

Our Ref: IM1/OAK2/1
Your Ref:

Private and Confidential

Mrs Jane Groom Oakleaf Facilities Ltd SIBA
7 Brookfield
Duncan Close
Moulton Park
Northampton
NN3 6WL

28th May 2014

Dear Jane

LOAN TO REACHOUT COMMUNITY CHURCH IRCHESTER

Further to my email today, I now enclose the two letters signed by the Reachout trustees.

Please let me have one of these back once they have been signed by yourselves.

Kind regards

Yours sincerely



Ian Mason
ian.mason@masonb.co.uk

Enc: Facility letters signed by RCCI x 2

2nd copy returned - 12/06/14 JG.

Trustees of the Oakleaf Facilities Limited SIBA

7 Brookfield
Duncan Close
Moulton Park
Northampton
NN3 6WL

Trustees of Reachout Community Church Irchester

(Registered charity number 1148208)

2 – 4 High Street
Irchester
Northamptonshire
NN29 7AB

25 April 2014

Dear Sirs

We, the trustees of the Oakleaf Facilities Limited SIBA ("the Lender") are pleased to offer you Trustees of Reachout Community Church Irchester ("the Borrower") a loan of £170,000.00 ("the Loan") on the terms and conditions herein contained. This offer is open for acceptance by 30 June 2014. If it is accepted, this letter and its schedules will form the agreement between the Lender and the Borrower for the Loan.

Definitions of the terms and expressions used in this letter are contained in Schedule 5.

1. **Conditions Precedent**

Subject to clause 2.2.2 below, the Loan will not be available for drawdown until the Lender has received, in form and substance satisfactory to the Lender, the documents, evidence and other matters specified in Schedule 1.

2. **The Loan**

2.1 **Purpose**

The Borrower may only use the Loan for the purpose of acquiring the entire legal and beneficial title to the Property

2.2 **Drawdown**

2.2.1 Subject to clause 2.2.2 below, the Borrower may draw down the Loan at any time between 1 May 2014 and 31 July 2014 by giving notice of drawdown.

2.2.2 The Loan or any part thereof may not be drawn down if an Event of Default or Potential Event of Default has occurred or would result from drawdown.

2.3 **Repayment**

2.3.1 The Loan shall (unless otherwise agreed in writing between the parties) be repaid (with Interest) over a term of 15 years by way of monthly instalments payable on the first day of each month beginning with the first day of the month following the date of drawdown

2.3.2 Payments shall consist of a monthly instalment of capital and Interest in the total sum of £1,344.35 for the first 5 years of the term in accordance with the Monthly Schedule of payments annexed to this letter. Thereafter the monthly instalments shall be revised in accordance with clause 7.3 below on any change in the rate of Interest so as to ensure the repayment of the remaining capital and Interest thereon over the remaining period of the term. Instalments shall be applied firstly in discharge of Interest accrued and then in repayment of capital.

2.3.3 Nothing herein contained shall prevent the Borrower from making any repayment of capital in advance of its due date without penalty provided that the Borrower shall give the Lender not less than 28 days' prior notice of the Borrower's intention so to do.

2.4 Further advances

2.4.1 At any time after the first five years of the term the Borrower may in writing request the Lender to lend to the Borrower further sums up to the amount (including the outstanding capital balance of the Loan) of the Loan.

2.4.2 On receipt of such a request the Lender will consider the same and may in its absolute discretion refuse such request, grant such request or agree to advance a lesser sum than requested and may stipulate such terms for any such further advance as the Lender may see fit.

3. Security

As security for the Loan the Borrower will deliver or procure delivery to the Lender of the security specified in Schedule 1.

4. Representations and Warranties

The Borrower by signing this letter makes the representations and warranties in Schedule 2.

5. Covenants

The Borrower covenants with the Lender that from the date of its acceptance of the offer herein contained until all the Borrower's obligations to the Lender have been discharged the Borrower will at all times comply with the covenants in Schedule 3.

6. Default and Indemnity

6.1 If an Event of Default occurs and has not been waived by the Lender in writing the Lender may by notice in writing to the Borrower cancel any part of the Loan then undrawn and/or require repayment (immediately or otherwise as the Lender may dictate) of the Loan together with accrued Interest.

6.2 The Borrower will indemnify (and keep indemnified) the Lender on written demand against any loss or expense including legal fees which the Lender sustains or incurs as a consequence of any Event of Default.

7. Payment and Calculations

7.1 All sums due to the Lender hereunder shall be paid free of any set-off or counter-claim and otherwise in such manner and/or to such account as the Lender may from time to time direct.

7.2 Where the due date for payment of any sum due to the Lender is not a Working Day then payment of such sum shall be made on the next Working Day unless such day falls in the next calendar month in which case payment shall be made on the preceding Working Day.

7.3 The Lender shall provide a new or revised Monthly Schedule of payments after the first 5 years of the term and whenever there is any change in the rate of Interest thereafter. Any determination by the Lender of any amount of principal, Interest or costs shall, in the absence of manifest error, be conclusive and binding on the Borrower.

8. Illegality

If, in the opinion of the Lender, the introduction of any law or regulation or change in its interpretation, makes it unlawful for the Lender to maintain any part of the Loan or carry out

any of its obligations in relation to it then the Lender will serve notice to that effect on the Borrower and that notice will release the Lender from those obligations. The Borrower will then repay to the Lender on demand the Loan together with accrued Interest and any other sums payable to the Lender under this letter.

9. **Assignment and Transfer**

The Borrower may not assign or transfer any of its rights, obligations or benefits hereunder.

10. **Notices**

Unless otherwise provided in this letter, all notices, demands or other communications to or between the parties will be in writing and:-

- 10.1 will be sent by first-class post or delivered by hand and will be deemed to have been received 48 hours after posting (or at the time of delivery if hand-delivered);
- 10.2 in order to prove that a notice or demand by post has been made, the party sending it need only establish that the notice or demand was properly addressed and posted;
- 10.3 shall be sent to or given at the address for the Lender or the Borrower (as the case may be) contained in the first page of this letter or such other address in the UK which the Lender or the Borrower (as the case may be) may designate at any time by notice in writing to the other;

11. **Waivers and Severability**

- 11.1 No failure or delay by the Lender in exercising any right or remedy under this letter or any of the Security Documents shall operate as a waiver, and no single or partial exercise shall prevent further exercise of any right or remedy.
- 11.2 The provisions of this letter shall be severable and if at any time any one or more of such provisions is or becomes invalid illegal or unenforceable the validity legality and enforceability of the remaining provisions shall not in any way be affected or impaired.

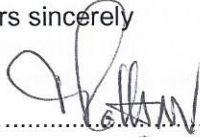
12. **Fees and Expenses**

The Borrower will pay to the Lender on demand and on a full indemnity basis all reasonable professional fees, costs and expenses incurred by the Lender in connection with the enforcement or preservation of the Lender's rights hereunder or under the Security Documents.

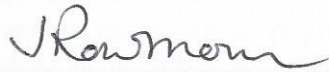
13. **Law**

This letter will be governed by and construed according to English law and the Borrower submits to the jurisdiction of the English Courts.

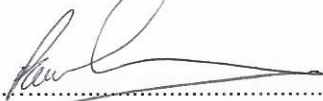
Yours sincerely



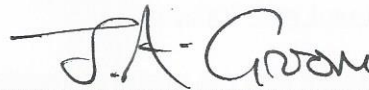
MARK ALAN ROWTHORN



JANIE ROWTHORN



PAUL GROOM

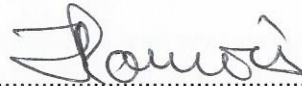


JANE GROOM

Agreed and accepted by the Borrower



JAMES THOMAS ALDWINCKLE



JOHN ROMEIS



LYNNE MOSES



DAVID ANGUS CAMPBELL

Date: 17TH MAY 2014

IMPORTANT NOTICE: as with any legally binding agreement, we recommend that you consult your solicitor or other independent legal adviser before accepting this letter.

SCHEDULE 1

CONDITIONS PRECEDENT

1. **Drawdown**

A Notice of Drawdown;

2. **Security**

2.1 A first legal charge on the Property.

The legal charge shall be preceded by a transfer of the Property from [name] to the Borrower

The legal charge shall be by the Borrower as legal owners/mortgagors and shall be to the Lender as lender/mortgagee.

The legal charge shall provide for the Lender's power of sale to arise on the date of the charge and to be exercisable (without the restrictions imposed by Section 103 of the Law of Property Act 1925) at any time after the monies thereby secured shall have become due and payable. It will provide that the monies shall become due and payable:

- 1 on the occurrence of any Event of Default, or
- 2 on the transfer of, or the grant or disposal of any other interest in, the Property other than a disposal expressly permitted by the Lender.

3. **Financial Information**

Such information regarding the financial position of the Borrower as the Lender may reasonably require.

4. **Property valuations and report on title**

None required

SCHEDULE 2

REPRESENTATIONS & WARRANTIES

The Borrower represents and warrants as follows:-

1. The Borrower has no Borrowings (other than Permitted Borrowings), and no Security Right (other than a Permitted Security Right) exists over the Property or other assets of the Borrower.
2. No Event of Default nor Potential Event of Default has occurred and is continuing unwaived.
3. The Borrower has power to enter into and comply with its obligations in the terms of this letter and the Security Documents.
4. Everything has been done (including obtaining any necessary consents and fulfilment of all statutory requirements) in order for the Borrower to comply with its obligations under this letter and the Security Documents and in order to ensure that those obligations are legally binding.
5. Execution of and compliance with this letter and the Security Documents does not cause the Borrower to breach:
 - 5.1 any law or regulation or any judicial or official order to which it is subject, or
 - 5.2 any undertaking or restriction to which it is subject;and will not result in the imposition of any Security Right (other than under any of the Security Documents) on any of its assets.
6. Save as disclosed to the Lender in compliance with paragraph 1.2 of Schedule 3, no Material Litigation is current, pending or threatened against the Borrower or its assets.
7. The financial information relating to the Borrower produced to the Lender gives a true and fair view of the financial condition of the Borrower at the time it was produced and there has been no material adverse change in the financial condition of the Borrower since that time.
8. The copies of all documents produced to the Lender are true, accurate and complete in all material respects.
9. No substance has been used, disposed of or released at or from the Property or (to the best of the Borrower's knowledge) from any adjoining property, which, in either case, is likely to result in a liability which, in the opinion of the Lender, would have a Material Adverse Effect.

SCHEDULE 3

COVENANTS

1. The Borrower shall:
 - 1.1 effect and maintain (with the Lender's interest noted on the policy) sufficient and appropriate insurance of the Property and supply to the Lender on demand a copy of the policy;
 - 1.2 advise the Lender promptly of Material Litigation;
 - 1.3 take whatever steps and execute whatever documents the Lender may reasonably require in order to give effect to the Security Documents;
 - 1.4 comply with all Statutory Controls and promptly give to the Lender a copy of any notice received by the Borrower concerning compliance or the Borrower's failure to comply with them;
 - 1.5 on receiving the same, notify the Lender promptly of any actual or threatened claim against the Borrower in respect of an alleged breach of Environmental Law or remedial obligation or liability under such law which in the opinion of the Lender could, if well-founded, have a Material Adverse Effect or constitute a material liability of the Borrower;
 - 1.6 indemnify the Lender and any receiver appointed by the Lender and their respective officers, employees and agents against all costs and expenses suffered or incurred by them which arise as a result of any actual or threatened breach of Environmental Law or any actual or threatened claim referred to in clause 1.5 above whether such claim has a Material Adverse Effect or not.
2. The Borrower shall not without the prior written consent of the Lender:-
 - 2.1 grant or permit to subsist any Security Right other than a Permitted Security Right;
 - 2.2 incur or contract to incur or permit to subsist any Borrowings other than Permitted Borrowings.
3. The Borrower shall notify the Lender of any Event of Default or Potential Event of Default immediately upon becoming aware of it, at the same time describing the steps (if any) being taken to nullify or mitigate its effects.

SCHEDULE 4

EVENTS OF DEFAULT

1. The Borrower fails to pay any sum due under this letter or any of the Security Documents on its due date other than as a result of the failure of the appropriate payment transmission system which is not within the Borrower's control.
2. Any written information or projection given or any representation, warranty or statement made or repeated by or on behalf of the Borrower at any time before drawdown of the Loan or any part thereof is incorrect, inaccurate, incomplete or, in the opinion of the Lender, misleading in any respect.
3. The Borrower fails to comply with any covenant, undertaking or obligation given or owed by him under this letter or any of the Security Documents which is not remedied to the satisfaction of the Lender within 14 days after the first of (1) the Borrower being aware of the failure or (2) notice by the Lender calling for the failure to be remedied.
4. Any licence, authority, permit, consent, agreement or contract which is material to the Property is terminated, withheld or modified which in the reasonable opinion of the Lender will have a Material Adverse Effect.
5. The Borrower suspends or threatens to suspend payment of its debts or is unable to pay its debts within the meaning of Section 123 (1) of the Insolvency Act 1986.
6. A proposal is made or a nominee or supervisor is appointed for the Borrower for a composition in satisfaction of its debts or for a scheme of arrangement of its affairs or other arrangement or any proceedings for the benefit of its creditors are commenced under any law, regulation or procedure relating to the reconstruction or readjustment of debt.
7. Any distress execution or other like process is levied or enforced or any steps are taken by any person to enforce any Security Right against any of the property or assets of the Borrower.
8. Any part of any of the Security Documents ceases to be valid, enforceable or effective.
9. In the reasonable opinion of the Lender:
 - 9.1 there is a risk of material liability to the Lender under Environmental Law, or
 - 9.2 the Borrower does not comply with Environmental Law and such failure to comply will have a Material Adverse Effect.
10. Any other circumstance or event occurs or arises which in the reasonable opinion of the Lender will have a Material Adverse Effect.

SCHEDULE 5

DEFINITIONS & INTERPRETATION

"Base Rate" means the Bank of England minimum lending rate from time to time

"Borrowings" means (without double counting):-

1. money borrowed or raised and includes capitalised interest;
2. any liability under finance leases, hire-purchase or conditional sale agreements;
3. any liability under any guarantee or indemnity; and
4. any other commercial arrangements having the effect of borrowing.

"Environmental Law" means all applicable laws, regulations, directives, codes of practice, circulars, guidance notices and court decisions (whether in the UK or elsewhere) concerning the protection of human health or welfare or the environment or the conditions of the work place or the generation, transportation, storage, treatment or disposal of dangerous substances.

"Event of Default" means an event specified in Schedule 4.

"Interest" means interest calculated on a daily basis and charged throughout the first 5 years of the term at the fixed rate of 5% per annum (being 4.5% per annum over the Bank of England's current minimum lending rate) and thereafter at the rate of 4.5% per annum over the Base Rate subject to a minimum rate of 5% per annum unless revised from time to time by further agreement between the parties any such agreement to be effective for such period of time (being not less than one year) as shall be agreed between the parties

"Material Adverse Effect" means anything which, in the reasonable opinion of the Lender, might adversely affect:

1. the Property;
2. the financial condition of the Borrower;
3. the ability of the Borrower to comply with its obligations under this letter or the Security Documents; or
4. the legality, validity, enforceability or value of any of the Security Documents;

"Material Litigation" means any litigation, arbitration or proceedings taken or threatened against, or defended by, or any judgment outstanding in relation to the Borrower, which involves or, if an adverse finding were made, would involve a total liability (whether actual or contingent) in excess of £5,000.

"Permitted Borrowings" means:-

1. the Loan and amounts due in respect of it;
2. commitments of the Borrower under any agreements or arrangements within the Consumer Credit Act 1974 which do not at any time exceed £10,000 in aggregate.

"Permitted Security Rights" means (1) liens and rights of set-off securing obligations which are not overdue beyond their standard payment dates, arising by operation of law in the ordinary and usual course of trading (2) Security Rights arising out of title retention provisions in a supplier's standard

conditions of supply of goods acquired in the ordinary and usual course of trading or (3) Security Rights granted under the Security Documents or with the prior written approval of the Lender.

"Potential Event of Default" means any event, act or condition which, with the giving of notice and/or lapse of time, and/or any other event, act or condition which, in the reasonable opinion of the Lender, will or is likely to constitute an Event of Default.

"Property" means the freehold property known as 2 – 4 High Street, Irchester, Northamptonshire NN29 7AB registered with title numbers NN138360 and NN210844 at the Land Registry.

"Security Documents" means the documents listed under the heading "Security" in Schedule 1 and any other documents executed in favour of the Lender as security for the Loan.

"Security Right" means any mortgage, charge, security, pledge, lien, right of set-off, right to retention of title or other encumbrance, whether fixed or floating, over any present or future property, assets or undertaking of the Borrower.

"Statutory Control" means each of the following which affects the Borrower or any of its assets from time to time:-

1. any legislation (including delegated legislation);
2. any consent made or given under any legislation; and
3. any notice, order or correspondence related to paragraphs 1 or 2 above and having the force of law.

"Working Day" means any day from Monday to Friday (inclusive) which is not Christmas Day, Good Friday or a statutory Bank Holiday.

Interpretation

In this letter and where the context so admits:-

- (1) statutes, statutory provisions and other legislation shall include all amendments, substitutions, modifications and re-enactments for the time being in force;
- (2) the word "including" shall not be construed as limiting the generality of the words preceding it;
- (3) words importing the singular shall be construed as inclusive of the plural and vice versa and words importing a gender shall be construed as inclusive of either other gender;
- (4) any reference to a person or company shall be construed as inclusive of that person or company's assignees or transferees or successors in title, whether direct or indirect;
- (5) clause headings are for ease of reference only and are not to affect the interpretation of this letter.

Monthly Schedule

	Date	Beginning Balance	Interest	Principal	Ending Balance
1	5/2014	£170,000.00	£708.33	£636.02	£169,363.98
2	6/2014	£169,363.98	£705.68	£638.67	£168,725.32
3	7/2014	£168,725.32	£703.02	£641.33	£168,083.99
4	8/2014	£168,083.99	£700.35	£644.00	£167,439.99
5	9/2014	£167,439.99	£697.67	£646.68	£166,793.31
6	10/2014	£166,793.31	£694.97	£649.38	£166,143.93
7	11/2014	£166,143.93	£692.27	£652.08	£165,491.85
8	12/2014	£165,491.85	£689.55	£654.80	£164,837.05
9	1/2015	£164,837.05	£686.82	£657.53	£164,179.52
10	2/2015	£164,179.52	£684.08	£660.27	£163,519.25
11	3/2015	£163,519.25	£681.33	£663.02	£162,856.24
12	4/2015	£162,856.24	£678.57	£665.78	£162,190.45
year 1 end					
13	5/2015	£162,190.45	£675.79	£668.56	£161,521.90
14	6/2015	£161,521.90	£673.01	£671.34	£160,850.56
15	7/2015	£160,850.56	£670.21	£674.14	£160,176.42
16	8/2015	£160,176.42	£667.40	£676.95	£159,499.47
17	9/2015	£159,499.47	£664.58	£679.77	£158,819.70
18	10/2015	£158,819.70	£661.75	£682.60	£158,137.10
19	11/2015	£158,137.10	£658.90	£685.45	£157,451.66
20	12/2015	£157,451.66	£656.05	£688.30	£156,763.36
21	1/2016	£156,763.36	£653.18	£691.17	£156,072.19
22	2/2016	£156,072.19	£650.30	£694.05	£155,378.14
23	3/2016	£155,378.14	£647.41	£696.94	£154,681.20
24	4/2016	£154,681.20	£644.50	£699.85	£153,981.36
year 2 end					
25	5/2016	£153,981.36	£641.59	£702.76	£153,278.60
26	6/2016	£153,278.60	£638.66	£705.69	£152,572.91
27	7/2016	£152,572.91	£635.72	£708.63	£151,864.28
28	8/2016	£151,864.28	£632.77	£711.58	£151,152.70
29	9/2016	£151,152.70	£629.80	£714.55	£150,438.15
30	10/2016	£150,438.15	£626.83	£717.52	£149,720.63
31	11/2016	£149,720.63	£623.84	£720.51	£149,000.11
32	12/2016	£149,000.11	£620.83	£723.52	£148,276.60
33	1/2017	£148,276.60	£617.82	£726.53	£147,550.07
34	2/2017	£147,550.07	£614.79	£729.56	£146,820.51
35	3/2017	£146,820.51	£611.75	£732.60	£146,087.91
36	4/2017	£146,087.91	£608.70	£735.65	£145,352.27
year 3 end					
37	5/2017	£145,352.27	£605.63	£738.72	£144,613.55
38	6/2017	£144,613.55	£602.56	£741.79	£143,871.76
39	7/2017	£143,871.76	£599.47	£744.88	£143,126.87
40	8/2017	£143,126.87	£596.36	£747.99	£142,378.89

41	9/2017	£142,378.89	£593.25	£751.10	£141,627.78
42	10/2017	£141,627.78	£590.12	£754.23	£140,873.55
43	11/2017	£140,873.55	£586.97	£757.38	£140,116.17
44	12/2017	£140,116.17	£583.82	£760.53	£139,355.64
45	1/2018	£139,355.64	£580.65	£763.70	£138,591.94
46	2/2018	£138,591.94	£577.47	£766.88	£137,825.06
47	3/2018	£137,825.06	£574.27	£770.08	£137,054.98
48	4/2018	£137,054.98	£571.06	£773.29	£136,281.69
year 4 end					
49	5/2018	£136,281.69	£567.84	£776.51	£135,505.18
50	6/2018	£135,505.18	£564.60	£779.75	£134,725.44
51	7/2018	£134,725.44	£561.36	£782.99	£133,942.45
52	8/2018	£133,942.45	£558.09	£786.26	£133,156.19
53	9/2018	£133,156.19	£554.82	£789.53	£132,366.66
54	10/2018	£132,366.66	£551.53	£792.82	£131,573.84
55	11/2018	£131,573.84	£548.22	£796.13	£130,777.71
56	12/2018	£130,777.71	£544.91	£799.44	£129,978.27
57	1/2019	£129,978.27	£541.58	£802.77	£129,175.50
58	2/2019	£129,175.50	£538.23	£806.12	£128,369.38
59	3/2019	£128,369.38	£534.87	£809.48	£127,559.90
60	4/2019	£127,559.90	£531.50	£812.85	£126,747.05