

LOAN AGREEMENT

Pawel Kuzdak acting as Trustee of PK Wealth SSAS

- and -

Vincent Duffy acting as Trustee of the McGuigan Duffy Pension Trust

- and -

Hayward Pensions Limited - 11101051 acting as Trustee of the McGuigan Duffy Pension Trust

- and -

Keith Lewis & Joanne Jeynes acting as Trustees of Spyca Limited SSAS

- and -

Gavin & June Barrack acting as Trustees of The Barrack's SSAS

- and -

Sestini and Co Pension Trustees Ltd - 10309991 acting as Trustee of The Barrack's SSAS

- and -

Ceri & Charmaine James acting as Trustees of the Ceri James SSAS

- and -

Nicola & Martin Gerard Steele acting as Trustees of the Nicola Steele Pension Scheme

- and -

Katrina & Derek Knowles & Gavin Archibald & Bianca Lynsey Bryce acting as Trustees of the
Aptus Pension Scheme

- and -

3 Sigma Ayr Ltd

THIS AGREEMENT is made on the

BETWEEN:

- (1) Pawel Kuzdak acting as Trustee of PK Wealth SSAS of 14 Lime Close, Newbury. RG14 2PW **and** Vincent Duffy of Overton House, Overton Road, Greenock, Inverclyde, PA16 9JZ and Hayward Pensions Limited - 11101051 of Paulton House, Old Mills, Paulton, Bristol, BS39 7SX acting as Trustees of the McGuigan Duffy Pension Trust **and** Keith Lewis & Joanne Jeynes acting as Trustees of Spyca Limited SSAS of 9 Bron-Y-Mor, Barry, South Glamorgan CF62 6SW **and** Gavin & June Barrack of Tigh Nan Craobh, Lochard Road, Aberfoyle, Stirlingshire, FK8 3SZ and Sestini and Co Pension Trustees Ltd - 10309991 of Paulton House, Old Mills, Paulton, Bristol, BS39 7SX acting as Trustees of The Barrack's SSAS **and** Ceri & Charmaine James acting as Trustees of the Ceri James SSAS of Pedley Farm, Pedley Hill, Adlington. Macclesfield. Cheshire. SK10 4LB, **and** Nicola & Martin Gerard Steele acting as Trustees of the Nicola Steele Pension Scheme of 7 Hallcraigs Crescent, Houston, Johnstone, PA6 7FA **and** Derek & Katrina Knowles of 31 Wallace Brae Rise, Reddingmuirhead, Falkirk, FK2 0GD and Gavin Archibald Bryce of Flat 4, 41 Tryst Park, Larbert, Falkirk, FK5 4FN and Bianca Lynsey Bryce of 2 Lyness Court, Millfield Drive, Polmont, Falkirk, FK2 0SQ acting as Trustees of the Aptus Pension Scheme acting as Trustees of Aptus Pension Scheme (jointly and severally the "Lenders")
- (2) 3 Sigma Ayr Ltd (CRN: SC785362) whose registered office is situate at 18 Haddow Street, Hamilton, South Lanarkshire, Scotland, ML3 7JU ("the Borrower")

AGREED TERMS:

1. Definitions and interpretation

The definitions and rules of interpretation in this clause apply in this Agreement

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|----------------------------------|--|
| Business Day | a day (other than a Saturday or a Sunday) on which commercial banks are open for general business in the United Kingdom; |
| Event of Default | any event or circumstance listed in clause 7; |
| Indebtedness | any obligation to pay or repay money, present or future, whether actual or contingent, sole or joint; |
| Loan | the principal amount of the loan made or to be made by the Lenders to the Borrower under this Agreement or (as the context requires) the principal amount outstanding for the time being of that loan; and |
| Registered Pension Scheme | a pension scheme that is registered with HMRC; and under section 153 of the FA 2004 or deemed to be registered under Part 1 of Schedule 36 to the FA 2004 |

2. The loan

- 2.1 The Lenders grant to the Borrower a secured Sterling term loan facility of a total principal amount of £373,000.00 (Three Hundred and Seventy Three Thousand Pounds) (the “**Capital Sum**”) on the terms, and subject to the conditions, of this Agreement and the attached Schedules.
- 2.2 The Capital Sum being borrowed consists of individual capital contributions from the Lenders which is split and repayable as set out in the attached Schedule.

3. Purpose & Costs

- 3.1 The Borrower shall use all money borrowed to fund the renovation costs in respect of the property known as 21 Wellington Square, Ayr, KA7 1EZ pursuant to a business plan and valuation which is appended to this agreement and for no other purpose.
- 3.2 The Lenders shall monitor and verify how any amount advanced under this Agreement is used.
- 3.3 The Costs for this Agreement and the Security Charge shall be borne by the Borrower.

4. Security

- 4.1 The Loan will be secured by a first charge over the Borrower’s asset known as 21 Wellington Square, Ayr, KA7 1EZ (the “**Charged Asset**”) (all the “**Security**”).
- 4.2 The Lenders are in receipt of evidence confirming that the value of the Charged Asset pursuant to clause 4.1 will be of adequate value and will provide sufficient security for the Loan in addition to any and all existing obligations of the Borrower to the Lenders and secured upon the Charged Asset.

5. Interest

- 5.1 Interest on the Loan will accrue at the rate of 10% annualised simple interest and will accrue daily (the “**Standard Interest Rate**”).
- 5.2 The Borrower shall pay the first interest payment to the Lenders of £37,300 on the 1st anniversary of the loan date, and thereafter on each subsequent quarter until the capital has been repaid in accordance with the Repayment Schedule
- 5.3 Payments of interest will be to bank accounts nominated for this purpose by the Lenders from time to time in proportion to the ratio each Lender’s share of the total loan sum in accordance with the Schedule.

6. Repayment

- 6.1 The Borrower shall repay the Capital Sum and all accrued but unpaid interest by way of a single instalment, which shall be paid 36 calendar months following the date of this Agreement, split between the Lenders in the ratios specified the

attached Schedule, and in accordance with the Repayment Schedule.

- 6.2 Repayment of the Capital Sum and all accrued but unpaid interest will be made to bank accounts nominated for this purpose by the Lenders from time to time to the Borrower.
- 6.3 The Borrower may prepay part or all of the Loan (including accrued interest) by notifying the Lenders twenty (20) Business Days in advance, but not earlier than 18 months following the date of this Agreement. The Borrower may do this if the notice specifies the amount of the prepayment of the Loan and the date of the prepayment.
- 6.4 The Lenders may require full or partial repayment of the Loan in the event that anything in this agreement prejudices the status of the Lenders as Registered Pension Schemes and the Borrower must make the necessary repayment within ninety Business Days of the relevant notice being given.

7. Events of default

- 7.1 Each of the events or circumstances set out in this clause 7 (other than this clause 7.1 and clauses 7.11) is an Event of Default.
- 7.2 The Borrower fails to pay any sum payable under this Agreement, unless its failure to pay is caused solely by an administrative error or technical problem and payment is made within ten (10) Business Days of its due date.
- 7.3 The Borrower fails (other than by failing to pay), to comply with any provision of this Agreement (and if the Lenders consider, acting reasonably, that the default is capable of remedy), such default is not remedied within fourteen (14) Business Days of the earlier of:
 - 7.3.1 the Lenders notifying the Borrower of the default and the remedy required; and
 - 7.3.2 the Borrower becoming aware of the default.
- 7.4 The Borrower stops or suspends payment of any of its debts, or is unable to, or admits its inability to, pay its debts as they fall due.
- 7.5 The value of the Borrower's Asset is less than its liabilities (taking into account contingent and prospective liabilities).
- 7.6 A moratorium is declared in respect of any Indebtedness of the Borrower.
- 7.7 Any action, proceedings, procedure or step is taken for:

- 7.7.1 the suspension of payments, a moratorium of any Indebtedness, winding up, dissolution, administration or reorganisation (using a voluntary arrangement, scheme of arrangement or otherwise) of the Borrower; or
 - 7.7.2 the composition, compromise, assignment or arrangement with any creditor; or
 - 7.7.3 the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Borrower or any of its Asset.
- 7.8 The Borrower commences negotiations, or enters into any composition, compromise, assignment or arrangement with one or more of its creditors with a view to rescheduling any of its Indebtedness (because of actual or anticipated financial difficulties).
- 7.9 A distress, attachment, execution, expropriation, sequestration or another analogous legal process is levied, enforced or sued out on, or against, the Borrower's Asset having an aggregate value of £1,000 (or its equivalent in other currencies) and is not discharged or stayed within twenty-one (21) days.
- 7.10 The Borrower ceases, or threatens to cease, to carry on all or a substantial part of its business.
- 7.11 At any time after an Event of Default has occurred which is continuing, the Security immediately becomes enforceable and the Lenders may, by notice to the Borrower:
 - 7.11.1 declare that the Loan (and all accrued interest and all other amounts outstanding under this Agreement) is immediately due and payable, whereupon they shall become immediately due and payable; and/or
 - 7.11.2 declare that the Loan be payable on demand, whereupon it shall become immediately payable on demand by the Lenders.

8. REMEDIES, WAIVERS, AMENDMENTS AND CONSENTS

- 8.1 Any amendment to this Agreement shall be in writing and signed by, or on behalf of, each party.
- 8.2 Any waiver of any right or remedy or any consent given under this Agreement is only effective if it is in writing and signed by the waiving or consenting party. It shall apply only in the circumstances for which it is given and shall not prevent the party giving it from subsequently relying on the relevant provision.

8.3 No delay or failure to exercise any right or remedy under this Agreement on the part of the Lenders shall operate as a waiver of any such right or remedy.

8.4 No single or partial exercise of any right or remedy under this Agreement by the Lenders shall prevent any further or other exercise or the exercise of any other right or remedy under this Agreement.

8.5 Rights and remedies under this Agreement are cumulative and do not exclude any other rights or remedies provided by law or otherwise.

9. **SEVERANCE**

9.1 The invalidity, unenforceability or illegality of any provision (or part of a provision) of this Agreement under the laws of any jurisdiction shall not affect the validity, enforceability or legality of the other provisions.

9.2 If any invalid, unenforceable or illegal provision would be valid, enforceable and legal if some part of it were deleted, the provision shall apply with whatever modification as is necessary to give effect to the commercial intention of the parties.

10. **ASSIGNMENT**

10.1 Any one Lender may assign at its own cost its rights under this Agreement or transfer all its rights or obligations by novation, provided that the Novation does not diminish the effectiveness of this Agreement and its Security in the opinion of a Solicitor of any one or more Lender.

10.2 The Borrower may not assign any of its rights or transfer any of its rights or obligations under this Agreement.

11. **COUNTERPARTS**

This Agreement may be executed in any number of counterparts, each of which is an original and which, together, have the same effect as if each party had signed the same document.

12. **THIRD PARTY RIGHTS**

A person who is not a party to this Agreement cannot enforce, or enjoy the benefit of, any term of this Agreement under the Contracts (Rights of Third Parties) Act 1999.

13. **NOTICES**

13.1 Each notice or other communication required to be given under, or in connection with, this Agreement shall be in writing, delivered personally or sent by pre-paid first-class letter, to the address given at the beginning of this Agreement or such other address in the United Kingdom as may be notified in writing to the other party from time to time.

13.2 Any notice or other communication given by the Lender shall be deemed to have been received:

13.2.1 if given by hand, at the time of actual delivery; and

13.2.2 if posted, on the second Business Day following the day on which it was despatched by pre-paid first-class post.

13.3 A notice or other communication given as described in this clause 13 on a day which is not a Business Day, or after normal business hours in the place of receipt, shall be deemed to have been received on the next Business Day.

13.4 Any notice or other communication given to the Lender shall be deemed to have been received only on actual receipt.

14. Governing law and jurisdiction

14.1 This Agreement and any dispute or claim arising out of, or in connection with it, or its subject matter or formation (including non-contractual disputes or claims) shall be governed by, and construed in accordance with, the law of Scotland.

14.2 The parties to this Agreement irrevocably agree that the courts of Scotland shall have exclusive jurisdiction to settle any dispute or claim that arises out of, or in connection with this Agreement or its subject matter or formation (including non-contractual disputes or claims).

14.3 Electronic signatures adopted in accordance with Electronic Signatures Regulation 2002 (SI 2002 No. 318), whether digital or encrypted, by any and all the parties included in this document are intended to authenticate this document and shall have the same force and effect as manual signatures.

14.4 Delivery of a copy of this document contemplated hereby bearing an original or electronic signature by electronic mail in portable document format (.pdf) form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing an original or electronic signature.

THIS AGREEMENT, together with the Schedule(s), has been executed and delivered by the parties hereto on the date stated at the beginning of it.

The Lenders

Ceri James :



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acting as Trustee of the Ceri James SSAS

Charmaine James :



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acting as Trustee of the Ceri James SSAS

Keith Lewis :



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acting as Trustee of Spyca Limited SSAS

Joanne Jeynes :



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acting as Trustee of Spyca Limited SSAS

Nicola Steele :



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acting as Trustee of the Nicola Steele Pension Scheme

Martin Gerard Steele :



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acting as Trustee of the Nicola Steele Pension Scheme

Pawel Kuzdak :



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acting as Trustee of PK Wealth SSAS

Katrina Knowles :



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acting as Trustee of Aptus Pension Scheme

Derek Knowles:



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acting as Trustee of Aptus Pension Scheme

Bianca Lynsey Bryce :

Bianca Bryce

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acting as Trustee of Aptus Pension Scheme

Gavin Archibald Bryce :

Gavin Bryce

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acting as Trustee of Aptus Pension Scheme

Vincent Duffy :

Vincent Duffy

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acting as Trustee of the McGuigan Duffy Pension Trust

Hayward Pensions Limited - 11101051 :

Hayward Pensions Limited

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acting as Trustee of the McGuigan Duffy Pension Trust

Gavin Barrack :

Gavin Barrack

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acting as Trustee of The Barrack's SSAS

June Barrack :

June Barrack

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acting as Trustee of The Barrack's SSAS

Sestini and Co Pension Trustees Ltd - 10309991 :

Sestini and Co Pension Trustees Limited

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acting as Trustee of The Barrack's SSAS

The Borrower :

Stephen Gallagher

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Stephen Gallagher

Director for and on behalf of 3 Sigma Ayr Ltd

Ian Henderson

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Ian Henderson

Director for and on behalf of 3 Sigma Ayr Ltd

Derek McGroarty

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Derek McGroarty

Director for and on behalf of 3 Sigma Ayr Ltd

Peter Rooney

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Peter Rooney

Director for and on behalf of 3 Sigma Ayr Ltd

SCHEDULE
LOAN CONTRIBUTION SHARE OF EACH LENDER

| Lender | Amount | Ratio |
|------------------------------|----------|--------|
| PK Wealth SSAS | £70,000 | 18.77% |
| McGuigan Duffy Pension Trust | £60,000 | 16.09% |
| Spyca Limited SSAS | £50,000 | 13.40% |
| The Barrack’s SSAS | £100,000 | 26.81% |
| Ceri James SSAS | £25,000 | 6.70% |
| Nicola Steele Pension Scheme | £30,000 | 8.04% |
| Aptus Pension Scheme | £38,000 | 10.19% |
| Total | £373,000 | 100% |