

# ADVANCE PAYMENT AGREEMENT

Location: \_\_\_\_\_ Date: \_\_\_\_\_

## Parties:

Payor (Party advancing payment): \_\_\_\_\_

Payee (Party receiving payment): \_\_\_\_\_

## Recitals:

WHEREAS, Payor desires to advance funds to Payee under the terms set forth herein; and WHEREAS, Payee agrees to accept such advance payment subject to the conditions and agreements contained herein;

## 1. Advance Payment Amount:

Payor agrees to advance the sum of: \_\_\_\_\_ USD

## 2. Purpose of Advance:

The advance payment described above is provided for the purpose of financing the obligations, operations, or projects as mutually agreed in writing by the Parties.

## 3. Repayment Terms:

Payee agrees to repay the advance payment to Payor as follows: (a) the total amount advanced shall be due and payable upon demand or on a mutually agreed schedule; (b) payments shall be made in lawful money of the United States of America; (c) prepayment is permitted without penalty; and (d) any late payments shall bear interest at the maximum rate allowed by applicable law.

## 4. Security:

This advance payment is secured by any and all collateral, liens, or guarantees as set forth in a separate security agreement or as otherwise agreed in writing by the Parties.

## 5. Representations and Warranties:

Each Party represents and warrants to the other that: (a) it has full power and authority to enter into this Agreement and to perform its obligations hereunder; (b) this Agreement constitutes a valid and binding obligation enforceable against it in accordance with its terms; (c) no consent or approval of any third party or governmental authority is required to enter into this Agreement.

## 6. Covenants:

Payee covenants that it shall: (a) use the advance payment solely for the purpose stated herein; (b) keep accurate records of all expenditures and provide such records to Payor upon request; (c) maintain any collateral securing the advance payment in good condition; (d) promptly notify Payor of any event that may materially affect its ability to repay the

advance payment.

**7. Default:**

The occurrence of any of the following shall constitute an event of default: (a) failure to repay the advance payment or any accrued interest as required herein; (b) insolvency or bankruptcy of Payee; (c) breach of any representation, warranty, or covenant contained in this Agreement; (d) any material adverse change in Payee's financial condition or operations.

**8. Remedies upon Default:**

Upon the occurrence of an event of default, Payor may, at its option, exercise any or all of the following remedies: (a) declare the entire unpaid balance of the advance payment and any accrued interest immediately due and payable; (b) enforce any security interest or collateral securing this Agreement; (c) pursue any other remedies available at law or in equity.

**9. Governing Law and Venue:**

This Agreement shall be governed by and construed in accordance with the laws of the State of \_\_\_\_\_, without regard to its conflict of law rules. The Parties consent to the exclusive jurisdiction and venue of state and federal courts located in \_\_\_\_\_ County, \_\_\_\_\_.

**10. Notices:**

All notices, requests, consents, demands, and other communications required or permitted hereunder shall be in writing and shall be deemed to have been duly given when delivered personally, sent by nationally recognized overnight courier, certified mail return receipt requested, or by electronic means capable of confirming transmission and receipt, to the addresses of the Parties set forth herein or as otherwise designated in writing.

**11. Confidentiality:**

The Parties agree to maintain in confidence all non-public information obtained from each other in connection with this Agreement and to use such information solely for the purposes contemplated herein, except as required by law or with prior written consent.

**12. Entire Agreement; Amendments:**

This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements, representations, and understandings. Any amendment or modification must be in writing and signed by both Parties.

**13. Severability:**

If any provision of this Agreement is held to be invalid, illegal, or unenforceable by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect and the invalid provision shall be replaced by a valid provision that most closely reflects the Parties' intent.

**14. Waiver:**

No failure or delay by either Party in exercising any right or remedy shall operate as a waiver thereof, nor shall any single or partial exercise preclude any other or further exercise of any right or remedy.

**15. Counterparts and Electronic Signatures:**

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together constitute one and the same instrument. Electronic signatures shall be deemed to have the same legal effect as originals.

**PAYOR'S SIGNATURE**

**PAYEE'S SIGNATURE**

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

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