

# Sample Document: Debt Financing for Capital Expansion

## Parties

**Lender:** First National Bank Ltd., a corporation organized under the laws of the State of Exampleland, with its principal office at 123 Main Street, Capital City, Exampleland.

**Borrower:** Expansion Industries Inc., a corporation incorporated under the laws of Exampleland, with its principal office at 456 Opportunity Drive, Metrovale, Exampleland.

## Recitals

**WHEREAS**, the Borrower has determined the need for additional capital to finance the expansion of its manufacturing facilities and related working capital;

**WHEREAS**, the Lender is willing to extend a term loan to the Borrower on the terms and subject to the conditions set forth in this Agreement;

**NOW, THEREFORE**, in consideration of the mutual agreements and covenants set forth herein, the parties agree as follows:

## Important Notes

- Clearly identify all parties, including full legal names and registered addresses.
- State the purpose of the financing and the intended use of loan proceeds.
- Recitals provide context and show mutual understanding between parties.
- This introductory section does not contain binding obligations; main provisions follow in subsequent sections.
- Ensure parties review and confirm all facts and legal identities before further agreements or disbursement of funds.