

THIS AGREEMENT is made the _____ day of _____ 2008
BETWEEN :

- WHEREAS**

- Page 1 of 5

NOW IT IS AGREED as follows:-

1. PURPOSE

The loan is for the purpose stated in recital (4) above and may not be used for any other purpose

2. DRAWDOWN

The Trust may draw down funds from the loan in one or more amounts on not less than 4 business day's written notice to the Council in multiples of £10,000 (minimum amount £10,000)

3. REPAYMENT

- 3.1 The Trust shall repay to the Council the principal amount of the loan by instalments agreed between the parties no later than 3 months after occupation of the final property or earlier by agreement together with interest in accordance with clause 4 below. Interest shall be paid by the Trust to the Council on repayment of the loan.
- 3.2 The Trust agrees to pay to the Council the whole of the net proceeds of sale (after deducting legal and estate agents' costs) of each unit sold on declaration of trust or shared ownership lease on completion of such sale in permanent reduction of the loan outstanding until the loan is repaid in full, and upon receipt of such amount the Council will forthwith execute a Form DS3 or other discharge of the Legal Charge referred to in Clause 5 below in respect of that unit
- 3.3. The loan or any part of it may be repaid at any time by the Trust and any part repaid may be re-borrowed
- 3.4. There shall be no penalties or discounts if the loan is repaid prior to the date in Clause 3.1.

4. INTEREST

- (a) The principal amount of the loan outstanding from time to time will carry interest at the rate of 5 per cent per annum fixed accruing daily and payable on the dates referred to in clause 3.1, calculated by reference to the average balance in each year.
- (b) If the Trust defaults in the payment on the due date from time to time of any sum due under this agreement, the Council shall serve notice on the Trust giving it 28 days to remedy such default. If the Trust does not remedy such default within 28 days, interest will accrue daily on the said sum from the date of default until actual payment (both before and after judgement) at the rate of 7 per cent fixed

5. LEGAL CHARGE

The Trust will enter into a Legal Charge in the form attached to this agreement on completion of the acquisition of the land referred to therein

6. PAYMENT

- (a) the Trust will make all payments under or in respect of this facility for value on the due date in pounds sterling to the Council at their account number 30854786 HSBC Bank PLC of Cornhill, Dorchester, Dorset Sort Code 40-19-21 or such other account as the Council give notice of from time to time
- (b) If any payment falls due on a day which is not a day on which banks are generally open for business in London, the due date shall be extended to the next business day
- (c) the Trust will make all payments under or in respect of this facility without set-off or counterclaim and free and clear of any withholding or deduction for or on account of tax save as may be required by law

7. DEFAULT

Notwithstanding the above provisions of this agreement, the loan and all interest on it will become due and payable or repayable forthwith on demand by the Council on the happening of any of the following events:-

- (a) the Trust fails to pay any sum due under this agreement when due or the Trust is in breach of any other provision of this agreement
- (b) the Trust is in default under any financial obligation to any other person
- (c) an administration order is made in relation to the Trust or a receiver or manager or administrative receiver is appointed of the Trust or any of its assets or it enters into liquidation
- (d) any petition is presented, any resolution is proposed or any other steps or proceedings are taken which may lead to any such occurrence as referred to in (c) above
- (e) any distress or execution is levied on or affects any of the Trust's property or assets
- (f) the Trust is deemed to be insolvent or unable to pay its debts

PROVIDED THAT none of the above events of default shall cause the loan to become repayable if such event of default is remedied (where in the Council's reasonable opinion such event of default is capable of remedy) within 30 days of the occurrence of such event of default and **FURTHER PROVIDED THAT** if the Council does not enter into possession of the land it will use its best endeavours to complete the scheme as outlined in the agreement made between West Dorset District Council and Buckland Newton CPT Limited on the day of 2008 pursuant to Section 106 of the Town & Country Planning Act 1990

8. NOTICES

Any demand or notice in respect of this agreement and/or the loan will be in writing and may be served by one party on the other personally or by post and by dispatching it addressed to the party's registered or principal office at the time

9. WAIVER

No failure by the Council to exercise or delay by the Council in exercising any right or remedy under or in respect of this agreement shall operate as a waiver of it, nor shall any single partial or defective exercise by the Council of any such right or remedy preclude any other or further exercise of that or any other right or remedy

10. LAW

This Agreement is governed by English Law

SIGNED on behalf of the Council)
in the presence of:-)

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in the presence of:-)