

**LOAN AGREEMENT,
SETTING FORTH TERMS AND CONDITIONS OF CREDIT**

THIS LOAN AGREEMENT (this “Agreement”) dated this _____ day of _____,

BETWEEN:

Stranraer Credit Union Ltd., of 25 Hanover Square, Stranraer, Wigtownshire, DG9 7AG

(“the Lender”)

OF THE FIRST PART

AND

_____ of _____

(“the Borrower”)

OF THE SECOND PART

IN CONSIDERATION OF the Lender loaning certain monies (“the Loan”) to the Borrower, and the Borrower repaying the Loan to the Lender, both parties agree to keep, perform and fulfil the promises and conditions set out in this Agreement:

LOAN AMOUNT AND INTEREST

1. The lender promises to loan £_____ GBP (“the Sum”) to the Borrower and the Borrower promises to repay this principal amount to the Lender, with interest payable on the unpaid principle, beginning one week after the date of the Loan being issued.

PAYMENT

2. This Loan will be repaid in consecutive instalments of principal and interest, either monthly, fortnightly, or weekly, whichever is preferable to the Borrower and which will be clearly communicated to us, the Lender. Payments will continue until the balance owing under this Agreement, plus interest is paid.

DEFAULT

3. Notwithstanding anything to the contrary in this Agreement, if the Borrower defaults in the performance of any obligation under this Agreement, then the Lender may declare the principle amount owing and interest due under this Agreement at that time to be immediately

due and payable. If the Borrower cannot make satisfactory repayments of any Loan, the Lender reserves the right to make a compulsory Share-to-Loan transfer to reduce or eliminate any outstanding principle amount plus interest.

GOVERNING LAW

4. This Agreement will be construed in accordance with and governed by the laws of the Country of Scotland.

COSTS

5. All costs, expenses and expenditures including, without limitation, the complete legal costs incurred by enforcing this Agreement as a result of any default by the Borrower, will be added to the principle amount then outstanding and will immediately be paid by the Borrower.

BINDING EFFECT

6. This Agreement will not pass to the benefit of and be binding upon the respective heirs, executors, administrators, successors and permitted assigns of the Borrower and Lender. In case of death whilst the Borrower has an outstanding Loan, the Lender waives all rights to pursue payments from the respective heirs, executors, administrators, successors and permitted assigns of the Borrower.

AMENDMENTS

7. This Agreement may only be amended or modified by a written instrument executed by both the Borrower and the Lender.

SEVERABILITY

8. The clauses and paragraphs contained in this Agreement are intended to be read and construed independently of each other. If any term, condition or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, it is the parties' intent that such provision be reduced in scope by the court only to the extent deemed necessary by that court to render the provision reasonable and enforceable and the remainder of the provisions of this Agreement will in no way be affected, impaired or invalidated as a result.

GENERAL PROVISIONS

9. Headings are inserted for the convenience of the parties only and are not to be considered when interpreting this Agreement. Words in the singular mean and include the plural and vice versa. Words in the masculine mean and include the feminine and vice versa.

ENTIRE AGREEMENT

10. This Agreement constitutes the entire agreement between the parties and there are no further items or provisions, either oral or otherwise.

IN WITNESS WHEREOF, the parties have duly affixed their signatures on this _____ day of _____, _____

SIGNED, SEALED AND DELIVERED

WITNESS:

Address: _____

Stranraer Credit Union Ltd.

per: _____ (SEAL)

SIGNED, SEALED AND DELIVERED

WITNESS:

Address: _____

