

DATED

2022

LOAN AGREEMENT

between

XP 4 DEVELOPMENTS LIMITED

and

MDN PROPERTIES PENSION SCHEME

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Schedule 1

This agreement is dated:

2022

Parties

- (1) **XP 4 Developments Limited** (company number: 13517038) whose registered office is at 52b Bernard Street, St Albans, Hertfordshire, AL3 5QN ("the **Borrower**"); and
- (2) **MDN Properties Pension Scheme** of c/o 25 Long Grove, Seer Green, Beaconsfield, Buckinghamshire, HP9 2YN ("the **Lender**"), acting by Mr Matthew Norris as its trustee.

Background

The Lender has agreed to provide the Borrower with a term loan facility of **£350,000** in total.

The terms of this Agreement are:

1 Definitions that apply to this agreement:

"Advance"	means a part of the Loan drawn down by the Borrower at his request.
"Basic rate"	means a fixed rate of interest of 18% per annum for the term of the loan.
"Interest Date"	means the date on which the interest is due.
"Loan"	means the total amount of money lent now or at any later date than today, the amount outstanding as due from the Borrower to the Lender whether of capital or interest.
"Repayment Date"	the date falling 18 months after the date of this agreement.
"Security"	means the items set out in Schedule 1 or any one or more of them.

The terms "Lender" and "Borrower" include in the case of a corporation, any associated or subsidiary company.

2 Amount of the Loan

The Loan is in the sum of £350,000 or such lesser sum as shall in fact have been lent by the Lender to the Borrower at any time this agreement subsists, or such lesser sum as shall be outstanding after part repayment has been made.

3 Purpose

- 3.1 The Borrower shall use all money borrowed to assist in the business of the Borrower and for capital purposes and for no other purpose.
- 3.2 The Lender is not obligated to monitor or verify how any amount advanced under this Agreement is used

4 Repayment conditions

The Loan amount shall be repaid in full no later than the Repayment Date, or at an earlier date as may be required by the Lender in the Event of Default or requested by the Borrower, subject to a *minimum interest charge of 1 year*.

5 **Costs**

The Borrower shall pay all costs and expenses (together with any value added tax on them) incurred in connection with the negotiation and preparation, execution, amendment, extension, alteration, preservation and enforcement of the Loan and/or this agreement, including up to £2,000 plus VAT towards the negotiation and preparation of this agreement.

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.

6 [INTENTIONALLY NOT USED]

7 **Interest payable**

The Borrower shall pay interest on the Loan at the Interest Rate for the term of the loan, with a minimum charge period of 1 year interest imposed. In the event of default, additional interest shall be paid by the Borrower in accordance with clause 14.1.

8 **Early repayment of part**

The Borrower may repay all or part of the Loan before the due date for repayment provided that not less than seven working days' notice is given by the Borrower to the Lender specifying the amount proposed to be prepaid. Early repayment of the Loan would still be subject to a minimum charge period of 1 years interest. This notice then binds the Borrower to make that payment on the date he has specified.

9 **Method of payment**

All payments made by the Borrower under this agreement shall be in Sterling and in immediately available cleared funds to the Lender on the Repayment Date, unless otherwise agreed with the Lender, to such account(s) as the Lender may notify the Borrower.

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.

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:

ensure that the deduction or withholding does not exceed the minimum amount legally required;

pay to the relevant taxation or other authorities, as appropriate, the full amount of the deduction or withholding;

furnish to the Lender, within the period for payment permitted by the relevant law, either:

an official receipt of the relevant taxation authorities concerned on payment to them of amounts so deducted or withheld; or

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

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 Borrower's warranties

The Borrower represents and warrants that:

- 10.1 It is authorised to enter into this agreement;
- 10.2 the execution of this agreement, the borrowing, and the performance by the Borrower of his obligations are fully within the Borrower's legal authority, are not in breach of the Articles of Association of the Borrower, and do not and will not contravene or be in conflict with any provision of law or of any agreement binding upon the Borrower.
- 10.3 the Borrower has no undisclosed contingent obligations;
- 10.4 there are no material, unrealised or anticipated losses from any present commitment of the Borrower;
- 10.5 the Borrower will advise the Lender of material adverse changes which occur at any time prior to the date of final payment;
- 10.6 no litigation, arbitration proceedings or governmental proceedings are pending or threatened against the Borrower which would, if adversely determined, materially adversely affect the financial condition of the Borrower.
- 10.7 the Borrower has filed all tax returns, if any, which are required to be filed, and has paid all taxes which have become due;
- 10.8 the Security is owned by the Borrower with no charge to any other person other than a first legal charge to Quanta Finance Limited;

11 The Security

- 11.1 The Loan will be secured by way of a second charge in the agreed form over each of the items listed in Schedule 1, enforceable in an event of default (as defined in clause 12).
- 11.2 The Borrower confirms that the second charge provided under clause 11.1 is of adequate value and provides sufficient security for the Loan.

12 Event of Default

An "event of default" occurs when:

- 12.1 the Borrower fails to pay in full and on the due date for payment any sum due and remains in default for fourteen days after the Lender by notice to the Borrower have demanded immediate payment; or
- 12.2 in the opinion of the Lender, any representation or warranty made by the Borrower is found to be incorrect; or
- 12.3 If and whenever the value of the Security, as published in a recognised publication or by a recognised market, falls below 80% of the value today (which shall be assumed for this purpose to be the value set out in Schedule 1), then the Lender may call upon the Borrower to make up the total value by the addition of new Security to the sum of the value today. If the Borrower fails within seven days so to make up the value of the Security, then the Lender may treat the default as an event of default and give notice

accordingly.

13 Notice of default

- 13.1 *Where an event of default has occurred the Lender may issue a notice of default to the Borrower, declaring that*
 - 13.1.1 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
 - 13.1.2 the Loan be payable on demand, whereupon it shall become immediately payable on demand by the Lender.
- 13.2 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.

14 Consequences of Termination

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

- 14.1 a default interest rate of an additional 2% per annum on the outstanding balance of the Loan will be applied, and payable in addition, to the Loan while the Loan remains outstanding;
- 14.2 the Borrower shall pay to the Lender, on demand:
 - 14.2.1 all money due at any time under this agreement; and
 - 14.2.2 damages for any breach of this agreement; and
- 14.3 any and all charges held in favour of the Lender and used to secure the Loan will become enforceable.

15 Assignment

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

16 Promise to provide information

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

- 16.1 Within 6 months of the Borrower's accounting period end during the term of the Loan, its annual accounts for the preceding accounting period will be *provided to the Lender;*
- 16.2 The Lender may request that the Financial Statement be independently audited and the Borrower will do everything necessary in an expedient manner to assist with that request. The costs for the such audit will be borne

by the Borrower.

16.3 The annual accounts will be prepared on a consolidated basis and in conformity with generally accepted accounting principles, duly certified by an independent and professionally-qualified accountant.

16.4 from time to time such other information concerning the Borrower as the Lender may reasonably request.

17 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.

18 Notices and service

18.1 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.

18.2 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.

18.3 Any notice or other information sent by electronic means, shall be deemed to have been duly sent on the date of transmission.

18.4 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.

19 Headings

The headings in this document are for reference only.

20 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.

21 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.

22 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.

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

Signed by a duly authorised director
for
XP 4 Developments Limited


.....
Director

Signed by Matthew Norris
acting as Trustee of the **MDN**
Properties Pension Scheme


.....
Trustee

Schedule 1

The security described:

A second charge over a property known as Sunset Court, High Street, Princes Risborough,
Buckingham, HP27 0AX, as registered at the Land Registry under title number BM358710 entitling
the Lender to the proceeds of sale.

The value as of today of the security is agreed as being £770,000.
MN.