

DATED

2008



Facility AGREEMENT

Harrowells
SOLICITORS

Harrowells LLP
Moorgate House, Clifton Moorgate, York YO30 4WY
T: 01904 690111 F: 01904 692111 DX: 61464, Haxby
www.harrowells.co.uk

THIS AGREEMENT is made the _____ day of _____ **2008**

BETWEEN:-

- (1) **The Council of the City of York** of the Guildhall York YO1 9QN (“the Council”)
- (2) **SCIENCE CITY YORK** of 20 George Hudson Street, York YO1 6WR, a company limited by guarantee whose company number is 06139121 (“the Company”).

WHEREAS

By virtue of various agreements (the Agreements) between Yorkshire Forward and the Council grant facilities were provided to the Council for the purpose as expressed within those Agreements and the funding from those grants was used for the promotion of the activities of the Company prior to its incorporation under the Companies Acts

The Council is still in receipt of Funding under the Agreements and will continue to meet its obligations under the same

In order to meet these obligations and afford the continued support to the Company the Council has offered to facilitate the remaining funding under those Agreements by a loan to the Company the sum of fifty thousand pounds (£50,000) (“the Loan”) which offer has been accepted by the Company.

IT IS HEREBY AGREED:-

1 REPAYMENT

1.1 The Company shall repay (or shall procure the repayment of) the Loan advanced under this Agreement together with interest as specified in clause 2 below such interest and the Loan being together the “Repayment Sum” upon not less than twelve calendar months written notice to the Council.

1.2 Upon receipt of the written notice, the Company shall pay (or shall procure the payment) of the Repayment Sum as soon as reasonably practicable and in any

event not later than twelve calendar months from the date of receipt of the written notice.

1.3 The Company shall not do anything that causes the Council to be in breach of its obligations under the Agreements

2 INTEREST

2.1 Interest shall accrue on the Loan at a rate of 5.25 per centum per annum and such interest shall be calculated on a daily basis compounded at monthly rests and shall be paid annually in arrears.

2.2 In the event that any balance of the Repayment Sum, remain unpaid at the expiry of the twelve month period the Council shall be entitled to demand that the Company pay (or shall procure payment) to the Council interest on such balance of the Repayment Sum for the time being outstanding to the Lender at the rate of four per centum per annum (4% p.a) above the base lending rate of the time being of HSBC Bank plc, such interest to be calculated on a daily basis and compounded at monthly rests and to be paid on demand.

2.3 A certificate signed by or on behalf of the Council stating the amount of the Repayment Sum then outstanding or any interest costs or penalty interest payable under this Agreement shall be conclusive evidence of the amounts payable (or outstanding as the case may be) except in the case of manifest error.

3 COSTS

The costs of the Council in respect of the preparation, negotiation and completion of this Agreement shall be paid by the Borrower upon completion of this Agreement.

4 ALIENATION

4.1 This Agreement and the benefit of it is entirely personal to the Company and the Company shall not without the Councils express written consent assign charge or otherwise part with the benefit hereof.

4.2 The Council may without restriction assign this Agreement.

4.3 The obligations on the parties in this Agreement shall be binding on the parties' respective successors in title and any permitted assigns.

5 NOTICES

5.1 Any notice to be given under this Agreement shall be in writing and shall be delivered to the Registered Office of the party specified in this Agreement.

5.2 Any notice sent by first class prepaid post shall be deemed served forty eight (48) hours after posting and any notice delivered personally shall be deemed served at the time of delivery.

6 GOVERNING LAW

This Agreement and any dispute hereunder shall be governed by English law and the parties hereby agree to submit to the exclusive jurisdiction of the courts of England and Wales.

7 DEED

This Agreement is executed by the parties as a deed and shall be deemed delivered only upon the exchange of executed original and counterpart(s).

IN WITNESS whereof the parties have executed this Agreement as their deed the day and year first hereinbefore written



**The Common Seal Of
the Council of the City of York
was herunto affixed in the presence of**

Authorised Signatory

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SIGNED as a **DEED** (but not delivered until
the date hereof by Science City York
acting by two directors or one director and
the secretary

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Director

Director/Secretary