

LOAN AGREEMENT AND CONTRACT OF ASSOCIATION

Industrial Common Ownership Fund PLC, hereinafter called ICO Fund PLC, (trading as Co-operative and Community Finance) agree to lend £25,000 (the "Loan" which shall include the outstanding balance from time to time) to:

CLAPTON FOOTBALL CLUB LIMITED

3rd Floor Markham House,

35 Station Road,

Chingford,

E4 7BJ

Registration No. : RS007768

(hereinafter called the "Borrower")

or its successor(s)

on (date of lending)

Loan No. CCF01249

subject to the following terms:

1.0 SUPPORT AND GUIDANCE

1.1 Your Co-operative and Community Finance representative is

Ian Rothwell

1.2 Information

The Borrower shall install and maintain an adequate management data and financial information system. Financial data (including balance sheets expenditure and income accounts management accounts and operating statistics as may be requested) to be sent to Co-operative and Community Finance on a quarterly basis. Annual or audited accounts to be sent to Co-operative and Community Finance within 6 months of the end of year.

On request, by Co-operative and Community Finance, at any time, the Borrower will make available information about its trading situation and financial circumstances.

2.0 FINANCIAL

2.1 Rate of Interest

To be at an annual rate of 3% above the base rate of the Bank of England prevailing on the day that interest is applied to the account or 6%, whichever is greater, payable by direct debit, monthly together with the capital repayments. A loan account statement will be sent quarterly. Interest shall be charged on the outstanding balance of the Loan on a daily basis from draw down until final repayment in full both before and after any judgement.

2.2 Repayment of Capital

The Loan is to be repaid by monthly instalments of capital and interest by direct debit over a period of 120 months, commencing the 18th day of the month following draw down, as per the enclosed schedule.

From the 1st January 2028 it is proposed that ICO Fund plc will be restructured within the Industrial Common Ownership Limited (ICOF) Group. As such we reserve the right to assign any outstanding loan balance at this date to any other Fund owned, controlled or managed by ICOF on the same terms as set out in this agreement.

2.3 Conditions

No part of the Loan may be drawn on until Co-operative and Community Finance have received from the Borrower the following in a satisfactory form:

- a) Two signed copies of this Agreement;
- b) Signed and sealed security documentation as required under paragraph 2.5;
- c) Completed direct debit instructions;
- d) Perfection of security at the borrowers' expense;

2.4 Use of loan

The Borrower may only use the Loan for the purposes specified in the application submitted to Co-operative and Community Finance, subject to any subsequent amendments or variations approved in writing by Co-operative and Community Finance or its authorised representative.

2.5 Security

As a continuing security for repayment to Co-operative and Community Finance of all sums due at any time to Co-operative and Community Finance from the Borrower the Borrower shall execute in favour of Co-operative and Community Finance and in such form and at such time as may be required by Co-operative and Community Finance:

- a) A fixed and floating charge over all the assets and undertakings of the Borrower both present and future.
- b) A joint 1st charge with ICOF Community Capital on the property known as The Old Spotted Dog Ground, 212 Upton Lane, Forest Gate, London E7 9NP

2.6 Costs

A one off appraisal charge of £250 will be deducted from the advance along with the ICOF Membership subscription (see paragraph 4.0 below).

2.7 Indemnity

The Borrower agrees to pay (on demand and on a full indemnity basis):

- a) where the borrower repays the loan in part or in full within the first year of the agreement, the Early Repayment Clause (ERC) will consist of the loss of interest that would have been due had the loan run to the agreed term subject to a minimum charge of £500.
- b) where all or part of the loan is repaid between the first anniversary of the agreement and the fifth anniversary of the agreement, the ERC will be equal to the rate of interest currently being charged at 2.1 multiplied by the amount repaid subject to a minimum charge of £500.
- c) where all or part of the loan is repaid after the fifth anniversary of the agreement as a result of refinancing through another lender, the ERC will be equal to the rate of interest currently being charged at 2.1 multiplied by the amount repaid subject to a minimum charge of £500.

In the event of the loan being re-scheduled Industrial Common-Ownership Finance Ltd reserve the right to levy an administration fee.

3.0 LEGAL STRUCTURE

As the objective of Co-operative and Community Finance is to help enterprises which are owned and controlled by the people working in them, or by the community in which they operate, it is a condition of this loan that the Borrower shall adopt a legal structure acceptable to Co-operative and Community Finance. Any subsequent changes to this structure during the period of the loan shall be reported to Co-operative and Community Finance. Co-operative and Community Finance reserve the right to recall the loan if these conditions are not observed or if, in the reasonable opinion of the Directors of Co-operative and Community Finance, the borrower ceases to be a co-operative or social enterprise for any reason whatsoever, as set out at the beginning of this paragraph.

4.0 ICOF MEMBERSHIP

Co-operative and Community Finance is a member-based organisation. It is our policy that borrowers must be members. The Membership Subscription is currently £30.00 for lifetime membership and will be withheld from the ICOF Community Capital (ICC) Loan advance. The Borrower shall not cease to be a member during the period of this loan.

5.0 DATA PROTECTION

Co-operative and Community Finance has a Data Privacy Policy which can be found in our Data Privacy Statement <https://coopfinance.coop/privacy-statement/>. Your data will be stored and used in accordance with this Policy. By signing this agreement you agree to receive news about our work and the enterprises we support.

6.0 DEFAULT AND TERMINATION

6.1 Notwithstanding the provisions of paragraph 2.2 (Repayment of Capital) Co-operative and Community Finance is entitled to demand repayment of the Loan together with interest and accrued costs if at any time one or more of the following events ("events of default") occurs:

- a) the Borrower fails within ten working days of the due date to pay any sum payable;
- b) the Borrower commits any material breach of any of the provisions of this Agreement and either such breach is not capable of remedy or the Borrower fails to remedy the breach within fifteen working days of being required to by Co-operative and Community Finance in writing;
- c) the Borrower shall cease to be a member of Co-operative and Community Finance however that may arise;
- d) the Borrower ceases, in the reasonable opinion of Co-operative and Community Finance, to be a Co-operative or social enterprise;
- e) any representation or warranty made or deemed to be made or repeated by the Borrower in or pursuant to this Agreement is or proves to be untrue or incorrect in any material respect when made or deemed to be repeated with reference to the facts and circumstances existing at such time;
- f) an encumbrancer takes possession or a receiver or an administrative receiver or receiver and manager is appointed of the whole or any substantial part of the undertaking or assets of the Borrower or a distress or other process is levied or enforced upon any asset of the Borrower and any such action is not lifted or discharged within ten working days;
- g) the Borrower has a winding-up petition or a petition for an administration order

presented against it or passes a winding-up resolution (other than in connection with a members' voluntary winding-up for the purposes of amalgamation or reconstruction which has the prior written approval of Co-operative and Community Finance) or calls a meeting of its creditors for the purposes of considering a resolution that it be wound up voluntarily or resolves to present its own winding-up petition or is wound up or the directors or shareholders of the Borrower resolve to present a petition for an administration order in respect of the Borrower;

- h) the Borrower ceases or threatens to cease to carry on its trading activities or a substantial part thereof; or
- i) if any event or series of events occurs or any circumstances arise whether related or not (including without prejudice to the generality of the foregoing any adverse change in the activities, assets or financial standing of the Borrower) which in the reasonable opinion of Co-operative and Community Finance may have a material adverse effect on the Borrower or its ability or willingness to perform or comply with any of its obligations in this Agreement.

7.0 GENERAL

- 7.1** The Borrower is not entitled to assign or transfer any of its rights or obligations under this Agreement.
- 7.2** No delay on the part of Co-operative and Community Finance in exercising any of its rights power or privileges operates as a waiver nor does the single or partial exercise of any such right power or privilege preclude any further exercise of it and the rights and remedies contained in this Agreement and are in addition to any rights and remedies provided by the general law.
- 7.3** The Borrower irrevocably authorises its bankers auditors accountants and other professional advisers to discuss at any time the Borrower's business and affairs with Co-operative and Community Finance and to produce to Co-operative and Community Finance such documents and information relating to such business and affairs as Co-operative and Community Finance requires from time to time.
- 7.4** A certificate signed by an officer of Co-operative and Community Finance as to the amount of the aggregate indebtedness of the Borrower to Co-operative and Community Finance or as to the amount of the payment or the determination of the interest rate from time to time is conclusive evidence for all purposes against the Borrower.
- 7.5** Notwithstanding anything else in this Agreement Co-operative and Community Finance reserve the right to withdraw this Agreement at any time and for any reason, whereupon the Borrower shall not be entitled to make any further drawdowns under this Agreement.
- 7.6** No person who is not a party to this Agreement shall have any right to enforce this Agreement or any agreement or document entered into pursuant to this Agreement pursuant to the Contracts (Rights of Third Parties) Act 1999.
- 7.7** This Agreement shall be governed by, and construed in accordance with, English law.

WE AGREE TO THE TERMS AND CONDITIONS ABOVE:
(two signatures required)

KR Blewe Director

Ca C Secretary or 2nd Director

In the presence of:

Signature of witness R

Name of witness ROBIN COWAN

Address of witness 40 VESTA HOUSE

LONDON

E20 1AN

Occupation of witness COMPLEX NEEDS WORKER

for: the Borrower

Signed
for: Co-operative and Community Finance