

Section 7: Events of Default and Remedies

7.1 Events of Default

1. **Payment Default:** The failure of the Borrower to pay any principal, interest, fees, or other amounts due under this Agreement within five (5) Business Days after such amounts become due and payable.
2. **Breach of Covenants:** Any breach by the Borrower of any covenant, agreement, or obligation under this Agreement or any other Loan Document, and such breach continues unremedied for thirty (30) days after written notice to the Borrower.
3. **Representations and Warranties:** Any representation or warranty made or deemed made by the Borrower under this Agreement proves to have been incorrect or misleading in any material respect when made or deemed made.
4. **Insolvency:** The Borrower becomes unable to pay its debts as they mature, or makes an assignment for the benefit of creditors, or any proceeding is initiated seeking reorganization, arrangement, or other relief under bankruptcy or similar laws.
5. **Cross Default:** The occurrence of an event of default under any other agreement or instrument to which the Borrower is a party, if the effect is to permit acceleration of indebtedness in excess of \$100,000.

7.2 Remedies

1. **Acceleration:** Upon the occurrence and during the continuance of any Event of Default, the Lender may, by written notice to the Borrower, declare all outstanding obligations immediately due and payable.
2. **Suspension of Commitments:** The Lender may suspend or terminate any further obligations to make advances or extend credit to the Borrower under this Agreement.
3. **Exercise of Rights:** The Lender may exercise all rights and remedies available to it under applicable law or this Agreement, including but not limited to the enforcement of security interests in any collateral.
4. **Appointment of Receiver:** To the extent permitted by law, the Lender may seek the appointment of a receiver for any or all of the assets of the Borrower.

Important Notes

- This template is a general sample; customize to fit the specific terms and legal requirements of your transaction.
- Events of Default and Remedies provisions have significant legal and financial implications for all parties.
- Consult legal counsel to ensure proper drafting and compliance with jurisdictional laws and regulations.
- Clarity and specificity in defining Events of Default help prevent disputes and ensure enforceability.
- Regularly review and update standard templates to reflect changes in law and commercial practice.