

FORBEARANCE AGREEMENT

Location: _____ Effective Date: _____

PARTIES:

Creditor Name: _____

Creditor Address: _____

Debtor Name: _____

Debtor Address: _____

RECITALS:

WHEREAS, Creditor extended credit to Debtor under certain loan agreements and security agreements; WHEREAS, Debtor has defaulted under the terms of said agreements; WHEREAS, the parties desire to enter into this Forbearance Agreement to set forth the terms upon which Creditor agrees to forbear from exercising certain rights and remedies; NOW, THEREFORE, in consideration of the mutual covenants and promises herein contained, the parties agree as follows:

1. Forbearance Period

Creditor agrees to forbear from exercising its rights and remedies under the Loan Documents for the period commencing on the Effective Date and continuing until the earlier of (a) the expiration of ___ days from the Effective Date, or (b) termination of this Agreement as permitted herein.

2. Payment Obligations

Debtor shall make all payments due under the Loan Documents during the Forbearance Period as follows: [Insert payment schedule or terms]. Failure to make timely payments shall constitute an Event of Default under this Agreement.

3. Representations and Warranties

Debtor represents and warrants that all information provided to Creditor is true, complete, and correct; that no Event of Default has occurred other than as disclosed; and that Debtor has full authority to enter into this Agreement.

4. Covenants

Debtor covenants to continue to comply with all obligations under the Loan Documents except as expressly modified herein, to provide Creditor with periodic financial reports upon request, and to notify Creditor immediately upon any further default or material adverse change.

5. Events of Default

Any failure by Debtor to comply with the terms of this Agreement, including but not limited to failure to make payments as required, shall constitute an Event of Default and permit Creditor to terminate the Forbearance Period and exercise all remedies available under the Loan Documents and applicable law.

6. Remedies

Upon the occurrence of an Event of Default, Creditor may immediately terminate this Agreement by written notice to Debtor and exercise any and all rights and remedies available to Creditor under the Loan Documents, at law or in equity, including but not limited to acceleration of debt, foreclosure, and enforcement of security interests.

7. No Waiver

Except as expressly set forth in this Agreement, Creditor’s forbearance shall not constitute a waiver of any rights or remedies and shall not be deemed a modification of the Loan Documents.

8. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of _____, without regard to its conflict of laws principles.

9. Entire Agreement

This Agreement constitutes the entire agreement between the parties concerning the subject matter hereof and supersedes all prior agreements, understandings, and negotiations.

10. Amendments

Any modification or amendment to this Agreement must be in writing and signed by both parties.

11. Notices

All notices and communications under this Agreement shall be in writing and deemed duly given when delivered in person, by certified mail (return receipt requested), nationally recognized overnight courier, or electronic means with confirmation of receipt, to the addresses set forth below or such other address as a party may designate.

12. Severability

If any provision of this Agreement is held invalid or unenforceable, the remaining provisions shall remain in full force and effect.

13. Binding Effect

This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

14. Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

15. Authority

Each party represents and warrants that it has full power and authority to enter into this Agreement and that execution and delivery have been duly authorized.

CREDITOR'S SIGNATURE

DEBTOR'S SIGNATURE

Signature: _____

Signature: _____

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