

Between:

Trustees of the PCM

and

Longar Industries Limited

Date:

## Contents

Date

Parties

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This agreement is dated:     December 2010

It is made between:

Trustees of the PCM, The Administrator, Pension Practitioner .Com Limited, Daws House. 33-35 Daws Lane, London. NW7 4SD hereinafter referred to in this document as “Creditor” and Longar Industries Limited (company number 00997996) of Aldwych House, Winchester Street, Andover, Hampshire, SP10 2EA hereinafter referred to in this document the “Debtor”.

## **Background**

The purpose of this agreement is to set out the contractual terms under which a debt has been created following a promise for a contribution of £250,000 to the Trustees of PCM by Longar Industries Limited.

These contractual terms set out how the debt will be settled and in particular, interest that will apply with the consequence of default on the settlement.

The terms of this Agreement are:

### **1       Definitions that apply to this agreement:**

“Debt”	means the sum of £250,000 (two hundred and forty five thousand pounds), plus the amount outstanding as due whether of capital and/or interest.
“Basic rate”	means Interest at the rate of 3% above average of base rate of the 6 high street clearing banks.
“Interest Date	means the 1 <sup>st</sup> of each calendar month.

The terms “Creditor” and “Debtor” include in the case of a corporation, any associated or subsidiary company.

### **2       Amount of the Debt**

The Debt is in the sum of £250,000 (two hundred and fifty thousand pounds) or such lesser sum at any time this agreement subsists, or such lesser sum as shall be outstanding after part repayment has been made.

### 3 Repayment

The Debt amount shall be repaid in form of a transfer of share of freehold title at Unit 25, Glenmore Business Park, Colebrook Way, Andover equal to the amount of debt outstanding within seven calendar days of the date of this agreement, or at an earlier date as may be required by the Creditor from time to time. If the debt is not repaid within 7 calendar days of the date of this agreement, interest will be repayable, the terms of which are set out in part 4. If after a further period of 7 calendar days the debt has not been repaid in full the Debtor will be deemed to be in default.

### 4 Interest payable

5.1 Interest shall be paid at the Basic Rate

4.1 Interest shall be calculated on a daily basis and cumulated monthly.

4.2 Interest shall be paid on the Interest Date.

### 5 Early repayment of part

The Debtor may repay all or part of the Debt before the due date for repayment provided that not less than seven working days' notice is given by the Debtor to the Creditor specifying the amount proposed to be prepaid. This notice then binds the Debtor to make that payment on the date he has specified.

### 6 Debtor's warranties

The Debtor represents and warrants that:

6.1 It is authorised to enter into this agreement;

6.2 the execution of this agreement and the performance by the Debtor of his obligations are fully within the Debtor's legal authority, are not in breach of the articles of association of the Debtor, and do not and will not contravene or be in conflict with any provision of law or of any agreement binding upon the Debtor.

6.3 the Debtor has no undisclosed contingent obligations;

6.4 there are no material, unrealised or anticipated losses from any present commitment of the Debtor;

6.5 the Debtor will advise the Creditor of material adverse changes which occur at any time prior to the date of final payment;

- 6.6 the property at freehold title at Unit 25, Glenmore Business Park, Colebrook Way, Andover is owned by the Debtor;

## 7 Event of Default

An “event of default” occurs when:

- 7.1 the Debtor fails to pay in full and on the due date for payment any sum due and remains in default for fourteen days after the Creditor by notice to the Debtor has demanded immediate payment; or
- 7.2 a petition is presented for an order for the bankruptcy of the Debtor; or
- 7.3 in the opinion of the Creditor, any representation or warranty made by the Debtor is found to be incorrect; or
- 7.4 If the Debtor is a company:
- 7.4.1 a receiver is appointed to the Debtor; or
  - 7.4.2 notice is given of an Extraordinary General Meeting to resolve to wind up the Debtor;

## 8 Notice of default

- 8.1 Where an event of default has occurred the Creditor may issue a notice of default. When the Creditor does so, the whole amount of the Debt then outstanding and any unpaid interest immediately fall due for payment.
- 8.2 Each Event of Default stands on its own, independently from any other Event of Default and shall not be limited by another Event of Default.
- 8.3 When an event of default happens, the Creditor may serve on the Debtor a notice specifying the default.

## 9 Consequences of Termination

At any time after issue of a valid notice of default by the Creditor:

- 9.1 the Debtor shall pay to the Creditor:
- 9.1.1 all money due at any time under this agreement;
  - 9.1.2 damages for any breach of this agreement;
- 9.2 The Debtor now undertakes that upon notice of default having been given, he will use his

best endeavours to assist the Creditor in any way possible, to transfer part of the freehold property at freehold title at Unit 25, Glenmore Business Park, Colebrook Way, Andover to the name of the Creditor or to a third party by way of realisation.

## 10 Assignment

- 10.1 This Agreement shall be binding upon any successors, permitted assigns and transferees of either party, but the Debtor shall not assign or transfer any of its rights or obligations without the previous written consent of the Creditor.
- 10.2 The Creditor may assign its rights obligations to any other person without consent of the Debtor.
- 10.3 The Creditor may disclose to a potential assignee who may propose enter into contractual relations with the Creditor, such information about the Debtor as the Creditor shall consider appropriate.

## 11 Promise to provide information

Until all obligations of the Debtor under this agreement have been performed in full and the Debt has been repaid, the Debtor agrees that, unless at any time the Creditor shall otherwise expressly consent in writing, he will furnish to the Creditor:

- 11.1 Within 6 months of the Creditor's Year End during the term of the Debt, a financial statement will be provided to the Creditor;
- 11.2 The Creditor may request that the Financial Statement be Independently Audited and the Debtor will do everything necessary in an expedient manner to assist with that request. The costs for the Audit will be borne by the Debtor.
- 11.3 The Financial Statement will be prepared on a consolidated basis and in conformity with generally accepted accounting principles, duly certified by an independent and professionally qualified accountant.
- 11.4 from time to time a written report of any changes in the list of the Subsidiaries of the Company;
- 11.5 from time to time such other information concerning the Debtor as the Creditor may reasonably request.

## 12 Contract is divisible

Each sub paragraph in this agreement is independent and severable from each other paragraph and therefore separately enforceable. If any restriction is unenforceable for any reason but would be enforceable if part of the wording were deleted, it will apply with such deletions as

may be necessary to make it valid and enforceable.

### 13 Notices and service

- 13.1 Any notice or other information required or authorised by this agreement to be given by either party to the other may be given by hand or sent by first class pre-paid post, or electronic means to the other party at the address last provided for that type of communication.
- 13.2 Any notice or other information given by post shall be deemed to have been given on the second day after it was posted; and proof that the envelope containing any such notice or information was properly addressed, pre-paid and posted, or that it has not been so returned to the sender, shall be sufficient evidence that it has been duly given.
- 13.3 Any notice or other information sent by electronic means, shall be deemed to have been duly sent on the date of transmission.
- 13.4 Service of any legal proceedings concerning or arising out of this agreement shall be effected by causing the same to be delivered to the party to be served at his main place of business or his registered office, or to such other address as may from time to time be notified in writing by the party concerned.

### 14 Headings

The headings in this document are for reference only.

### 15 Dispute Resolution

In the event of a dispute arising out of this agreement the parties undertake to attempt to settle it through professional mediation before commencing litigation.

### 16 Waiver

The failure by either party to enforce at any time or for any period any one or more of the terms or conditions of this Contract shall not be a waiver of them or of the right at any time subsequently to enforce all terms and conditions of this Contract.

### 17 Jurisdiction

This Contract shall be interpreted according to the Laws of England and the parties agree to submit to the exclusive jurisdiction of the English courts.

Signed by the **Trustees of the PCM** acting by

**Signature** :  
**Name** :

**Signature** :  
**Name** :

Signed by

**Director:**  
**Longar Industries Limited**

Signed by

**Director**  
**Longar Industries Limited**