

DATED

LOAN AGREEMENT

between

The Trustees of the Michael and Janet Holmes Pension Scheme

BORROWER

and

Michael Holmes

LENDER

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THIS AGREEMENT is dated

2016

PARTIES

- (1) JANET HOLMES of Redwood, Ashlake Copse Road, Ryde, Isle of Wight, PO33 4EY acting for the Trustees of the Michael and Janet Holmes Pension Scheme (**Borrower**)
- (2) MICHAEL MARTIN ARTHUR HOLMES of Copseway House, Ashlake Copse Road, Ryde, Isle of Wight, PO33 4EY (**Lender**).

BACKGROUND

The Lender has agreed to provide the Borrower with an unsecured term loan facility of **£50,000.00**.

AGREED TERMS

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

The following definitions apply in this agreement.

Availability Period: the period from and including the date of this agreement.

Borrowed Money: any indebtedness the Borrower owes as a result of:

- (a) borrowing or raising money (with or without security), including any premium and any capitalised interest on that money;
- (b) any bond, note, loan stock, debenture, commercial paper or similar instrument;
- (c) any acceptance credit facility or dematerialised equivalent, bill-discounting, note purchase or documentary credit facilities;
- (d) monies raised by selling, assigning or discounting receivables or other financial assets on terms that recourse may be had to the Borrower if those receivables or financial assets are not paid when due;
- (e) any deferred payment for assets or services acquired, other than trade credit that is given in the ordinary course of trading and which does not involve any deferred payment of any amount for more than 60 days;
- (f) any rental or hire charges under finance leases (whether for land, machinery, equipment or otherwise);
- (g) any counter-indemnity obligation in respect of any guarantee, bond, indemnity, standby letter of credit or other instrument issued by a third party in connection with the Borrower's performance of contracts;
- (h) any other transaction that has the commercial effect of borrowing (including any forward sale or purchase agreement and any liabilities which are not

shown as borrowed money on the Borrower's balance sheet because they are contingent, conditional or otherwise);

- (i) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and when calculating the value of any derivative transaction, only the mark to market value shall be taken into account); and
- (j) any guarantee, counter-indemnity or other assurances against financial loss that the Borrower has given for any of the items referred to in paragraphs (a) to (i) of this definition incurred by any person.

When calculating Borrowed Money, no liability shall be taken into account more than once.

Business Day: a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business.

Event of Default: any event or circumstance listed in clause 12.1 to clause 12.14.

Facility: the term loan facility made available under this agreement.

Final Repayment Date: 30 January 2021

Indebtedness: any obligation to pay or repay money, present or future, whether actual or contingent, sole or joint and any guarantee or indemnity of any of those obligations.

Loan: the principal amount of the loan made or to be made by the Lender to the Borrower under this agreement or (as the context requires) the principal amount outstanding for the time being of that loan.

Potential Event of Default: any event or circumstance specified in clause 12.1 to clause 12.14 that would, on the giving of notice, expiry of any grace period or making of any determination under this agreement, or satisfaction of any other condition (or any combination thereof), become an Event of Default.

Repayment Date: each of the dates specified in clause 8 for repaying the Facility by instalments.

Repayment Instalment: each scheduled instalment for the repayment of the Loan(s) under clause 8.

Sterling and £: the lawful currency of the UK.

Total Facility Amount: the maximum principal amount of the Facility referred to in clause 2.

1.2 Interpretation

In this agreement:

- (a) Clause, Schedule and paragraph headings shall not affect the interpretation of this agreement;
- (b) a reference to a **person** shall include a reference to an individual, firm, company, corporation, partnership, unincorporated body of persons,

government, state or agency of a state or any association, trust, joint venture or consortium (whether or not having separate legal personality) and that person's personal representatives, successors, permitted assigns and permitted transferees;

- (c) unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular;
- (d) unless the context otherwise requires, a reference to one gender shall include a reference to the other genders;
- (e) a reference to a party shall include that party's successors, permitted assigns and permitted transferees;
- (f) a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time;
- (g) a reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision;
- (h) a reference to a time of day is to London time;
- (i) a reference to **writing** ;
- (j) an obligation on a party not to do something includes an obligation not to allow that thing to be done;
- (k) unless the context otherwise requires, a reference to a clause or Schedule is to a clause of, or Schedule to, this agreement and a reference to a paragraph is to a paragraph of the relevant Schedule;
- (l) any words following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms;
- (m) a reference to a document **in agreed form** is to that document in the form agreed by the Lender and the Borrower and initialled by or on their behalf for identification;
- (n) a reference to an **amendment** includes a novation, re-enactment, supplement or variation (and **amended** shall be construed accordingly);
- (o) a reference to **assets** includes present and future properties, undertakings, revenues, rights and benefits of every description;
- (p) a reference to an **authorisation** includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration and resolution;
- (q) a reference to a **certified copy** of a document means a copy certified to be a true, complete and up-to-date copy of the original document, in writing and signed by a director or the secretary of the party delivering the document;

- (r) a reference to **continuing** in relation to an Event of Default means an Event of Default that has not been waived;
- (s) a reference to **determines** or **determined** means, unless the contrary is indicated, a determination made at the discretion of the person making it;
- (t) a reference to a **disposal** of any asset, undertaking or business includes a sale, lease, licence, transfer, loan or other disposal by a person of that asset, undertaking or business (whether by a voluntary or involuntary single transaction or series of transactions); and
- (u) a reference to a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation.

1.3 The Schedule forms part of this agreement and shall have effect as if set out in full in the body of this agreement. Any reference to this agreement includes the Schedule.

2. THE FACILITY

The Lender grants to the Borrower an unsecured Sterling term loan facility of a total principal amount not exceeding **£50,000** on the terms, and subject to the conditions, of this agreement.

3. PURPOSE

- 3.1 The Borrower shall use all money borrowed under this agreement for the purchase of commercial property
- 3.2 The Lender is not obliged to monitor or verify how any amount advanced under this agreement is used.

4. DRAWING

- 4.1 Subject to clause 5, the Borrower may utilise the Facility in a single amount on any Business Day during the Availability Period. To do this, the Borrower shall give the Lender at least one Business Day's prior notice of the date on which the Borrower wants to draw down the Loan specifying the amount of the proposed Loan, the Business Day on which it is to be made and the bank account to which payment is to be made. The amount of the Loan shall not exceed the Total Facility Amount.
- 4.2 Any notice given under clause 4.1 will be irrevocable.
- 4.3 Any amount of the Facility not drawn down during the Availability Period will automatically be cancelled at the end of the Availability Period.

5. CONDITIONS PRECEDENT

- 5.1 This clause 5 is inserted solely for the benefit of the Lender.

- 5.2 The Borrower may not give notice to draw the Loan unless the Lender has received all the documents and evidence specified in form and substance satisfactory to the Lender.
- 5.3 The Lender's obligation to make the Loan is subject to the further conditions precedent that, on both the date of the notice to draw down the Loan and the proposed drawdown date of the Loan (specified in the notice referred to in clause 4.1):
- (a) the representations and warranties in clause 10 are true and correct in all material respects and will be true and correct in all material respects immediately after the Lender has made the proposed Loan; and
 - (b) no Event of Default or Potential Event of Default is continuing or would result from the proposed Loan.

6. INTEREST

- 6.1 The Borrower shall pay interest on the Loan at the rate of 5% per annum for the term of the loan.

7. COSTS

- 7.1 The Borrower shall pay all costs and expenses (together with any value added tax on them) that the Lender incurs in connection with the negotiation and preparation, execution, amendment, extension, alteration, preservation and enforcement of the Loan and/or this agreement. These costs and expenses will be in addition to the Loan amount plus interest due and will form part of the final Repayment Instalment.
- 7.2 The Borrower shall pay any stamp, documentary and other similar duties and taxes to which this agreement may be subject, or give rise and shall indemnify the Lender against any losses or liabilities that it may incur as a result of any delay or omission by the Borrower in paying any such duties or taxes.

8. REPAYMENT

- 8.1. The Borrower may with the agreement of the Lender repayment the loan in full with pro-rata adjustment of the interest payment in part or in full the Loan at an earlier date other than in accordance with the Repayment Instalment and Schedule
- 8.2 The Borrower shall repay the Loan in full by repaying the Repayment Instalment set out below on the Repayment Date.

Capital Balance	Equal Instalments	Due Date
£50,000.00	£11,500	31/01/2017
£40,000.00	£11,500	31/01/2018
£30,000.00	£11,500	31/01/2019
£20,000.00	£11,500	31/01/2020
£10,000.00	£11,500	30/01/2021

9. PAYMENTS

- 9.1 All payments made by the Borrower under this agreement shall be in Sterling and in immediately available cleared funds to the Lender at its account or such other account as the Lender may notify the Borrower.
- 9.2 If any payment becomes due on a day that is not a Business Day, the due date of such payment will be extended to the next succeeding Business Day, or, if that Business Day falls in the following calendar month, such due date shall be the immediately preceding Business Day.
- 9.3 All payments made by the Borrower under this agreement shall be made in full, without set-off, counterclaim or condition, and free and clear of, and without any deduction or withholding, provided that, if the Borrower is required by law or regulation to make such deduction or withholding, it shall:
- (a) ensure that the deduction or withholding does not exceed the minimum amount legally required;
 - (b) pay to the relevant taxation or other authorities, as appropriate, the full amount of the deduction or withholding;
 - (c) furnish to the Lender, within the period for payment permitted by the relevant law, either:
 - (i) an official receipt of the relevant taxation authorities concerned on payment to them of amounts so deducted or withheld; or
 - (ii) if such receipts are not issued by the taxation authorities concerned on payment to them of amounts so deducted or withheld, a certificate of deduction or equivalent evidence of the relevant deduction or withholding; and
 - (d) pay to the Lender such additional amount as is necessary to ensure that the net full amount received by the Lender after the required deduction or withholding is equal to the amount that the Lender would have received had no such deduction or withholding been made.

10. REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Lender on the date of this agreement:

- 10.1 No Event of Default or Potential Event of Default has occurred or is continuing, or is reasonably likely to result from making the Loan or the entry into, the performance of, or any transaction contemplated by this agreement.
- 10.2 No litigation, arbitration or administrative proceedings are taking place, pending or, to the Borrower's knowledge, threatened, which, if adversely determined, might reasonably be expected to have a material adverse effect on his assets or ability to perform his obligations under this agreement.

- 10.3 The information, in written or electronic format, supplied by, or on its behalf, to the Lender in connection with the Facility and this agreement was, at the time it was supplied or at the date it was stated to be given (as the case may be), to the best of its knowledge and belief having made all due enquiry:
- (a) if it was factual information, complete, true and accurate in all material respects;
 - (b) if it was a financial projection or forecast, prepared on the basis of recent historical information and on the basis of reasonable assumptions and was fair and made on reasonable grounds; and
 - (c) if it was an opinion or intention, made after careful consideration and was fair and made on reasonable grounds; and
 - (d) not misleading in any material respect, nor rendered misleading by a failure to disclose other information,

except to the extent that it was amended, superseded or updated by more recent information supplied by, or on behalf of, the Borrower to the Lender.

11. COVENANTS

- 11.1 He will promptly, after becoming aware of them, notify the Lender of any litigation, arbitration or insolvency proceedings or claim of any kind.
- 11.2 He will notify the Lender of any Potential Event of Default or Event of Default (and the steps, if any, being taken to remedy it) promptly on becoming aware of its occurrence.

12. EVENTS OF DEFAULT

Each of the events or circumstances set out in this clause 12 (other than clause 12.14) is an Event of Default.

- 12.1 The Borrower fails to pay any sum payable by it under this agreement unless its failure to pay is caused solely by an administrative error or technical problem and payment is made within three Business Days of its due date.
- 12.2 The Borrower fails (other than by failing to pay), to comply with any provision of this agreement and (if the Lender considers, acting reasonably, that the default is capable of remedy), such default is not remedied within 14 Business Days of the earlier of:
- (a) the Lender notifying the Borrower of the default and the remedy required;
 - (b) the Borrower becoming aware of the default.
- 12.3 Any representation, warranty or statement made, repeated or deemed made by the Borrower in, or pursuant to, this agreement is (or proves to have been) incomplete, untrue, incorrect or misleading in any material respect when made, repeated or deemed made.

- 12.4 If:
- (a) any Borrowed Money is not paid when due or within any originally applicable grace period; or
 - (b) any Borrowed Money becomes due, or capable or being declared due and payable prior to its stated maturity by reason of an event of default (howsoever described);
 - (c) any commitment for Borrowed Money is cancelled or suspended by a creditor of the Borrower by reason of an event of default (howsoever described); or
 - (d) any creditor of the Borrower becomes entitled to declare any Borrowed Money due and payable prior to its stated maturity by reason of an event of default (howsoever described).
- 12.5 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.
- 12.6 A moratorium is declared in respect of any Indebtedness of the Borrower.
- 12.7 Any action, proceedings, procedure or step is taken for:
- (a) the suspension of payments, a moratorium of any Indebtedness, insolvency proceeding of the Borrower; or
 - (b) the composition, compromise, assignment or arrangement with any other creditor; or
 - (c) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Borrower or any of its assets; or
 - (d) the enforcement of any Security over any assets of the Borrower.
- 12.8 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).
- 12.9 Any event occurs in relation to the Borrower similar to those in clause 12.6 to clause 12.9 (inclusive) under the laws of any applicable jurisdiction.
- 12.10 Any provision of this agreement is or becomes, for any reason, invalid, unlawful, unenforceable, terminated, disputed or ceases to be effective or to have full force and effect.
- 12.11 The Borrower repudiates or evidences an intention to repudiate this agreement.
- 12.12 The Borrower suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a substantial part of its business.

- 12.13 Any event occurs (or circumstances exist) which, in the reasonable opinion of the Lender, has or is likely to materially and adversely affect the Borrower's ability to perform all or any of its obligations under, or otherwise comply with the terms of, this agreement.
- 12.14 At any time after an Event of Default has occurred which is continuing, the Lender may, by notice to the Borrower:
- (a) cancel all outstanding obligations of the Lender under this agreement whereupon they shall immediately be cancelled; and/or
 - (b) 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
 - (c) declare that the Loan be payable on demand, whereupon it shall become immediately payable on demand by the Lender.

13. SET-OFF

- 13.1 The Lender may at any time set off any liability of the Borrower to the Lender against any liability of the Lender to the Borrower, whether either liability is present or future, liquidated or unliquidated, and whether or not either liability arises under this agreement. If the liabilities to be set off are expressed in different currencies, the Lender may convert either liability at a market rate of exchange for the purpose of set-off. Any exercise by the Lender of its rights under this clause 13.1 shall not limit or affect any other rights or remedies available to it this agreement or otherwise.
- 13.2 The Lender is not obliged to exercise any of its rights under clause 13.1, but if the rights are exercised, the Lender shall promptly notify the Borrower of the set-off that has been made.

14. CALCULATIONS, ACCOUNTS AND CERTIFICATES

- 14.1 The Lender shall maintain accounts evidencing the amounts owed to it by the Borrower, in accordance with its usual practice. Entries in those accounts shall be prima facie evidence of the existence and amount of the Borrower's obligations as recorded in them.
- 14.2 If the Lender issues any certificate, determination or notification of a rate or any amount payable under this agreement, it shall be (in the absence of manifest error) conclusive evidence of the matter to which it relates.

15. AMENDMENTS, WAIVERS AND CONSENTS AND REMEDIES

- 15.1 No amendment of this agreement shall be effective unless it is in writing and signed by, or on behalf of, each party to it (or its authorised representative).

- 15.2 A waiver of any right or remedy under this agreement or by law, or any consent given under this agreement is only effective if given in writing by the waiving or consenting party and shall not be deemed a waiver of any other breach or default. It only applies in the circumstances for which it is given and shall not prevent the party giving it from subsequently relying on the relevant provision.
- 15.3 A failure or delay by a party to exercise any right or remedy provided under this agreement or by law shall not constitute a waiver of that or any other right or remedy, prevent or restrict any further exercise of that or any other right or remedy or constitute an election to affirm this agreement. No single or partial exercise of any right or remedy provided under this agreement or by law shall prevent or restrict the further exercise of that or any other right or remedy. No election to affirm this agreement by the Lender shall be effective unless it is in writing.
- 15.4 The rights and remedies provided under this agreement are cumulative and are in addition to, and not exclusive of, any rights and remedies provided by law.

16. SEVERANCE

If any provision (or part of a provision) of this agreement is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision (or part of a provision) shall be deemed deleted. Any modification to or deletion of a provision (or part of a provision) under this clause shall not affect the legality, validity and enforceability of the rest of this agreement Assignment and transfer

- 16.1 The Lender may assign any of its rights under this agreement or transfer all its rights or obligations by novation.
- 16.2 The Borrower may not assign any of its rights or transfer any of its rights or obligations under this agreement.

17. COUNTERPARTS

- 17.1 This agreement may be executed in any number of counterparts, each of which when executed shall constitute a duplicate original, but all the counterparts shall together constitute one agreement.
- 17.2 No counterpart shall be effective until each party has executed at least one counterpart.

18. THIRD PARTY RIGHTS

- 18.1 Except as expressly provided in this agreement, a person who is not a party to this agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this agreement. This does not affect any right or remedy of a third party which exists, or is available, apart from that Act.
- 18.2 The rights of the parties to rescind or agree any amendment or waiver under this deed are not subject to the consent of any other person.

19. NOTICES

- 19.1 Any notice or other communication given to a party under or in connection with this agreement shall be in writing;
- 19.2 Any notice or other communication that the Lender gives to the Borrower under or in connection with, this agreement shall be deemed to have been received:
- (a) if delivered by hand, at the time it is left at the relevant address;
 - (b) if posted by pre-paid first-class post or other next working day delivery service, on the second Business Day after posting; and
 - (c) if sent by fax, when received in legible form.
- 19.3 A notice or other communication given as described in clause a or clause c on a day that is not a Business Day, or after normal business hours, in the place it is received, shall be deemed to have been received on the next Business Day.
- 19.4 Any notice or other communication given to the Lender shall be deemed to have been received only on actual receipt.

20. GOVERNING LAW AND JURISDICTION

- 20.1 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 England and Wales.
- 20.2 Each party irrevocably agrees that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction over 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). Nothing in this clause shall limit the right of the Lender to take proceedings against the Borrower in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdictions, whether concurrently or not, to the extent permitted by the law of such other jurisdiction.

This agreement has been entered into on the date stated at the beginning of it.

Signed by **Michael Holmes**

.....

In the presence of

.....

Witness name

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Witness Address

Signed by **Janet Holmes**, acting as
Trustee for and on behalf of **Michael
and Janet Holmes Pension Scheme**

.....

Trustee

In the presence of

.....

Witness name

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Witness Address