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Mr J Richardson  
Tumbles Holidays Ltd  
Nettlecombe  
Poughill  
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EX23 9EU

23 June 2009

Dear John,

### **Pension Scheme Loan**

Please find enclosed the loan document for £120,000 secured against the issued share capital of the Company for a term of 5 years, with a rate of interest fixed at 6%. Interest to be paid monthly in arrears, and capital to be repaid annually in arrears.

The loan facility has three parties to it; the first being the Scheme as Lender, the second is the Company as Borrower and the third party represented by the shareholders lodging their share certificates as security for the loan.

The loan has been prepared in favour of the Scheme and serves to protect the Scheme in the event of default of the loan repayments. It is very important that the loan terms are met by the Company otherwise it will constitute default and the Scheme must recover it's loss. The loan document meets the requirements of HM Revenue & Customs and the Regulator, we recommend that the Lender and Security Holder obtains legal advice where appropriate regarding the suitability or otherwise of entering into this agreement.

We rely on our own solicitor in the drafting of these legal documents, that solicitor is acting for the Scheme and not for other interested parties.

I will enclose under separate cover the loan repayment schedule, which forms part of this agreement. Each party will need to sign this loan agreement, you cannot each co-witness the other's signature. The witness(es) nominated also cannot be one of the persons named in this loan agreement, however the same witness can sign for each signatory to the document.

Please retain the original of this agreement on your pension file and return a copy of the signing parts to us. You will need to date it to coincide with the loan transfer from the trustees account to the Company. If the transfer is made earlier than the loan agreement date then this will constitute an un-authorised payment on the Scheme. Therefore, it is essential that the two coincide.

You will need to also retain on the pension file the share certificates lodged as security for the loan. This may be required at a future date by HM Revenue & Customs as evidence to support the judiciousness of the loan.

If you have any queries regarding the enclosure please contact either myself or the Consultant for your Scheme.

Kind regards

Yours sincerely

Gavin McCloskey  
**For Pension Practitioner .Com**

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