prospects, or that the Lender otherwise deems itself insecure.

6. Cross-Default

An Event of Default shall be deemed to occur under this Agreement upon any default by the Borrower or any guarantor under any other agreement, indebtedness, or obligation owed to any party, whether or not related to this loan, regardless of amount and whether or not such default has been waived by the other creditor.

7. Prepayment

The Borrower may prepay the loan only upon payment of a make-whole premium equal to the present value of all interest that would have accrued through the maturity date, plus a prepayment fee of three percent (3%) of the amount prepaid. No partial prepayment shall reduce the scheduled installments.

8. Confession of Judgment

The Borrower and each guarantor irrevocably authorize any attorney to appear in any court of record and confess judgment against them, without prior notice or opportunity to be heard, for all amounts then due, together with costs and attorneys' fees of fifteen percent (15%) of the amount of the judgment.

9. Expenses and Indemnity

The Borrower shall pay on demand all of the Lender's costs and expenses, including attorneys' fees, incurred in connection with the loan, its administration, any amendment, and any enforcement or collection. The Borrower shall indemnify the Lender against all claims relating to the loan except those resulting from the Lender's gross negligence as finally determined by a court.