FOI Disclosure
NBC 3832-774

Facility Agreement
Sixfields

14th April 2014

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In response to a request under the Freedom of Information Act 2000
DATED 14th April 2014

(1) NORTHAMPTON TOWN FOOTBALL CLUB LIMITED

(2) NORTHAMPTON BOROUGH COUNCIL

FACILITY AGREEMENT

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Legal Mortgage
This Agreement is dated 14th April 2014

BETWEEN

1. NORTHAMPTON TOWN FOOTBALL CLUB LIMITED incorporated and registered in England and Wales with company number 00183917 whose registered office is Sixfields, Upton way, Northampton, NN5 5QA (the ‘Borrower’)

2. NORTHAMPTON BOROUGH COUNCIL of The Guildhall, St Giles Square, Northampton NN1 1DE (the 'Lender').

BACKGROUND:-

A. The Lender has agreed to provide the Borrower with a secured term loan facility.

B. The Lender intends to fund the loan facility herein using financing available to it through the Public Works Loan Board and accordingly will pass through to the Lender (insofar as it is reasonably practicable and lawful to do so) the same terms and conditions in relation to repayment and interest as it receives from the Public Works Loan Board and if not at the European compliance lending rate.

AGREED TERMS:-

1. Definitions and interpretation

1.1. The definitions and rules of interpretation in this clause apply in this agreement.

Advance

an advance made, or to be made, by the Lender to the Borrower under this agreement.

Affiliate

in relation to any person, a subsidiary of that person or a holding company of that person or any other subsidiary of that holding company.

Availability Period

the period beginning with the Effective Date and ending on and including the date falling 1 (one) month from the Effective Date.

Borrowed Money

any indebtedness the Borrower owes as a result of:

(a) borrowing or raising money, including any premium and any capitalized interest on that money;

(b) any bond, note, loan stock, debenture, commercial paper or similar instrument;

(c) any acceptance credit facility or dematerialised equivalent, bill-discounting, note purchase or documentary credit facilities;

(d) monies raised by selling, assigning or discounting receivables or other financial assets on terms that recourse may be had to the Borrower in the event of non-payment of such receivables or financial assets when due;

(e) any deferred payments for assets or services acquired, other than trade credit that is given in the ordinary course of trading and which does not involve any deferred payment of any amount for more than 60 days;

(f) any rental or hire charges under Finance Leases (whether for land, machinery, equipment or
(g) any counter indemnity obligation in respect of any
 Guarantees, bonds, standby letters of credit or other
 Instruments issued by a third party in connection with
 the Borrower's performance of contracts;

(h) any other transaction that has the commercial effect
 Of borrowing (including any forward sale or purchase
 Agreement and any liabilities which are not shown as
 Borrowed money on the Borrower's balance sheet
 because they are contingent, conditional or
 otherwise); and

(i) guarantees, counter-indemnities or other assurances
 Against financial loss that the Borrower has given for
 any Indebtedness of the type referred to in
 paragraphs (a) to (h) of this definition incurred by any
 person.

(j) any derivative transaction entered into in connection
 With protection against or benefit from fluctuation in
 Any rate or price (and when calculating the value of
 Any derivative transaction, only the mark to market
 Value shall be taken into account).

When calculating Borrowed Money, no liability shall be taken
Into account more than once.

**Borrower Legal Mortgage**

Means the first ranking legal mortgage over the leasehold
Property in the form annexed hereto.

**Business Day**

A day (other than a Saturday or a Sunday or public holiday) on
Which commercial banks are open for general business in
London.

**Change of Control**

Where:

(a) any person, or group of connected persons not
Having control (as defined in sections 450 and 451 of
The Corporation Taxes Act 2010) of the Borrower on
The date of this agreement acquires control of the
Borrower; or

(b) the shareholder of the Borrower who owns 100% of
The issued ordinary share capital of the Borrower on
The date of this agreement transfers (whether by a
Single transfer or a series of transfers at different times)
Shares constituting, in aggregate, 100% or
More in nominal value of the Borrower's issued
Ordinary share capital without the Lender's prior
Written consent.

**Commitment**

The Lender's commitment to make Advances on the terms and
Conditions of this agreement as reduced from time to time by
The amount of any outstanding Advances.

**Development**

The development of the site immediately proximate to the
Mortgaged Property.

**Distribution**

As defined in Part 23 of the Companies Act 2006.
Disruption Event

either or both of:

(a) an event (not caused by, and outside the control of, either party) that materially disrupts the systems for payment or communication or the financial markets needed in each case, to enable either payment to be made or transactions to be carried out under the Finance Documents; or

(b) any other event (not caused by, and outside the control of, the party whose operations are disrupted) occurs, which results in disruption (of a technical or systems-related nature) to the treasury or payments operations of a party and which prevents either or both parties from:

(i) performing its payment obligations under the Finance Documents; or

(ii) communicating with the other party as required by the terms of the Finance Documents.

Drawdown Date

the date on which the Advance is made, or is to be made.

Drawdown Request

a drawdown request, substantially in the form set out in Schedule 2.

Effective Date

the date of this agreement.

Event of Default

any event or circumstance listed in Schedule 7.

Facility

the term loan facility made available under this agreement.

Finance Documents

this agreement and the Borrower Legal Mortgage;

GAAP

UK generally accepted accounting principles.

ICTA 1988


IFRS

international accounting standards within the meaning of the IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements.

Increased Costs

any:

(a) reduction in the rate of return from the Facility or the overall capital of the Lender or its Affiliates; or

(b) additional or increased cost; or

(c) reduction of any amount due and payable under the Finance Documents,

which is incurred or suffered by the Lender or any of its Affiliates and is attributable to the Lender having entered into the Commitment or the Lender funding or performing its obligations under the Finance Documents.

Indebtedness

any obligation to pay or repay money, present or future, whether actual or contingent, sole or joint.
<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest Payment Date</td>
<td>means the date due for payment of Interest as specified in each Loan Term Sheet applicable to a Drawdown.</td>
</tr>
<tr>
<td>Interest Period</td>
<td>means any periods identified in a Loan Term Sheet relating to an Advance.</td>
</tr>
<tr>
<td>Legal Reservations</td>
<td>means:</td>
</tr>
<tr>
<td>(a)</td>
<td>the principle that equitable remedies may be granted or refused at the discretion of a court, the limitations imposed by laws relating to bankruptcy, insolvency, liquidation, reorganisation, court schemes, moratoria, administration and other laws generally affecting the rights of creditors or (as the case may be) secured creditors;</td>
</tr>
<tr>
<td>(b)</td>
<td>the time barring of claims under the Limitation Act 1980, the possibility that an undertaking to assume liability for or to indemnify a person against non-payment of UK stamp duty may be void and defences of set-off or counterclaim; and</td>
</tr>
<tr>
<td>(c)</td>
<td>similar principles, rights and defences under the laws of any relevant jurisdiction.</td>
</tr>
<tr>
<td>Loan</td>
<td>the total principal amount of the Advance outstanding under this agreement up to a maximum of £1,500,000 (One million five hundred thousand pounds).</td>
</tr>
<tr>
<td>Loan Term Sheet</td>
<td>means the document set out in Schedule 3;</td>
</tr>
<tr>
<td>Market Value</td>
<td>means the amount determined by the Valuer at any time to be the price at which the might reasonably be expected to be sold as a whole at the relevant time, net of legal costs, in pounds sterling, by private treaty on the assumptions set out under the definition of 'Market Value' in the Royal Institute of Chartered Surveyors Guidance Notes on the Value of Assets or equivalent guidelines for the time being.</td>
</tr>
<tr>
<td>Material Adverse Effect</td>
<td>in the Lender's reasonable opinion a material and adverse effect on the Borrower's ability to perform all or any of its obligations under the terms of the Finance Documents or any of them.</td>
</tr>
<tr>
<td>Mortgaged Property</td>
<td>means the leasehold property known as Land at Sixfields registered at the Land Registry with the title number NN246516</td>
</tr>
<tr>
<td>Original Financial Statements</td>
<td>the latest available audited financial statements of the Borrower delivered under paragraph 2.1.6 of Schedule 1.</td>
</tr>
<tr>
<td>Permitted Disposal</td>
<td>any sale, lease, licence, transfer or other disposal of assets of the Borrower:</td>
</tr>
<tr>
<td>(a)</td>
<td>of trading stock or cash made in the ordinary course of trading;</td>
</tr>
<tr>
<td>(b)</td>
<td>of assets in exchange for other assets comparable or superior as to type, value and quality;</td>
</tr>
</tbody>
</table>
of obsolete or redundant vehicles, plant and equipment for cash;

(d) of assets (other than shares) for cash where the higher of the market value and net consideration receivable (when aggregated with the higher of the market value and net consideration receivable for any other sale, lease, licence, transfer or other disposal not allowed under the preceding paragraphs) does not exceed £10,000 per annum.

Permitted Security

any Security arising under:

(a) the Borrower Legal Mortgage;

(b) any common law liens in the ordinary course of trading, as long as the amounts in respect of those liens are not overdue for payment;

(c) any normal title retention arrangements of a supplier’s standard conditions of supply of goods acquired by the Borrower in the ordinary course of its business;

(d) any netting or set-off arrangements entered into by the Borrower in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances of the Borrower’s accounts.

Potential Event of Default

any event or circumstance specified in Schedule 7 which would, on the giving of notice, expiry of any grace period or making of any determination under this agreement, become an Event of Default.

Repayment Date

each of the dates specified in the relevant Loan Term Sheet repaying of the Loan in instalments.

Security

any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, hypothecation, assignment as security, title retention or any other type of arrangement that has a similar effect to any of them.

Sterling and £

the lawful currency of the United Kingdom.

Tax

any tax, levy, impost, duty or other charge, fee, deduction or withholding of a similar nature (including any penalty or interest payable in connection with the failure to pay, or delay in paying, any of these).

Tax Credit

a credit against, relief or remission for, or repayment of, any Tax.

Tax Deduction

a deduction or withholding for, or on account of, Tax from a payment under the Finance Documents.

Tax Payment

either the increase in a payment the Borrower makes to the Lender under paragraph 1 of Part 1 of Schedule 4 or a payment under paragraph 2 of Part 1 of Schedule 4.
Term means the term specified in the Loan Term Sheet relating to the Advance.

Unpaid Amount means any sum or amount which is not paid on its due date under this agreement.

Valuation means a valuation of the Market Value of the Mortgaged Property by the Valuer and addressed to the Lender on an open market basis in accordance with the then current issue of the Royal Institute of Chartered Surveyors Guidance Notes on the Value of Assets or equivalent guidelines for the time being.

Valuer means such firm or surveyors or valuers, as approved by the Lender.

Warranties the representations and warranties set out in Schedule 5.

1.2. A reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force for the time being, taking account of any amendment or re-enactment or extension and includes any former statute, statutory provision or subordinate legislation which it amends or re-enacts.

1.3. A reference to an SSAP is to a Statement of Standard Accounting Practice adopted by the Accounting Standards Board and includes a reference to any Financial Reporting Standard issued by the Accounting Standards Board to amend, withdraw or supersede that SSAP. A reference to an FRS is to a Financial Reporting Standard issued by the Accounting Standards Board.

1.4. Any accounting terms that are not specifically defined in this agreement shall be construed in accordance with GAAP.

1.5. Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.

1.6. Unless the context otherwise requires, words in the singular include the plural and in the plural the singular.

1.7. A reference to a clause or schedule is to a clause of, or schedule to, this agreement unless the context requires otherwise.

1.8. A reference to directly or indirectly means (without limitation) either alone or jointly with any other person, whether on his own account or in partnership with another (or others), as the holder of any interest in or as officer, employee or agent of or consultant to any other person.

1.9. A reference to continuing in relation to an Event of Default means an Event of Default which has not been remedied or waived as agreed by the parties.

1.10. A reference to a holding company or subsidiary means a holding company or subsidiary as defined in section 1159 of the Companies Act 2006 and a company shall be treated, for the purposes only of the membership requirement contained in subsections 1159(1)(b) and (c), as a member of another company even if its shares in that other company are registered in the name of: (a) another person (or its nominee), whether by way of security or in connection with the taking of security; or (b) its nominee.

In the case of a limited liability partnership which is a subsidiary of a company or another limited liability partnership, section 1159 of the Companies Act 2006 shall be amended so that: (i) references in sub sections 1159(1)(a) and (c) to voting rights are to the members' rights to vote on all or substantially all matters which are decided by a vote of the members of the limited liability partnership; and (ii) the reference in section 1159(1)(b) to the right to appoint or remove a majority of its board of directors is to the right to appoint or remove members holding a majority of the voting rights.
1.11. A reference to this agreement (or any provision of it) or any other document shall be construed as a reference to this agreement, that provision or that document as it is in force for the time being and as amended, varied or supplemented in accordance with its terms or with the agreement of the relevant parties.

1.12. A reference to a person shall include a reference to an individual, firm, company, corporation, unincorporated body of persons, or any state or any agency of any person.

1.13. A reference to a time of day is to London time.

1.14. A reference to a document in the agreed form means in a form agreed between the parties and initialed by a director on their behalf for identification (including any alteration which may be agreed).

1.15. A reference to a certified copy of a document means a copy certified to be a true, complete and up-to-date copy of the original document, in writing and signed by a director or the secretary of the party delivering the document.

1.16. A reference to an amendment includes a novation, re-enactment, supplement or variation (and amended shall be construed accordingly).

1.17. A reference to assets includes present and future properties (excluding the Mortgaged Property), undertakings, revenues, rights and benefits of every description.

1.18. A reference to an authorisation includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration and resolution.

1.19. A reference to a regulation includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation.

1.20. A reference to determines or determined means, unless the contrary is indicated, a determination made at the discretion of the person making it.

1.21. Clause, schedule and paragraph headings shall not affect the interpretation of this agreement.

2. The Facility

2.1. The Lender, subject to state aid rules, grants to the Borrower a secured Sterling term loan facility of £1,500,000 (one million five hundred thousand pounds Sterling); on the terms, and subject to the conditions, of this agreement.

2.2. The loan facility set out in clause 2.1 above is in addition to the loan granted by the Lender to the Borrower subject to a facility agreement dated 18 September 2013 and for the avoidance of doubt any subsequent facility made available by the Lender to the Borrower shall not exceed £3,000,000 (three million pounds Sterling).

3. Purpose

3.1. The Borrower shall use all money borrowed under this agreement for the enhancement and expansion of the capacity of Sixfields Stadium (excluding the development of and any preliminary works required for the development of hotel accommodation at the Mortgaged Property), Northampton.

3.2. The Lender is not obliged to monitor or verify how any amount advanced under this agreement is used.

4. Conditions precedent

4.1. The Borrower may only make one Drawdown Request, and the obligations of the Lender under this agreement only arise, once the Lender has received all the documents and evidence specified in Schedule 1 in the form and containing the information, that it requires (acting reasonably).
4.2. The Lender's obligation to make an Advance is subject to the condition precedent that, on both the date of the Drawdown Request and the Drawdown Date:

4.2.1. the Warranties are true and correct and will be true and correct immediately after the Borrower has received the Advance; and

4.2.2. no Event of Default or Potential Event of Default is continuing, or would result from the proposed Advance.

4.3. The conditions specified in this clause 4 are inserted solely for the Lender's benefit. The Lender may waive them, in whole or in part and with or without conditions, without prejudicing the Lender's right to require subsequent fulfilment of such conditions.

5. Drawdown

5.1. Save as otherwise agreed in writing between the parties the Borrower may draw the Loan during the Availability Period in not more than 1(one) Advance.

5.2. The Borrower may request the Advance by delivering a completed Drawdown Request to the Lender by not later than 10 (ten) Business Days before the proposed Drawdown Date (or such shorter time as agreed by the parties).

5.3. for the works and commencement of works on site for the purpose described in clause 3

5.4. On receipt of the Drawdown Request the Lender shall within 2 (two) Business Days of the Advance being made issue a Loan Term Sheet.

5.5. If the Borrower has not drawn the Advance by the end of the Availability Period, the facility shall automatically be cancelled.

6. Interest

6.1. The interest rate on the Advance shall be set out in the Loan Term Sheet.

6.2. The Borrower shall pay interest on the Advance in accordance with the timescales identified in the Loan Term Sheet.

7. Default interest

7.1. If the Borrower does not pay any sum it is obliged to pay under the Finance Documents when it is due, the Borrower shall pay interest on that Unpaid Amount from time to time outstanding for the period beginning on its due date and ending on the date the Lender receives it, both before and after judgment, under this clause 7.

7.2. The rate of interest applicable in respect of any Unpaid Amount shall be the rate per annum which is 5 (five)% higher than the rate of interest which would have applied under clause 6.1.

7.3. Interest accrued under this clause 7 shall be due on demand by the Lender, but:

7.3.1. if not previously demanded, shall be paid on the next Interest Payment Date; and

7.3.2. if the Borrower does not pay that interest when due, it shall be added to the Unpaid Amount and compounded at the next Interest Payment Date.

8. Repayment, prepayment and cancellation

8.1. The provisions set out in the Loan Term Sheet relevant to the Advance shall apply to repayment, prepayment and cancellation.

8.2. The Borrower may make additional repayments at any time and the Lender may (at its discretion) waive any or all outstanding Interest or penalties due as a result of early payment of any amounts due.
9. Payments

9.1. Subject to satisfaction of all the applicable conditions in clause 4 or the waiver thereof by the Lender in writing, the Lender shall pay each Advance to the Borrower in immediately available cleared funds on the relevant Drawdown Date to, or for the account of, the Borrower as specified in that Drawdown Request.

9.2. Subject to clause 9.6, the currency of account shall be Sterling and all payments that the Borrower makes under this agreement shall be made:

9.2.1. in full, without any deduction (except as allowed by paragraph 1 of Part 1 of Schedule 4), set-off or counterclaim; and

9.2.2. in immediately available cleared funds on the due date to an account which the Lender may specify to the Borrower.

9.3. Any payment which is due to be made on a day which is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one), or the immediately preceding Business Day (if there is not). Any interest or other amount accruing on a daily basis shall be calculated accordingly.

9.4. If either the Lender determines, or the Borrower notifies the Lender, that a Disruption Event has occurred:

9.4.1. the Lender shall consult and agree with the Borrower the changes (if any) needed to the operation or administration of the Facility as the Lender in its absolute discretion deems necessary in the circumstances;

9.4.2. the Borrower shall not be obliged to consult the Lender about any such changes if in its opinion it is not practical to do so in the circumstances; and

9.4.3. any change made or agreed under this clause shall (whether or not an event is finally determined to be a Disruption Event) be binding on the parties as an amendment or variation of the Finance Documents notwithstanding the provisions of clause 18.

9.5. If the Lender receives a payment that is insufficient to discharge all the amounts then due and payable by the Borrower under this agreement or the Borrower Legal Mortgage, the Lender shall apply that payment in settlement of those amounts in the order determined by the Lender in its absolute discretion.

9.6. The Borrower shall pay costs, expenses, taxes and any similar items (and any interest payable on those amounts) in the currency in which they are incurred.

10. Fees, charges and expenses

10.1. The Borrower shall, promptly on demand, pay to the Lender the following costs and expenses (including printing and out-of-pocket expenses and disbursements):

10.1.1. The reasonable legal fees and other professional adviser costs (including but not limited to treasury, accounting and audit advisers) in connection with the making of Advances, the entry into arrangements by the Lender with the Public Works Loans Board and the negotiation, preparation, execution and perfection of the Finance Documents and the other documents referred to in them;

10.1.2. The reasonable legal fees and other professional adviser costs (including but not limited to treasury, accounting and audit advisers) in connection with any amendment, extension, waiver, consent or suspension of rights (or any proposal for any of these) relating to the Finance Documents or a document referred to in them.

10.2. The Borrower shall, within 5 Business Days of demand, pay to the Lender the amount of all costs and expenses (including legal, printing and out-of-pocket expenses) reasonably incurred by the Lender in connection with enforcing, preserving any rights under, or
monitoring the provisions of the Finance Documents.

11. Additional payment obligations
The Borrower covenants with the Lender to perform the additional payment obligations set out in Schedule 4.

12. Representations and warranties
12.1. The Borrower makes the Warranties on the date of this agreement.
12.2. The Borrower repeats the Warranties on:
   12.2.1. the Drawdown Request;
   12.2.2. the Drawdown Date; and
   12.2.3. each Interest Payment Date,
   by reference to the facts and circumstances existing on each such date.

13. Covenants
13.1. The Borrower covenants with the Lender as set out in Schedule 6.
13.2. The covenants given by the Borrower shall remain in force from the date of this agreement for so long as any amount remains outstanding or any Commitment is in force under this agreement.

14. Events of default
14.1. Each of the events or circumstances set out in Schedule 7 is an Event of Default.
14.2. At any time after an Event of Default has occurred and is continuing, the Lender may, by giving notice to the Borrower declare:
   14.2.1. all outstanding Commitments immediately cancelled; and
   14.2.2. all, accrued interest and all other amounts accrued or outstanding under the Finance Documents:
   14.2.2.1. immediately due and payable; or
   14.2.2.2. payable on demand.
14.3. If the Lender gives notice under clause 14.2.2, then the amounts shall be immediately due and payable by the Borrower.

15. Assignment and transfer
15.1. Other than at a time when an Event of Default is continuing, the Lender must consult with the Borrower for no more than 10 Business Days and it may then assign any of its rights under the Finance Documents or transfer all its rights or obligations by novation to any person. This Clause shall not apply to the Lender’s statutory successors, where such consultation shall not be required.
15.2. If the Lender assigns any of its rights under or transfers its rights and obligations by novation to a commercial lender, financial institution or other entity, the provisions and related definitions of Part 1 and Part 2 of Schedule 4 shall be amended to reflect the provisions in the Loan Market Association standard documentation with such modifications as may be agreed by such assignee or transferee (as the case may be) and the Borrower.
15.3. The Lender may disclose any information about the Borrower:
   15.3.1. to an Affiliate and any actual or potential assignee, transferee or sub-participant of its rights or obligations under this agreement subject to such Affiliate, potential assignee, transferee or sub participant agreeing to keep such information confidential; and
15.3.2. to any person to the extent that it is required to do so by any applicable law, regulation or court order.

15.4. The Borrower may not assign any of its rights or transfer any rights or obligations under the Finance Documents.

16. Set-off

16.1. The Lender may apply any credit balance (whether or not then due) to which the Borrower is at any time beneficially entitled on any account with the Lender in (or towards) satisfaction of any sum then due and payable (but unpaid) by the Borrower to the Lender under the Finance Documents. If such balances are in different currencies, the Lender may convert either balance at a market rate of exchange for the purpose of the set-off.

16.2. The Lender is not obliged to exercise its rights under clause 16.1, but if the rights are exercised the Lender shall promptly notify the Borrower of the set-off that has been made.

17. Calculations, accounts and certificates

17.1. Any interest, commission or fee shall accrue on a day-to-day basis, calculated according to the actual number of days elapsed and a year of 365 days.

17.2. The Lender shall maintain accounts evidencing the amounts owed to it by the Borrower, in accordance with its usual practice. Entries in those accounts shall be prima facie evidence of the existence and amount of the Borrower’s obligations as recorded in them.

17.3. If the Lender issues any certificate, determination or notification of a rate or any amount payable under this agreement, it shall be (in the absence of manifest error) conclusive evidence of the matter to which it relates and shall contain reasonable details of the basis of determination.

18. Remedies, waivers, amendments and consents

18.1. Any amendment to this agreement shall be in writing and signed by, or on behalf of, each party.

18.2. Any waiver of any right or consent given under this agreement is only effective if it is in writing and signed by the waiving or consenting party. It only applies in the circumstances for which it is given and shall not prevent the party giving it from subsequently relying on the relevant provision.

18.3. No delay or failure to exercise any right under this agreement shall operate as a waiver of that right.

18.4. No single or partial exercise of any right under this agreement shall prevent any further exercise of the same right or any other right, under this agreement.

18.5. Rights and remedies under this agreement are cumulative and do not exclude any rights or remedies provided by law or otherwise.

19. Severance

19.1. The invalidity, unenforceability or illegality of any provision (or part of a provision) of this agreement under the laws of any jurisdiction shall not affect the validity, enforceability or legality of the other provisions.

19.2. If any invalid, unenforceable or illegal provision would be valid, enforceable and legal if some part of it were deleted, the provision shall apply with whatever modification as is necessary to give effect to the commercial intention of the parties.

20. Counterparts

This agreement may be executed and delivered in any number of counterparts, each of which is an original and which, together, have the same effect as if each party had signed the same document.
21. **Third party rights**

A person who is not a party to this agreement cannot enforce or enjoy the benefit of any term of this agreement under the Contracts (Rights of Third Parties) Act 1999.

22. **Notices**

22.1. Each notice or other communication required to be given under, or in connection with, any Finance Document shall be:

22.1.1. in writing, delivered personally or sent by pre-paid first-class letter or fax; and

22.1.2. sent:

22.1.2.1. to the Borrower at:
Sixfields Stadium, Upton Way Northampton, NN5 5QA
Fax: 01604 751613
Attention: The Chairman

22.1.2.2. to the Lender at:
The Guildhall, St Giles Square Northampton, NN1 1DE
Fax: 01604 838742 Attention: Chief Finance Officer

or to such other address or fax number as is notified in writing by one party to the other from time to time.

22.2. Any notice or other communication that the Lender gives shall be deemed to have been received:

22.2.1. if sent by fax, when received in legible form;

22.2.2. if given by hand, at the time of actual delivery; and

22.2.3. if posted, on the second Business Day after the day it was sent by pre-paid first-class post.

A notice or other communication given as described in clause 22.2.1 or clause 22.2.2 on a day which is not a Business Day, or after normal business hours, in the place it is received, shall be deemed to have been received on the next Business Day.

22.3. Any notice or other communication given to the Lender shall be deemed to have been received only on actual receipt.

23. **Governing law and jurisdiction**

23.1. This agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by, and construed in accordance with, the law of England and Wales.

23.2. The parties to this agreement irrevocably agree that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this agreement or its subject matter or formation (including non-contractual disputes or claims). Nothing in this clause shall limit the right of the Lender to take proceedings against the Borrower in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdictions, whether concurrently or not, to the extent permitted by the law of such other jurisdiction.

This agreement has been entered into on the date stated at the beginning of it.
SCHEDULE 1 - CONDITIONS PRECEDENT

1 Constitutional documents

1.1 Delivery of the following constitutional documents:

1.1.1 certified copies of the Borrower's certificate of incorporation, certificate(s) of incorporation on change of name, memorandum and articles of association;

1.1.2 a certified copy of the resolutions duly passed by the Borrower (and, where such committee has been appointed, a certified copy of the minutes passed appointing such committee):

1.1.2.1 approving the entry into, terms of, and transactions contemplated by the relevant Finance Documents; and

1.1.2.2 authorising a specified person to execute the relevant Finance Documents on its behalf, to give notices (including, if relevant, any Drawdown Request) and take all other action in connection with the relevant Finance Documents;

1.1.3 a sample of the signature of each person authorised by the resolution referred to in clause 1.1.2.2 of this Schedule 1;

1.1.4 a certificate signed by a director of the Borrower, confirming that borrowing the total Commitment would not mean any borrowing or similar limit binding on the Borrower would be exceeded; and

1.1.5 a certificate signed by a director of the Borrower, confirming that each copy of a document relating to it that it has provided under this Schedule 1 is correct, complete and in full force and effect at a date no earlier than the date of this agreement.

2 Other documents

2.1 Delivery of the following documents and evidence:

2.1.1 evidence that all fees and expenses the Lender has incurred have been reimbursed under clause 10 before the first Drawdown Date;

2.1.2 the Borrower Legal Mortgage in the agreed form, duly executed by the Borrower (as applicable);

2.1.3 certified copies of deeds of release for all outstanding security interests (other than Permitted Security) granted by the Borrower

2.1.4 a certificate of title on the Mortgaged Property in form and substance satisfactory to the Lender;

2.1.5 certified copies of any powers of attorney under which any party (other than the Lender) may execute the Finance Documents;

2.1.6 the Borrower's latest available audited financial statements, including certified copies of the accountants' reports; and

2.1.7 a certified copy of any other authorisation, document, opinion or assurance which the Lender considers necessary or desirable in connection with the entry into, and performance of, the transactions contemplated by the Finance Documents, or for the Finance Documents to be valid and enforceable.
SCHEDULE 2 - FORM OF DRAWDOWN REQUEST

To: Northampton Borough Council
From: Northampton Town Football Club Limited
Date: ........................................

Dear Sirs

Northampton Town Football Club Limited Facility Agreement dated [DATE] between Northampton Borough Council and Northampton Town Football Club Limited

This is a Drawdown Request made under the facility agreement referred to above. Words and expressions defined in that agreement have the same meanings in this Drawdown Request.

We give you notice that we wish to draw down the following Advance:

Amount: £......................

Drawdown Date: ........................................

The Advance is to be made available by credit to:

Bank: ........................................

Account name: ........................................

Sort code: ........................................

Account number: ........................................

We confirm that, on today's date and the proposed Drawdown Date:

1 The Warranties are true and correct, and will be true and correct immediately after the proposed Advance.

2 No Event of Default or Potential Event of Default has occurred. The Advance will not result in an Event of Default or Potential Event of Default.

Yours faithfully

........................................

Chairman for and on behalf of Northampton Town Football Club Limited
SCHEDULE 3 - LOAN TERM SHEET

1. Details of Advance
   Amount of Advance

   Interest Rate Applicable:

   Date of First Interest Payment

   Date of Subsequent Interest Payments:
   Applicable Interest Period: Monthly/Quarterly/other

   Due date for repayment:

2. Prepayment

2.1 The Borrower may prepay part or all of the Advance, without any premium or penalty, by notifying the Lender 5 (five) Business Days in advance. The Borrower may only do this if:

2.1.1 the notice specifies the amount of the prepayment;

2.1.2 the date of the prepayment is at least 5 (five) Business Days from the date of the notice; and

2.1.3 the prepayment does not result in an Event of Default or Potential Event of Default.

2.2 The Borrower shall include the following with any prepayment under paragraph 2.1

2.2.2 the unpaid interest accrued on the prepaid amount; and

2.2.3 any amount due under any other provision of this agreement at the time.

2.3 The Lender may, by notice in writing, waive the requirements under paragraph 2.2.

3 Illegality

3.1 The Lender may require the Borrower to prepay an Advance, if:

3.1.2 any law or regulation is introduced or changed, or there is any change in the way any court or regulatory authority interprets or applies any law or regulation; or

3.1.3 necessary to comply with any direction, request or requirement (whether or not having the force of law) from any monetary agency, central bank, or governmental or regulatory authority; or

3.1.4 any judgment, order or direction of any court, tribunal or authority binding on the Lender, makes it unlawful for the Lender to:
   3.1.4.1 make an Advance, or allow an Advance to remain outstanding; or
   3.1.4.2 fund or maintain the Commitment, or allow the Commitment to remain outstanding.

3.2 To require prepayment under paragraph 3.1, the Lender shall give notice to the Borrower demanding prepayment and giving the date for that prepayment (being no earlier than the last day of any applicable grace period permitted by law).

3.3 The Borrower shall prepay the outstanding Advance as set out in the notice, any unpaid interest on the Advance, and any other amounts due under this agreement.
3.4 The Lender's obligations to make Advances, to maintain Advances and to fund Advances shall be terminated on the date for prepayment specified in the notice given under paragraph 3.2, and the Commitment shall be cancelled.

4 Change of control

4.1 The Borrower shall promptly notify the Lender if:

4.1.2 there is a Change of Control, or

4.1.3 the Borrower becomes aware of circumstances that will result in a Change of Control.

4.2 If the Borrower notifies the Lender under paragraph 4.1 the Lender may cancel the Facility and declare all outstanding Advances, accrued interest and all other amounts due under this agreement due and payable on the date specified by it. To do this, the Lender must give the Borrower at least fifteen (15) Business Days' notice. On prepayment in accordance with this paragraph 2 the Commitment shall be reduced to zero and the Facility cancelled.

5 General

5.1 Any prepayment or cancellation notice that the Borrower gives under this agreement shall be irrevocable. A prepayment notice shall oblige the Borrower to prepay the relevant Advance as set out in that notice.

5.2 The Borrower may not re-borrow any amount of the Loan which has been either repaid or prepaid under this Schedule 3.

5.3 Any prepayment of less than the whole of the outstanding Loan under this Schedule 3 shall reduce the amounts specified in paragraph 1 of this Schedule 3 in inverse order of its maturity.
SCHEDULE 4 - ADDITIONAL PAYMENT OBLIGATIONS

PART 1 - TAXES

1 Tax gross-up

1.1 The Borrower shall make all its payments under the Finance Documents without any Tax Deduction, unless a Tax Deduction is required by law.

1.2 Promptly on becoming aware that it must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction), the Borrower shall notify the Lender. Similarly, the Lender shall notify the Borrower if it becomes aware that a Tax Deduction must be made on a payment payable to the Lender.

1.3 If the Borrower is required to make a Tax Deduction by law, the payment due from the Borrower shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.

1.4 The Borrower shall make any Tax Deduction under this paragraph 1, and any payment required in connection with that Tax Deduction, within the time allowed and for the minimum amount required by law.

1.5 Within 30 days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Borrower shall deliver to the Lender evidence reasonably satisfactory to the Lender that the Tax Deduction has been made or any appropriate payment paid to the relevant taxing authority (as applicable).

2 Tax indemnity

2.1 Within three Business Days of demand by the Lender, the Borrower shall pay the Lender an amount equal to the loss, liability or cost which the Lender determines that it has directly or indirectly suffered or will directly or indirectly suffer in relation to Tax in respect of amounts payable to it under the Finance Documents.

2.2 Paragraph 2.1 shall not apply to any Tax on the Lender under the law of the jurisdiction in which the Lender is incorporated or resident for tax purposes, if:

2.2.1 that Tax is imposed on, or calculated by reference to, the net income, profits or gains received or receivable (but not any sum deemed to be received or receivable) by the Lender; or

2.2.2 to the extent that a loss, liability or cost is compensated for by an increased payment under paragraph 1 of Part 1 of Schedule 4.

2.3 If the Lender makes (or intends to make) a claim under paragraph 2.1, it shall promptly notify the Borrower of the event which has caused (or will cause) that claim.

3 Tax Credit

3.1 If the Borrower makes a Tax Payment and the Lender determines that:

3.1.1 a Tax Credit is attributable either to an increased payment of which that Tax Payment is a part, or to that Tax Payment; and

3.1.2 it has obtained, used and retained that Tax Credit,

the Lender shall pay an amount to the Borrower which the Lender determines will leave the lender (after that payment) in the same after Tax position as it would have been in had the Tax Payment not been required to be made by the Borrower.

4 Stamp taxes

4.1 The Borrower shall pay and, within three Business Days of demand, indemnify the Lender against any cost, loss or liability the Lender incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of the Finance Documents.
5 Value added tax

5.1 All amounts payable by the Borrower to the Lender under the Finance Documents, that (in whole or in part) constitute consideration for VAT purposes are deemed to be exclusive of VAT. Subject to paragraph 5.2, if VAT is chargeable on any supply made by the Lender to the Borrower under the Finance Documents, the Borrower shall pay the Lender (in addition to, and at the same time as, paying the consideration), an amount equal to the amount of the VAT and the Lender shall promptly provide an appropriate VAT invoice to the Borrower.

5.2 Where the Finance Documents require the Borrower to reimburse the Lender for any costs or expenses, the Borrower shall, at the same time, pay and indemnify the Lender against all VAT incurred by the Lender in respect of those costs or expenses.

PART 2 - INCREASED COSTS

1 Increased costs

1.1 Subject to paragraph 3, within three Business Days of a demand by the Lender, the Borrower shall pay the Lender the amount of any Increased Costs incurred by the Lender or any of its Affiliates as a result of:

1.1.1 the introduction of, or any change in (or in the interpretation, administration or application of), any law or regulation by any governmental or regulatory authority in each case first coming into force after the date of this agreement; or

1.1.2 compliance with any law or regulation made after the date of this agreement.

2 Increased cost claims

2.1 If the Lender intends to make a claim under paragraph 1 of this Part 2 of Schedule 4, it shall notify the Borrower of the reason for the claim.

2.2 As soon as practicable after a demand by the Borrower, the Lender shall provide a certificate confirming the amount of its Increased Costs.

3 Exceptions

3.1 Paragraph 1 of this Part 2 of Schedule 4 does not apply to any Increased Cost that is:

3.1.1 due to a Tax Deduction required to be made by the Borrower by law; or

3.1.2 compensated for by paragraph 2 of Part 1 of Schedule 4; or

3.1.3 due to the wilful breach of any law or regulation by the Lender.

PART 3 - INDEMNITIES

1 Indemnities

1.1 The Borrower shall indemnify the Lender within 3 Business Days of demand against:

1.1.1 any funding or other properly incurred cost or expense; and

1.1.2 any other loss or liability directly sustained or incurred by it as a result of:

1.1.2.1 the occurrence of an Event of Default; or

1.1.2.2 an Advance not being made by reason of the operation of any one or more of the provisions of this agreement (other than by reason of wilful default or gross negligence of the Lender) or the Borrower purporting to revoke a Drawdown Request; or

1.1.2.3 any prepayment of the Loan being made.

1.2 Each indemnity in this agreement:

1.2.1 is a separate and independent obligation from the other obligations in this agreement;
1.2.2 gives rise to a separate and independent cause of action;
1.2.3 applies whether or not any indulgence is granted by the Lender; and
1.2.4 shall continue in full force and effect despite any judgment, order, claim or
proof for a liquidated amount in respect of any sum due under this
agreement, or any other judgment or order.

PART 4 - MITIGATION

1 Mitigation

1.1 If circumstances arise which would (or would on giving of notice), result in:
1.1.1 any additional amounts becoming payable under either or both of paragraph
1 and paragraph 2 of Part 1 of this Schedule 4; or
1.1.2 any amount becoming payable under paragraph 1 of Part 2 of this Schedule
4; or
1.1.3 any prepayment under paragraph 3 of Schedule 3,

1.2 the Lender shall, in consultation with the Borrower, take such reasonable steps as may
be open to it to mitigate or remove the relevant circumstance, including (without
limitation) transferring this Facility or transferring all its rights and obligations under this
agreement to another person to whom such relevant circumstance does not apply.

1.3 The Lender does not have to take the steps set out in paragraph 1.2 if it believes
(acting reasonably) that taking them might have an adverse effect on its business,
operations or financial condition, be contrary to its banking policies or disadvantage it in
any other way.

1.4 Any action of the Lender under paragraph 1.2 of this Part 4 of Schedule 4 shall:
1.4.1 not limit the Borrower's obligations under the Finance Documents; and
1.4.2 be without prejudice to the terms of paragraph 1 and paragraph 2 of Part 1 of
this Schedule 4, paragraph 1 of Part 2 of Schedule 4 and paragraph 3 of
Schedule 3.
SCHEDULE 5 - REPRESENTATIONS AND WARRANTIES

1 Due incorporation
1.1 The Borrower:
1.1.1 is a duly incorporated limited liability company validly existing under the law of its jurisdiction of incorporation; and
1.1.2 has the power to own its assets and carry on its business as it is being conducted.

2 Powers
2.1 The Borrower has the power and authority to execute, deliver and perform its obligations under the Finance Documents to which it is a party and the transactions contemplated by them. No limit on either of its powers will be exceeded as a result of the borrowing, guaranteeing or grant of Security contemplated by the Finance Documents.

3 Ownership of assets
3.1 The Borrower is the legal and beneficial owner of, and has good title to, all its assets and no Security exists over its assets except for the Permitted Security.

4 Non-contravention
4.1 The execution, delivery and performance of the obligations in, and transactions contemplated by, the Finance Documents do not and will not contravene or conflict with:
4.1.1 The Borrower’s constitutional documents;
4.1.2 any agreement binding on the Borrower or their assets or constitute a default or termination event (howsoever described) under any such agreement or instrument to an extent that such conflict, default or termination event has or is reasonably likely to have a Material Adverse Effect; or
4.1.3 any law or regulation or judicial or official order, applicable to them.

5 Authorisations
5.1 The Borrower has taken all necessary action and obtained all required authorisations to enable them to execute, deliver and perform their respective obligations under the Finance Documents. Any such authorisations are in full force and effect.

6 Binding obligations
Subject to the Legal Reservations:
6.1 The Borrower’s obligations under the Finance Documents are legal, valid, binding and enforceable.
6.2 The Borrower Legal Mortgage creates the Security which it purport to create and that Security is valid and effective.

7 Information
7.1 The information, in written or electronic format, supplied by the Borrower to the Lender in connection with the Facility and the Finance Documents was, at the time it was supplied, to the best of the Borrower’s knowledge:
7.1.1 complete, true and accurate in all material respects at the time it was supplied; and
7.1.2 not misleading in any material respect, nor rendered misleading by a failure to disclose other information,
except to the extent that it was amended, superseded or updated by more recent information supplied by the Borrower to the Lender.
8 Financial statements

8.1 Each set of financial statements delivered to the Lender by the Borrower was prepared in accordance with consistently applied accounting principles, standards and practices generally accepted in its jurisdiction of incorporation, and presents a true and fair view of the Borrower's financial condition and operations during the relevant accounting period and were approved by the Borrower's directors in compliance with section 393 of the Companies Act 2006.

9 Litigation

9.1 No litigation, arbitration or administrative proceedings are taking place, pending or, to the Borrower's knowledge, threatened against it, any of their directors or any of their assets in each case which, if adversely determined, has or is reasonably likely to have a Material Adverse Effect.

10 Event of default

10.1 No Event of Default has occurred, is continuing or will occur when an Advance is made.

11 Material adverse change

11.1 There has been no material adverse change in the business or financial condition of the Borrower since the date of the publication of their most recent audited financial statements.

12 Pari Passu

The Borrower's payment obligations under this agreement rank at least pari passu with all existing and future unsecured and unsubordinated obligations (including contingent obligations) except for those mandatorily preferred by law applying to companies generally.

13 Tax

13.1 No deduction for, or on account of, Tax is required from any payment that the Borrower may make under the Finance Documents.

14 Registration

14.1 It is not necessary to file, record or enroll this agreement with any court or other authority or pay any stamp, registration or similar tax in relation to the Finance Documents.

15 The Borrower Legal Mortgage

15.1 The Borrower Legal Mortgage creates (or, once entered into, will create):

15.1.1 valid, legally binding and enforceable Security for the obligations expressed to be secured by it; and

15.1.2 subject to registration pursuant to section 860 of the Companies Act 2006 and registration at the Land Registry, perfected Security over the assets referred to in the Borrower Legal Mortgage,

in favour of the Lender, having the priority and ranking expressed to be created such Borrower Legal Mortgage and ranking ahead of all (if any) Security in respect of the Mortgaged Property and rights of third parties, except those preferred by law.
SCHEDULE 6 - COVENANTS

PART 1 - GENERAL COVENANTS

1

Negative pledge

1.1 The Borrower shall not:

1.1.1 create, or permit to subsist, any Security over any of its assets; or

1.1.2 sell, transfer or otherwise dispose of any of its receivables or assets on recourse terms; or

1.1.3 enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or

1.1.4 enter into any other preferential arrangement having a similar effect, in circumstances where the arrangement or transaction is entered into primarily as a method of raising Indebtedness or financing the acquisition of an asset.

1.2 Paragraph 1.1 shall not apply to any Permitted Security.

2

Disposals

2.1 The Borrower shall not sell, lease, transfer or otherwise dispose of any of its assets other than as provided for in paragraph 2.2 and in respect of Permitted Disposals.

2.2 The Borrower may sell part of the Mortgaged Property (each a "Partial Sale") provided that:

2.2.1 it provides the Lender with fifteen Business Days notice of the proposed Partial Sale;

2.2.2 the Lender has received no earlier than two months prior to the date of proposed Partial Sale a Valuation of the Mortgaged Property which takes into account the Market Value of the Mortgaged Property immediately following the Partial Sale;

2.2.3 the Borrower will be, immediately following the Partial Sale, in compliance with the terms of this agreement, including the financial covenant contained at paragraph 1.1.5 of Part 2 of Schedule 6;

2.2.4 the Borrower makes prepayment of the Loan in accordance with paragraph 7 of Schedule 3,

and in these circumstances and subject to compliance with this paragraph 2.2 the Lender agrees to provide to the Borrower a Form DS3 (or other Land Registry equivalent form) in respect of the Partial Sale.

3

Event of default

3.1 The Borrower shall notify the Lender of any Potential Event of Default or Event of Default (and the steps, if any, being taken to remedy it) promptly on becoming aware of its occurrence.

4

Certificate of no default

4.1 The Borrower shall, promptly on request by the Lender, supply a certificate signed by a director or senior officer on its behalf certifying that no Event of Default is continuing (or, if an Event of Default is continuing, specifying the Event of Default and the steps, if any, being taken to remedy it).

5

Ranking of obligations

5.1 The Borrower shall procure that the payment obligations under the Finance Documents rank and will at all times rank:
5.1.1 to the extent that they are secured, in all respects in priority to all its other Indebtedness, other than Indebtedness either preferred by operation of law applying to companies generally or as at the date of this agreement which is secured over assets of the Borrower other than the Mortgaged Property; and

5.1.2 to the extent that they are not so secured, at least equally and rateably in all respects with all its other unsecured and unsubordinated Indebtedness, other than Indebtedness preferred by operation of law applying to companies generally.

6 Authorisations

6.1 The Borrower shall obtain all consents and authorisations necessary (and do all that is needed to maintain them in full force and effect) under any law or regulation of its jurisdiction of incorporation to enable each to perform its obligations under the Finance Documents and to ensure the legality, validity, enforceability and admissibility in evidence of the Finance Documents in its jurisdiction of incorporation.

7 Compliance with law

7.1 The Borrower shall comply, in all respects, with all relevant laws to which they may be subject.

8 Merger and acquisitions

8.1 The Borrower shall not enter into any amalgamation, demerger, merger or corporate reconstruction without the prior written consent of the Lender (such consent not to be unreasonably withheld or delayed).

8.2 The Borrower shall not acquire a company or any shares or securities or a business or undertaking (or, in each case, any interest in them) or incorporate a company in each case without the prior written consent of the Lender (such consent not to be unreasonably withheld or delayed).

9 Change of business

9.1 No substantial change shall be made to the general nature of the business of the Borrower as carried on at the date of this agreement.

10 Financial statements

10.1 The Borrower shall supply to the Lender:

10.1.1 as soon as they become available, but in any event within 180 days after the end of each of its financial years, its audited financial statements for that financial year;

10.1.2 as soon as they become available, but in any event within 20 days after the end of each financial quarter, its financial statements for that financial quarter; and

10.1.3 as soon as they become available, but in any event within 20 days after the end of each calendar month, its financial statements for that calendar month.

10.2 The Borrower shall deliver its business plan on a quarterly basis to the Lender and allow the Lender access, on an open book basis, to the full financial position of the Borrower.

11 Compliance certificate

11.1 The Borrower shall supply to the Lender together with each set of financial statements delivered under paragraph 10.1.1 and paragraph 10.1.2 of Part 1 of this Schedule 6, a certificate substantially in the form set out in Schedule 8, signed by a director of the Borrower, setting out (in reasonable detail) computations that demonstrate the Borrower’s compliance with the financial covenants set out in paragraph 1 of Part 2 of Schedule 6 as at the relevant testing dates set out in paragraph 2 of Part 2 of Schedule 6 for the twelve month period ending on the date on which those financial statements were drawn up.
12 Certification of financial statements

12.1 Each set of financial statements delivered to the Lender by the Borrower shall be certified by a director of the Borrower as giving a true and fair view of (or, in respect of its financial statements delivered under paragraph 10.1.2 of Part 1 of this Schedule 6, fairly representing) its financial condition as at the date at which those financial statements were drawn up.

13 Financial statements requirements

13.1 The financial statements delivered to the Lender by the Borrower shall:

13.1.1 be prepared in accordance with consistently applied accounting principles, standards and practices generally accepted in the relevant jurisdiction, using accounting practices and financial reference periods consistent with those applied in the preparation of the Original Financial Statements; and

13.1.2 present a true and fair view of the financial condition of the Borrower and operations during the relevant accounting period; and

13.1.3 shall have been approved by the directors of the Borrower in compliance with section 393 of the Companies Act 2006.

14 Change in accounting practices

14.1 In relation to any set of financial statements:

14.1.1 the Borrower shall notify the Lender if there has been a change in accounting practices or reference periods. The Borrower’s auditors shall deliver to the Lender sufficient information, in form and substance as may be reasonably required by the Lender, to enable the Lender to determine whether paragraph 1 and paragraph 2 of Part 2 of Schedule 6 have been complied with and make an accurate comparison between the financial position indicated in those financial statements and the Original Financial Statements; and

14.1.2 any reference in this agreement to those financial statements shall be construed as a reference to those financial statements as adjusted to reflect the basis on which the Original Financial Statements were prepared.

14.2 If the Borrower’s financial statements are prepared at the date of this agreement in accordance with GAAP, the Lender may determine after the date of this agreement that such financial statements should be prepared in accordance with IFRS but prior to implementing that change it shall agree with the Lender, both parties acting in good faith, the amendments to be made to the provisions of this agreement to reflect that change in accounting principles on the basis of advice received from the Borrower’s auditors. To the extent practicable those amendments will be such as to ensure that the change to IFRS does not result in any material alteration in the commercial effect of the obligations in this agreement.

15 Further information

15.1 The Borrower shall supply to the Lender:

15.1.1 all documents dispatched by the Borrower to their shareholders (or any class of them), or their creditors generally, at the same time as they are dispatched;

15.1.2 details of any litigation, arbitration or administrative proceedings which are current, threatened or pending against the Borrower or any of their directors as soon as it becomes aware of them, and which might, if adversely determined, have a Material Adverse Effect; and

15.1.3 any further information about the financial condition, business and operations of the Borrower that the Lender may reasonably request.
PART 2 - FINANCIAL COVENANTS

1 Financial covenants

1.1 The Borrower undertakes that, until the final Repayment Date, it shall comply with the following financial covenants the Borrower’s Borrowed Money (other than the Facility and Directors loans) at all times shall be less than £ 1,250,000;

2 Applicable periods

2.1 The financial covenants set out in paragraph 1 shall be tested on an annual basis

3 Lender’s right to investigate

3.1 If the Borrower is in default or breach of any of the financial covenants contained in Part 2 of this Schedule 6, the Lender shall be entitled, in addition to any other rights it may have under this agreement, to make such investigations and obtain such legal, accountancy and/or valuation reports as it deems appropriate (acting reasonably) at the cost of the Borrower. The Borrower shall provide all reasonable assistance required in connection with such investigations and reports.

4 Calculations

4.1 The calculation of the financial covenants detailed in this Part 2 of this Schedule 6 shall be carried out in accordance with the accounting principles and policies applied in the most recent audited accounts and/or unaudited management accounts to which they refer.

5 Disputes

5.1 If there is any dispute as to any computation under this Part 2 of this Schedule 6, or as to the interpretation of any of the definitions applicable to financial covenants, the decision of the Lender shall, in the absence of manifest error, be conclusive and binding on the Borrower.
SCHEDULE 7 - EVENTS OF DEFAULT

1 Non-payment
1.1 The Borrower fails to pay any sum payable by it under the Finance Documents when due, unless its failure to pay is caused solely by:
   1.1.1 an administrative error or technical problem and payment is made within three Business Days of its due date; or
   1.1.2 a Disruption Event and payment is made within three Business Days of its due date.

2 Non-compliance
2.1 The Borrower fails (other than a failure to pay or a failure referred to in paragraph 4 of this Schedule 8) to comply with any provision of the Finance Documents and (if the Lender considers, acting reasonably, that the default is capable of remedy) such default is not remedied within 14 (fourteen) days of the earlier of:
   2.1.1 the Lender notifying the Borrower of the default and the remedy required; and
   2.1.2 the Borrower becoming aware of the default.

3 Misrepresentation
3.1 Any representation, warranty or statement made, repeated or deemed made by the Borrower in, or pursuant to, the Finance Documents is (or proves to have been) incomplete, untrue, incorrect or misleading when made, repeated or deemed made.

4 Financial condition
4.1 Any requirement of paragraph 1 or paragraph 2 of Part 2 of Schedule 6 is not satisfied.

5 Cross-default
5.1 Subject to paragraph 5.2:
   5.1.1 any Borrowed Money is not paid when due nor within any originally applicable grace period; or
   5.1.2 any Borrowed Money becomes due, or capable of being declared due and payable, prior to its stated maturity by reason of an event of default howsoever described; or
   5.1.3 any commitment for any Borrowed Money is cancelled or suspended by a creditor of the Borrower by reason of an event of default howsoever described.

5.2 No Event of Default will occur under Clause 5.1 above if the aggregate amount of Borrowed Money or commitment for Borrowed Money falling within Clause 5.1 above is less than £50,000 and is outstanding for less than ten Business Days.

6 Insolvency
6.1 The Borrower stops or suspends payment of any of its debts, or is unable to, or admits its inability to, pay its debts as they fall due.

6.2 The Borrower commences negotiations, or enters into any composition or arrangement, with one or more of its creditors with a view to rescheduling any of its Indebtedness (because of actual or anticipated financial difficulties).

6.3 A moratorium is declared in respect of any of the Borrower’s Indebtedness.

6.4 Any action, proceedings, procedure or step is taken for:
   6.4.1 the suspension of payments, winding up, dissolution, administration or reorganisation (using a voluntary arrangement, scheme of arrangement or
otherwise) of the Borrower; or

6.4.2 the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Borrower or any of its assets.

6.5 The value of the Borrower’s assets is less than its liabilities (taking into account contingent and prospective liabilities).

6.6 Any event occurs in relation to the Borrower that is analogous to those set out in this paragraph 6.

6.7 An event or circumstance referred to in paragraphs 6.1 to 6.6 inclusive shall not apply to any winding-up petition which is frivolous or vexatious and is discharged, stayed or dismissed within 14 days of commencement or, if earlier, the date on which it is advertised.

7 Distress

7.1 A distress, attachment, execution, expropriation, sequestration or other legal process is levied, enforced or sued out on, or against, the Borrower’s assets.

8 Enforcement of security

8.1 Any Security on or over the assets of the Borrower becomes enforceable and is not discharged within 30 days of enforcement commencing.

9 Legal Mortgage

9.1 The Borrower Legal Mortgage ceases to be continuing or ceases to remain in full force or if, in the opinion of the Lender, it is likely that the Borrower Legal Mortgage is not capable of being enforced.

10 Illegality

10.1 All or any part of any Finance Document becomes invalid, unlawful, unenforceable, terminated, disputed or ceases to have full force and effect.

11 Repudiation

11.1 The Borrower repudiates or evidences an intention to repudiate the Finance Documents or any of them.

12 Material adverse change

12.1 Where any event occurs in relation to the Borrower which, in the opinion of the Lender (acting reasonably) has or is reasonably likely to have a Material Adverse Effect.

12.2 Any of the above events in this Schedule 7 occurs in relation to the Borrower.
SCHEDULE 8 - FORM OF COMPLIANCE CERTIFICATE

From: Northampton Town Football Club Limited
To: Northampton Borough Council
Dated: ..........................

Dear Sirs

Northampton Town Football Club - £1,500,000 Facility Agreement dated ........................ (the "Agreement")

1. This compliance certificate is given under paragraph 11 of Part 1 of Schedule 6 of the Agreement. Expressions defined in the Agreement shall bear the same meaning in this certificate.

2. I certify that the financial statements of the Borrower as at ........................ enclosed with this certificate give a true and fair view of its financial condition as at that date.

3. I confirm that, as demonstrated by the enclosed computations, the Borrower is in compliance with the financial covenants set out in paragraph 1 of Part 2 of Schedule 6 of the Agreement.

4. I confirm that [no Event of Default is continuing] [the Borrower is in default of paragraph [ ] of 8 and has [ ] [Insert steps taken to remedy default].

Signed: ...........................................

Director for and on behalf of

Northampton Town Football Club Limited
EXECUTED as a DEED by THE
NORTHAMPTON TOWN FOOTBALL
CLUB LIMITED acting by its Director and
Company Secretary

Director

Company Secretary

The Common Seal of
NORTHAMPTON BOROUGH
COUNCIL was affixed in the
presence of:

Authorised Officer
DATED 2014

(1) NORTHAMPTON BOROUGH COUNCIL

(2) THE NORTHAMPTON TOWN FOOTBALL CLUB LIMITED

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LEGAL MORTGAGE
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THIS DEED is made on 2014

BETWEEN:

(1) NORTHAMPTON BOROUGH COUNCIL of The Guildhall, St Giles Square, Northampton NN1 1DE (the “Council”); and

(2) THE NORTHAMPTON TOWN FOOTBALL CLUB LIMITED (No. 00183917) whose registered office is at Sixfields, Upton Way, Northampton NN5 5QA (the “Borrower”).

BACKGROUND:

(A) The Council and the Borrower have entered into an Facility Agreement dated [2014]. The Facility Agreement includes an agreement that the Council shall pay to the Borrower an Advance in the total sum of £1,500,000 and the Borrower has agreed to enter into a Legal Mortgage with the Council to secure the £1,500,000.

(B) The Borrower is the owner of the Property

AGREED TERMS:-

1. Definitions and Interpretation

1.1 Definitions

Advance the sum due to be paid to the Borrower under the terms of the Facility Agreement

Business Day a day (other than a Saturday or a Sunday or public holiday) on which commercial banks are open for general business in London and deposits are dealt with on the London Interbank Market

Certificate of Title any report on or certificate of title relating to the Property supplied to the Council by the Borrower (or on its behalf)

Charged Property all the assets, property and undertaking for the time being subject to any Security created by this legal mortgage. References to the Charged Property shall include references to any part of it.

Costs all costs, charges, expenses, taxes, liabilities of any kind, including (without limitation) costs and damages in connection with litigation, professional fees, disbursements with any VAT charges on Costs which the Council or any
Receiver or Delegate may charge or incur in relation to this legal mortgage, the Charged Property or breach of any provision of this legal mortgage by the Borrower

Commitment

The Council's commitment to make advances on the terms and conditions of the Facility Agreement as reduced from time to time by the amount of outstanding Advances.

Delegate

any person appointed by the Council or any Receiver pursuant to clause 11 and any person appointed as attorney of the Council, Receiver or Delegate

Drawing

a drawing made, or to be made, by the Borrower under the Facility Agreement

Drawdown Date

the date on which an Advance is made, or is to be made.

Drawdown Request

a drawdown request on the standard form supplied by the Council

Environment

all of the air, water and land, including (without limitation) the air within buildings and other natural or man-made structures above or below ground, ground and surface water, and surface and sub-surface soil.

Environmental Law

all applicable statutes, treaties, regulations, directives or similar measures relating to the pollution or protection of the Environment that affect the Charged Property

Environmental Licence

any authorisation required by an Environmental Law in respect of any Charged Property

Event of Default

any event or circumstance listed in Schedule 7 of the Facility Agreement

Facility Agreement

means the agreement dated [ ] 2014 between the Council and the Borrower

Finance Documents

the Facility Agreement and this legal mortgage

Indebtedness

any obligation to pay or repay money, present or future, whether actual or contingent, sole or joint
Insurance Policies

the insurance policies referred to in clause 2.2.1

Lender

the Council

Material Adverse Effect

in the Council’s reasonable opinion a material and adverse effect on the Borrower’s ability to perform all or any of its obligations under the terms of the Finance Documents or any of them

Mortgagor

the Borrower

Permitted Security

any Security arising under

(a) this legal mortgage;

(b) any Security given to Lloyds TSB Bank Plc over different assets to those charged to the Council pursuant to this legal mortgage;

(c) any Security created or outstanding with the Council’s written consent;

(d) any common law liens in the ordinary course of trading;

(e) any normal title retention arrangements of a supplier’s standard conditions of supply of goods acquired by the Borrower in the ordinary course of its business;

(f) any netting or set-off arrangements entered into by the Borrower in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances of the Borrower’s accounts.

Property

the leasehold property (Whether registered or unregistered) owned by the Borrower described in Schedule 1

Property Rights

the rights set out in Schedule 1 of this legal mortgage

Receiver

a receiver and/or manager of any or all of the Charged Property

Rent

all amounts payable to or for the benefit of the Borrower by way of rent, licence fee, service charge, dilapidations, ground rent, and rent charge in respect of any part of the
Property and other monies payable to or for the benefit of the Borrower in respect of occupation or usage of any part of the Property, including (without limitation) for display or advertisements on licence or otherwise

Retained Land Rights

any Security or other right or benefit whether arising by set-off, counterclaim, subrogation, indemnity, proof in liquidation or otherwise and whether from contribution or otherwise

Secured Liabilities

current and future monies, obligation and liabilities owed by the Borrower to the Council, whether actual or contingent and whether owned jointly or severally, as principal or surety and/or in any other capacity, under or in connection with the Finance Documents (including, without limitation, those arising under clause 18.3.2), together with all amounts which may be or become due and payable by the Borrower under this legal mortgage, and together with all interest (including, without limitation, default interest) accruing in respect of such monies or liabilities

Security

any mortgage or charge (whether fixed or floating, legal or equitable), pledge, lien and hypothecation, assignment as security, title retention or any other type of arrangement that has a similar effect to any of them

Security Period

the period starting on the date of the Facility and ending on the date on which the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full

Sold Property

the sale of any of the Property subject to the terms of the Finance Documents

Successor

means any successor in title of the Borrower to the Retained Land or any part thereof

Valuation

any valuation relating to the Property supplied to the Council by the Borrower (or on its behalf)

VAT

value added tax

1.2 Interpretation
In this legal mortgage:

1.2.1 A reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force for the time being, taking account of any amendment or re-enactment or extension and includes any former statute, statutory provision or subordinate legislation which it amends or re-enacts.

1.2.2 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders

1.2.3 Unless the context otherwise requires, words in the singular shall include the plural and in the plural include in the singular

1.2.4 A reference to a clause or Schedule is to a clause of, or Schedule to, this legal mortgage and references to paragraphs are to paragraphs of the relevant Schedule, unless the context otherwise requires

1.2.5 A reference to this legal mortgage, the Facility, the Finance Documents (or any provision of each) or any other document shall be construed as a reference to this legal mortgage, the Facility, the Finance Documents, that provision or that document as it is in force for the time being and as amended in accordance with its terms or with the agreement of the relevant parties

1.2.6 A reference to a person shall include a reference to an individual, firm, Borrower, partnership, corporation, unincorporated body of persons, or any state or any agency of any person

1.2.7 A reference to an amendment includes a novation, re-enactment, supplement or variation (and amended shall be construed accordingly)

1.2.8 A reference to assets includes present and future properties, undertakings, revenues, rights and benefits of every description

1.2.9 A reference to an authorisation includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration and resolution

1.2.10 A reference to a regulation includes any regulation, rule, official directive, request or guideline (Whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation

1.2.11 A reference to determines or determined means, unless the contrary is indicated, a determination at the discretion of the person making it

1.2.12 Clause, Schedule and paragraph headings shall not affect the interpretation of this legal mortgage

1.3 **Nature of security over real property**

A reference in this legal mortgage to a charge or mortgage of or over the Property includes:
1.3.1 all buildings and fixtures and fittings (including trade and tenant’s fixtures and fittings) and fixed plan and machinery which are situation on or form part of the Property at any time;

1.3.2 the proceeds of sale of any part of the Property and any other monies paid or payable in respect of or in connection with the Property;

1.3.3 the benefit of any covenants for title given, or entered into, by any predecessor in title of the Borrower in respect of the Property and any monies paid or payable in respect of those covenants;

1.3.4 all rights under any licence, agreement for sale or agreement for lease in respect of the Property.

1.4 **Law of Property (Miscellaneous Provisions) Act 1989**

For the purposes of section 2 of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of the Finance Documents and any side letters between any parties in relation to the Finance Documents are incorporated into this legal mortgage.

1.5 **Third party rights**

A third party (being any person other than the Borrower, the Council and its permitted successors and assigns, any Receiver and any Delegate) has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce, or to enjoy the benefit of, any term of this legal mortgage.

1.6 **Perpetuity period**

If the rule against perpetuities applied to any trust created by this legal mortgage, the perpetuity period shall be 125 years (as specified in section 5(1) of the Perpetuities and Accumulations Act 2009).

1.7 **Schedules**

The Schedules form part of this legal mortgage and shall have effect as if set out in full in the body of this legal mortgage. Any reference to this legal mortgage includes the Schedules.

2. **Grant of security**

2.1 **Legal mortgage and fixed charges**

As a continuing security for the payment and discharge of the Secured Liabilities, the Mortgagor with full title guarantee charges to the Lender:

2.1.1 by way of first legal mortgage, the Property; and

2.1.2 by way of first fixed charge:
2.1.2.1 all of its rights in any policies of insurance exclusively relating to the Property, including the proceeds of any claims under such policies, the Rent and the benefit of any guarantee or security in respect of the Rent to the extent not effectively assigned under clause 2.2;

2.1.2.2 the benefit of all contracts, guarantees, appointments, warranties and other documents to which the Borrower is a party or in its favour or of which is has the benefit relating to any letting, development, sale, purchase or the operation of the Charged Property exclusively or otherwise relating to the Charged Property exclusively, including, in each case, but without limitation, the right to demand and receive all monies whatsoever payable to or for its benefit under or arising from any of them, all remedies provided for in any of them or available at law or in equity in relation to any of them, the right to compel performance of any of them and all other rights, interests and benefits whatsoever accruing to or for its benefit arising from any of them; and

2.1.2.3 All authorisations (statutory or otherwise) held or required in connection with the Borrower's business carried on exclusively at the Property or the use of any Charged Property, and all rights in connection with them.

2.2 Assignment
As a continuing security for the payment and discharge of the Secured Liabilities, the Borrower with full title guarantee assigns to the Council:

2.2.1 all its rights in any policies of insurance relating exclusively to the Property, including the proceeds of any claims under such policies;

2.2.2 the Rent and the benefit of any guarantee or security in respect of the Rent, Provided that nothing in this clause 2.2 shall constitute the Council as mortgagee in possession.

3. Perfection of security

3.1 Registration of legal mortgage at the Land Registry
The Borrower consents to an application being made by the Council to the Land Registrar for the following restriction in Form P to be registered against its title to the Property:

"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated [] 2014 in favour of Northampton Borough Council referred to in the charges register"
3.2 Further advances
The Council covenants with the Borrower that it shall perform its obligations to make Advances to the Borrower under the Facility (including any obligation to make available further advances).

3.3 Cautions against first registration and notices
If any notice (whether agreed or unilateral) is registered against the Borrower’s title to the Property, the Borrower shall immediately provide the Council will full particulars of the circumstances relation to such caution or notice. If such notice was registered to protect a purported interest the creation of which is not permitted under this legal mortgage, the Borrower shall immediately, and at its own expense, take such steps as the Council may require to ensure that the caution or notice, as applicable, is withdrawn or cancelled.

4. Liability of the Borrower and Council’s protections

4.1 Liability not discharged
The Borrower’s liability under this legal mortgage in respect of any of the Secured Liabilities shall not be discharged, prejudiced or affected by:

4.1.1 any intermediate payment, settlement of account of discharge in whole or part of the Secured Liabilities; or
4.1.2 any variation, extension, discharge, compromise, dealing with, exchange or renewal of any right or remedy which the Council may now or after the date of this legal mortgage have from or against the Borrower, the Borrower or any other person in connection with the Secured Liabilities; or
4.1.3 any act or omission by the Council or any other person in taking up, perfecting or enforcing any Security, indemnity, or guarantee from or against the Borrower, the Borrower or any other person; or
4.1.4 any termination, amendment, variation, novation or supplement of or to any of the Secured Liabilities; or
4.1.5 any grant of time, indulgence, waiver or concession to the Borrower, the Borrower or any other person; or
4.1.6 any insolvency, bankruptcy, liquidation, administration, winding-up, incapacity, limitation, disability, the discharge by operation of law or any change in the constitution, name or style of the Borrower, the Borrower or any other person; or
4.1.7 any invalidity, illegality, unenforceability, irregularity or frustration of any actual or purported obligation or, or Security held from, the Borrower, the Borrower or any other person in connection with the Secured Liabilities; or
4.1.8 any claim or enforcement of payment from the Borrower, the Borrower or any other person; or
4.1.9 any other act or omission which would not have discharged or affected the liability of the Borrower had it been a principal debtor or by anything done or omitted by any person which, but for this provision, might operate to exonerate or discharge the Borrower or otherwise reduce or extinguish its liability under this legal mortgage.

4.2 Immediate recourse
The Borrower waives any right it may have to require the Council:
4.2.1 to take any action or obtain judgement in any court against the Borrower or any other person; or
4.2.2 to make or file any claim in a bankruptcy, liquidation, administration or insolvency of the Borrower or any other person; or
4.2.3 to make demand, enforce or seek to enforce any claim, right or remedy against the Borrower or an other person,
Before taking steps to enforce any of its rights or remedies under this legal mortgage.

5. Representations and warranties
The Borrower represents and warrants to the Council in the terms set out in Schedule 2 on the date of this legal mortgage and on:
5.1 the date of each Drawdown Request; and
5.2 each Drawdown Date
by reference to the facts and circumstances existing on each such date.

6. Covenants
The Borrower covenants with the Council in the terms set out in Schedule 3.

7. Powers of the Council
The Council shall have the powers set out in Schedule 4.

8. Enforcement

8.1 When security becomes enforceable
The security constituted by this legal mortgage shall be immediately enforceable and the power of sale and other powers given by section 101 of the LPA (as varied or extended by this legal mortgage) shall be immediately exercisable at any time after:

8.1.1 a notice has been served by the Council to the Borrower pursuant to paragraph Schedule 7 of the Finance Documents;

8.1.2 the Borrower fails to comply with any provision of this legal mortgage and (if the Council considers, acting reasonably, that the default is capable of remedy) such default is not remedied within 15 (fifteen) Business Days of the earlier of:

8.1.2.1 the Council notifying the Borrower of the default and the remedy required; and

8.1.2.2 the Borrower becoming aware of the default;

8.1.3 any representation, warranty or statement made, repeated or deemed made by the Borrower in, or pursuant to, this legal mortgage (or proves to have been incomplete, untrue, incorrect or misleading when made, repeated or deemed made) and if the Council consider, acting reasonably, that the misrepresentations is capable of remedy, such misrepresentation is not remedied within 15 (fifteen) Business Days of the earlier of:-

8.1.3.1 the Council notifying the Borrower of the misrepresentation and the remedy required; and

8.1.3.2 the Borrower becoming aware of the misrepresentation;

8.1.4 the Borrower stops or suspends payment of any of its debts, or is unable to, or admits its inability to, pay its debts as they fall due;

8.1.5 the Borrower commences negotiations, or enters into any composition or arrangement, with one or more of its creditors with a view to rescheduling any of its indebtedness (because of actual or anticipated financial difficulties);

8.1.6 a moratorium is declared in respect of any of the Borrower’s indebtedness;

8.1.7 any action, proceedings, procedure or step is taken for:-

8.1.7.1 the suspension of payments, winding up, dissolution, administration or reorganisation (using a voluntary arrangement, scheme of arrangement or otherwise) of the Borrower; or

8.1.7.2 the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Borrower or any of its assets;

8.1.8 the value of the Borrower’s assets is less than its liabilities (taking into account contingent and prospective liabilities);

8.1.9 any event occurred in relation to the Borrower which is analogous to those set out in Clauses 8.1.4, 8.1.5, 8.1.6, 8.1.7 or 8.1.8;
8.1.10 any event or circumstances referred to in Clauses 8.1.4, 8.1.5, 8.1.6, 8.1.7, 8.1.8 or 8.1.9 shall not apply to any winding up petition which is frivolous or vexatious and is discharged, stayed or dismissed within 14 days of commencement or, if earlier, the date on which it is advertised;

8.1.11 a distress, attachment, execution, expropriation, sequestration or other legal process is levied, enforced or sued out on, or against, the Borrower's assets.

8.2 When statutory powers arise
Section 103 of the LPA shall not apply to this legal mortgage and the statutory power of sale and other powers given by section 101 of the LPA (as varied or extended by this legal mortgage) shall, as between the Council and a purchaser, arise on the execution of this legal mortgage and be exercisable at any time after such execution, but the Council shall not exercise such power of sale until the security constituting this legal mortgage has become enforceable under clause 8.1.

8.3 Enforcement of security
After the security constituted under this legal mortgage has become enforceable, the Council may in its absolute discretion enforce all or any part of that security at the times, in the manner and on the terms it thinks fit and take possession of and hold of dispose of all or any part of the Charged Property.

8.4 Redemption of prior security
At any time after the security constituted by this legal mortgage has become enforceable, or after any powers conferred by any Security having priority to this legal mortgage shall have become exercisable, the Council may:

8.4.1 redeem such or any other prior Security, or procure its transfer to itself; and
8.4.2 settle any account of that encumbrancer.

The settlement of such account shall be conclusive and binding on the Borrower. All monies paid by the Council to an encumbrancer in settlement of such an account shall, as from its payment by the Council, be due from the Borrower to the Council on current account and shall bear interest and be secured as part of the Secured Liabilities.

8.5 Extension of statutory powers of leasing
The statutory powers of leasing and accepting surrenders are extended so as to authorise the Council, any Receiver and any Delegate, at any time after the security constituted by this legal mortgage has become enforceable, whether in its own name or in that of the Borrower, to make any lease or agreement for lease, accept surrender of leases or grant any option of the whole or any part of the Property with whatever rights relating to other
parts of it, containing whatever covenants on the part of the Borrower, generally on such terms and conditions (including the payment of money to a lessee or tenant on a surrender) and whether or not at a premium as the Council, Receiver or Delegate thinks fit without the need to comply with any of the restrictions imposed by sections 99 and 100 of the LPA.

8.6 **Privileges**
Each Received and the Council is entitled to all the rights, powers and privileges and immunities conferred by the LPA on mortgagees and receivers.

8.7 **No liability as mortgagee in possession**
Neither the Council, any Receiver nor any Delegate shall be liable to account as mortgagee in possession in respect of all or any of the Charged Property, nor shall any of them be liable for any loss on realisation of, or for any neglect or default of any nature in connection with, all or any of the Charged Property for which a mortgagee in possession might be liable as such.

8.8 **Relinquishing possession**
If the Council, any Receiver or any Delegate enters into or takes possession of the Charged Property, it or he may at any time relinquish possession.

9. **Receivers**

9.1 At any time after the security constituted by this legal mortgage has become enforceable or at the request of the Borrower, the Council may, without further notice:

9.1.1 appoint under seal or in writing, by a duly authorised officer of the Council, any one or more person or persons to be a receiver or a receiver and manager, of all or any part of the Charged Property; and

9.1.2 (subject to section 45 of the Insolvency Act 1986) from time to time, under seal or in writing, by a duly authorised officer of the Council, remove any person appointed to be Receiver and may, in a similar manner, appoint another in his place.

Where more than one person is appointed Receiver, they shall have power to act separately (unless the appointment by the Council specifies to the contrary).

9.2 **Power of appointment additional to statutory powers**
The power to appoint a Receiver conferred by this legal mortgage shall be in addition to all statutory and other powers of the Council under the Insolvency Act 1986, the LPA or otherwise, and shall be exercisable without the restrictions contained in sections 103 and 109 of the LPA.
9.3 **Power of appointment exercisable despite prior appointments**

The power to appoint a Receiver (whether conferred by this legal mortgage or by statute) shall be, and remain, exercisable by the Council despite any prior appointment in respect of all or any part of the Charged Property.

9.4 **Remuneration of a Receiver**

The Council may fix the remuneration of any Receiver appointed by it without the restrictions contained in section 109 of the LPA and the remuneration of the Receiver shall be a debt secured by this legal mortgage which shall be due and payable immediately upon its being paid by the Council.

10. **Powers and capacity of a Receiver**

10.1 **Powers of a Receiver**

Any Receiver appointed by the Council under this legal mortgage shall, in addition to the powers conferred on him by the LPA and the Insolvency Act 1986, have the powers set out in Schedule 5.

10.2 **Scope of Receiver's powers**

Any exercise of any of the powers of a Receiver by the Receiver may be on behalf of the Borrower, the directors of the Borrower or himself.

10.3 **Receiver is agent of the Borrower**

Any Receiver appointed by the Council under this legal mortgage shall be the agent of the Borrower and the Borrower shall be solely responsible for his acts and remuneration, as well as for any defaults committed by him. The agency of each Receiver shall continue until the Borrower goes into liquidation and after that the Receiver shall act as principal and shall not become the agent of the Council.

11. **Delegation**

Each of the Council and any Receiver may delegate (either generally or specifically) by power of attorney or in any other manner to any person any right, power, authority or discretion conferred on it by this legal mortgage (including the power of attorney granted under clause 14.1). Any such delegation may be made upon such terms and conditions (including the power to sub-delegate) as the Council or any Receiver shall think fit. Neither the Council nor any Receiver shall be in any way liable or responsible to the Borrower for any loss or liability arising from any act, default, omission or misconduct on the part of any Delegate.
12. Application of proceeds

12.1 Order of application
All monies received by the Council, a Receiver or a Delegate (other than sums received pursuant to any Insurance Policy) pursuant to this legal mortgage after the security constituted by this legal mortgage has become enforceable, shall (subject to the claims of any person having prior rights and by way of variation of the LPA) be applied:

12.1.1 first in paying all costs, charges and expenses of, and incidental to, the appointment of any Receiver and the exercise of his powers and all outgoings paid by him;

12.1.2 second in paying the remuneration of any Receiver (as agreed between the Receiver and the Council);

12.1.3 third in or towards discharge of the Secured Liabilities in such order and manner as the Lender determines; and

12.1.4 finally in paying any surplus to the Borrower or any other person entitled to it.

12.2 Appropriation
Neither the Council, any Receiver nor any Delegate shall be bound (whether by virtue of section 109(8) of the LPA, which is varied accordingly, or otherwise) to pay or appropriate any receipt or payment first towards interest rather than principal or otherwise in any particular order between any of the Secured Liabilities.

12.3 Suspense account
All monies received by the Council or a Receiver or a Delegate under this legal mortgage (other than sums received pursuant to any Insurance Policy which are not going to be applied in or towards discharge of the Secured Liabilities) may, at the discretion of the Council, Receiver or Delegate, be credited to any suspense or securities realised account and shall bear interest at such rate, if any, as may be agreed in writing between the Council, Receiver or Delegate and the Borrower, and may be held in such account for so long as the Council, Receiver or Delegate thinks fit.

13. Protection of third parties

13.1 Protection of third parties
No purchaser, mortgagee or other person dealing with the Council or any Receiver or Delegate shall be concerned:

13.1.1 to enquire whether any of the Secured Liabilities have become due or payable, or remain unpaid or undischarged, or whether the power the Council or a Receiver or
Delegate is purporting to exercise has become exercisable; or
13.1.2 to see to the application of any money paid to the Council or any Receiver or Delegate.

13.2 Conclusive discharge to purchasers
The receipt of the Council or any Receiver or Delegate shall be a conclusive discharge to a purchaser and, in making any sale or other disposal of any of the Charged Property or in making any acquisition in the exercise of their respective powers, the Council, every Receiver and every Delegate may do so for such consideration, in such manner and on such terms as it or he thinks fit.

14. Power of attorney

14.1 Appointment of attorneys
By way of security, the Borrower irrevocably appoints the Council, every Receiver and every Delegate separately to be the attorney of the Borrower and, in its name, on its behalf and as its act and deed, to execute any documents and do any acts and things which:
14.1.1 the Borrower is required to execute and do under this legal mortgage; and
14.1.2 any attorney may deem proper or desirable in exercising any of the powers, authorities and discretions conferred by this legal mortgage or by law on the Council, any Receiver or any Delegate.

14.2 Ratification of acts of attorneys
The Borrower ratifies and confirms, and agrees to ratify and confirm, anything which any of its attorneys may do in the proper and lawful exercise or purported exercise of all or any of the powers, authorities and discretions referred to in clause 14.1.

15. Release
Subject to clause 18.3, on the expiry of the Security Period (but not otherwise), the Council shall, at the request and cost of the Borrower, take whatever action is necessary to release the Charged Property from the security constituted by this legal mortgage.

16. Release of Sold Property from Security
Following the sale of any Sold Property:
16.1 the Council shall without recourse, representation or warranty of title release and discharge all of the Sold Property from the charges constituted or intended to be constituted by this legal mortgage;
16.2 the Sold Property shall be held freed and discharged from the security constituted or intended to be constituted by this legal mortgage and from all claims and
demands arising under this legal mortgage;
16.3 the Council shall release and discharge the Borrower from all its obligations to the Council under this legal mortgage in respect of the Sold Property;
16.4 the Council shall, at the request and cost of the Borrower, do all such acts and/or execute all such documents as may be reasonably necessary to give effect to the release referred to in Clauses 16.1 to 16.3 and the Council shall at the cost of the Borrower co-operate for the purpose of procuring that any necessary entry is made in any relevant register or other statutory record relating to the Borrower or any of the Sold Property as may be requested of it from time to time to give effect to the release; and
16.5 the Council shall deliver to the Borrower all deeds, certificates and other documents (if any) presently held by the Council which relate exclusively to the Sold Property.

17. Assignment and transfer

17.1 Assignment by the Council
At any time, without the consent of the Borrower, the Council may assign or transfer the whole or any part of the Council's rights and/or obligations under this legal mortgage to any person to whom the Council may assign or transfer the whole or any part of the Facility. The Council may disclose such information about the Borrower, the Charged Property and this legal mortgage as the Council considers appropriate to any actual or proposed assignee or transferee agreeing to keep such information confidential.

17.2 Assignment by the Borrower
The Borrower may not assign any of its rights, or transfer any of its obligations, under this legal mortgage or enter into any transaction which would result in any of those rights or obligations passing to another person.

18. Further provisions

18.1 Independent security
This legal mortgage shall be in addition to, and independent of, every other security or guarantee which the Council may hold for any of the Secured Liabilities at any time. No prior security held by the Council over the whole or any part of the Charged Property shall merge in the security created by this legal mortgage.

18.2 Continuing security
This legal mortgage shall remain in full force and effect as a continuing security for the
Secured Liabilities, despite any settlement of account, or intermediate payment, or other matter or thing, unless and until the Council discharges this legal mortgage in writing.

18.3 Discharge conditional
Any release, discharge or settlement between the Borrower and the Lender shall be deemed conditional on no payment or security received by the Council in respect of the Secured Liabilities being avoided, reduced or ordered to be refunded pursuant to any law relating to insolvency, bankruptcy, winding-up, administration, receivership or otherwise. Despite any such release, discharge or settlement:

18.3.1 the Council or its nominee may retain this legal mortgage and the security created by or pursuant to it, including all certificates and documents relating to the whole or any part of the Charged Property, for such period as the Council deems necessary (acting reasonably) to provide the Council with security against any such avoidance, reduction or order for refund; and

18.3.2 the Council may recover the value or amount of such security or payment from the Borrower subsequently as if such release, discharge or settlement had not occurred.

18.4 Certificates
A certificate or determination by the Council as to any amount for the time being due to it from the Borrower shall (in the absence of any manifest error) be conclusive evidence of the amount due.

18.5 Rights cumulative
The rights and powers of the Council conferred by this legal mortgage are cumulative, may be exercised as often as the Council considers appropriate, and are in addition to its rights and powers under the general law.

18.6 Waivers
Any waiver or variation of any right by the Council (whether arising under this legal mortgage or under the general law) shall only be effective if it is in writing and signed by the Council and applies only in the circumstances for which it was given, and shall not prevent the Council from subsequently relying on the relevant provision.

18.7 Further exercise of rights
No act or course of conduct or negotiation by or on behalf of the Council shall, in any way, preclude the Council from exercising any right or power under this legal mortgage or constitute a suspension or variation of any such right or power.
18.8 Delay
No delay or failure to exercise any right or power under this legal mortgage shall operate as a waiver.

18.9 Single or partial exercise
No single or partial exercise of any right under this legal mortgage shall prevent any other or further exercise of that or any other right.

18.10 Consolidation
The restriction on the right of consolidation contained in section 93 of the LPA shall not apply to this legal mortgage.

18.11 Partial invalidity
The invalidity, unenforceability or illegality of any provision (or part of a provision) of this legal mortgage under the laws of any jurisdiction shall not affect the validity, enforceability or legality of the other provisions. If any invalid, unenforceable or illegal provision would be valid, enforceable or legal if some part of it were deleted, the provision shall apply with any modification necessary to give effect to the commercial intention of the parties.

18.12 Counterparts
This legal mortgage may be executed and delivered in any number of counterparts, each of which is an original and which together have the same effect as if each party had signed the same document.

19. Notices

19.1 Service
Each notice or other communication required to be given under, or in connection with, this legal mortgage shall be:
19.1.1 in writing, delivered personally or sent by special delivery or pre-paid first-class letter; and
19.1.2 sent:
  19.1.2.1 to the Borrower at its registered office:
      Attention: The Directors
  19.1.2.2 to the Council at:
      The Guildhall, Northampton, NN1 1DE
      Attention: The Section 151 Officer
or to such other address as is notified in writing by one party to the other from time to
19.2 **Receipt by Borrower**
Any notice or other communication that the Council gives shall be deemed to have been received:

19.2.1 if given by hand, at the time of actual delivery; and

19.2.2 if posted, on the second Business Day after the day it was sent by pre-paid first-class post or on the day of actual receipt if by Special Delivery.

A notice or other communication given as described in clause Error! Reference source not found. 19.2.1 or clause 19.2.1 on a day which is not a Business Day, or after normal business hours, in the place it is received, shall be deemed to have been received on the next Business Day.

19.3 **Receipt by Lender**
Any notice or other communication given to the Council shall be deemed to have been received only on actual receipt.

20. **Governing law and jurisdiction**

20.1 **Governing law**
This legal mortgage and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.

20.2 **Jurisdiction**
The parties to this legal mortgage irrevocably agree that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this legal mortgage or its subject matter or formation (including non-contractual disputes or claims). Nothing in this clause shall limit the right of the Council to take proceedings against the Borrower in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdictions, whether concurrently or not, to the extent permitted by the law of such other jurisdiction.

20.3 **Other service**
The Borrower irrevocably consents to any process in any proceedings under clause 20.2 being served on it in accordance with the provisions of this legal mortgage relating to service of notices. Nothing contained in this legal mortgage shall affect the right to serve process in any other manner permitted by law.
This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.
SCHEDULE 1 - PROPERTY
PART 1 - DESCRIPTION

All that Lease hold Property at Sixfields Northampton as is registered at the Land Registry under title number NN248516

PART 2 – PROPERTY RIGHTS

1. The following expressions shall have the meanings given to them below:
   1.1 "the Borrower" and "the Council" shall include the successors in title of the Borrower and the Council respectively.
   1.2 “the Conduits” means the pipes wires cables and associated apparatus including inspection cables for the passage of the Services which are now present or are to be installed on over above or through the Retained Land.
   1.3 “the Retained Land” means all that freehold property known as Sixfields Stadium Northampton registered under Title Numbers NN18965, NN28137, NN15663, NN320351 and other property as at the date of this legal mortgage (other than the Property)
   1.4 “the Services” means the supply of water, electricity, communication signals, gas, oil and found and surface water.

PROPERTY RIGHTS

2. The right to pass and repass with or without vehicles and for all purposes connected with the use of the Property (which for the avoidance of doubt includes both the present and any future use of the Property)

2.1 over such roads and on foot only over such footpaths constructed or to be constructed on the Retained Land by the Borrower to gain access to and egress from the Property to and from the adopted highway; and

2.2 over such roads and on foot only over such footpaths constructed or to be constructed on the Retained Land and by the Council pursuant to Paragraph 4.2 below to gain access to and egress from the Property to and from the adopted highway

Until such time as such roads and footpaths are adopted by the relevant highway authority.
the right to the free and uninterrupted passage and running of Services through any Conduits laid in through under or over the Retained Land, subject to the payment of a fair proportion of the cost (based on user and as agreed by the Borrower and the Council both parties to act reasonably and without delay) of repairing and maintaining any Conduits used jointly by the Property and the Retained Land until such time as the Conduits are adopted by the relevant service authority.

the right to enter upon the Retained Land (with or without workmen machinery and equipment) only so far as may be necessary for the purposes of:

4.1 constructing laying altering inspecting cleaning maintaining repairing renewing connecting into or enlarging the Conduits on over above or through the Retained Land; and

4.2 (where any roads or footpaths constructed in accordance with Paragraph 2.1 above are not constructed to the standard required by the highways authority for adoption of such roads or footpaths as public highway or such roads and footpaths are not co-extensive with the boundaries of the Property), constructing any roads and footpaths referred to at Paragraph 2.2 above (but not upgrading any roads or footpaths referred to at Paragraph 2.1 above) and thereafter inspecting cleaning maintaining repairing or renewing such roads and footpaths.

the Rights are subject to the following provisos:

5.1 The rights of way granted pursuant to Paragraphs 2.1 and 2.2 and the right of entry granted pursuant to Paragraph 4.2 shall only be exercised over the Retained Land where no direct access can be obtained from the Property to the public highway (either because the Property does not abut the public highway or because the Property does abut the public highway but any necessary consents to gain access from the Property to the public highway cannot be obtained).

5.2 The route of any right of way granted pursuant to Paragraph 2.2 or constructed pursuant to Paragraph 4.2 or of any connections into Conduits referred to in Paragraph 4.1 shall be agreed between the Borrower and the Council, acting reasonably and without delay, and in the absence of any such agreement matters shall be referred to an expert for determination whose appointment is agreed between the parties or failing such agreement shall be appointed upon the application of wither party by the president of the RICS;
5.3 The right of the Borrower to re-route any right of way pursuant to Paragraph 2.1;

5.4 The right of way granted pursuant to Paragraph 2.1 shall be exercised in accordance with such regulations as may from time to time be imposed by the Borrower acting reasonably and having regard to the use of any part of the Retained Land thereby affected and for the avoidance of doubt such regulations may require the temporary suspension, interruption or re-routing of those rights of way;

5.5 The rights of the Borrower to re-locate:
(A) any road or footpath constructed pursuant to Paragraph 4.2 (and the associated right of way granted pursuant to Paragraph 2.2)
(B) any Conduit; and
(C) any connections referred to in Paragraph 4.1 into any Conduit
Serving the Property and located on over above and through the Retained Land

PROVIDED THAT in doing so the Borrower causes as little disruption to the Council and the exercise of the Rights by the Council as is reasonably practicable and the exercise of the rights by the Council is not interrupted or materially affected;

5.6 Any connection made into any Conduit and the subsequent right to the free and uninterrupted passage and running of Services through such Conduit is subject to there being (and continuing to be following any enlarging of the Conduits under Paragraph 4.1) sufficient capacity for such Services within such Conduit;

5.7 The rights of entry granted in Paragraph 4 shall be subject to:
(A) the Borrower first having agreed the date and time of commencement of such entry, the timetable and detail of all works to be carried out provided that the Borrower must accommodate all requested by the Council for such entry as soon as is reasonably practicable having regard to the use of the Retained Land affected (except in the case of an emergency when no such agreement shall be required by where the Borrower shall be notified forthwith);
(B) such regulations as may from time to time be imposed by the Borrower acting reasonably and having regard to the use of any part of the Retained Lane thereby affected;
(C) the person entering:
(i) causing the minimum of disturbance to the owners and occupiers of the Retained Land and causing the minimum of damage to the Retained Land and anything on the Retained Land as is reasonably practicable;

(ii) making good without delay all physical damage caused to the satisfaction of the Borrower acting reasonably;

(iii) complying with all regulations made from time to time by the Borrower acting reasonably in relation to the Retained Land and any works being carried out on the Retained Land by the Council;

(iv) (if applicable) all works being carried out with, and in accordance with, the approval of and to the standards required by the relevant authority or, in the absence of such requirement, in the good and workmanlike manner using materials of the appropriate kind and in accordance with good practice then current.

6 If so required by the Council, and Borrower is to, as landowner, forthwith join in any agreement required by the Council under the provisions of Section 38 of the Highways Act 1980 in respect of any works required to accessways constructed in accordance with Paragraph 4.2, and agreement under section 104 of the Water industry Act 1991 or any other agreement required by any service companies for the provision of or adoption of the Services (or any statutory modification or re-enactment of such Acts), subject to the Council fully indemnifying the Borrower against all liabilities arising as a result of the same.
SCHEDULE 2 - REPRESENTATIONS AND WARRANTIES

1 Due incorporation
1.1 The Borrower:
  1.1.1 is a duly incorporated Borrower limited by guarantee validly existing under the law of its jurisdiction or incorporation; and
  1.1.2 has the power to own its assets and carry on its business as it is being conducted.

2 Powers
The Borrower has the power and authority to execute, deliver and perform its obligations under this legal mortgage and the transactions contemplated by it. No limit on its powers will be exceeded as a result of the entry into this legal mortgage.

3 Non-contravention
3.1 The execution, delivery and performance of the obligations in, and transactions contemplated by, this legal mortgage do not and will not contravene or conflict with:
  3.1.1 The Borrower’s constitutional documents;
  3.1.2 Any agreement or instrument binding on the Borrower or its assets or constitute a default or termination event (howsoever described) under any such agreement or instrument to an extent that such conflict, default or termination event has or is reasonably likely to have a Material Adverse Effect; or
  3.1.3 Any law or regulation or judicial or official order applicable to it.

4 Authorisations
The Borrower has taken all necessary action and obtained all required or desirable consents to enable it to execute, deliver and perform its obligations under this legal mortgage. Any such authorisations are in full force and effect.

5 Binding obligations
The Borrower’s obligations under this legal mortgage are legal, valid, binding and enforceable.

6 Litigation
No litigation, arbitration or administrative proceedings are taking place, pending or, to the Borrower’s knowledge, threatened against it or any of its assets which, if adversely determined, would or would be reasonably likely to have a Material Adverse Effect.

7 Registration
Subject to registration pursuant to Part 25 of the Companies Act 2006 and, in the case of real property, registration at the Land Registry and payment of registration fees to Companies House and the Land Registry, it is not necessary to file, record or enrol this legal mortgage with any court or other authority or pay any stamp registration or similar tax in relation to this legal mortgage.

8  
**Ranking of obligations**

8.1 This legal mortgage creates (or, once entered into, will create):

8.1.1 a valid, legally binding and enforceable Security for the obligations expressed to be secured by it; and

8.1.2 subject to registration pursuant to Part 25 of the Companies Act 2006 and, in the case of real property, registration at the Land Registry, a perfected Security over the assets referred to in this legal mortgage,

8.2 in favour of the Council, having the priority and ranking expressed to be created by this legal mortgage and ranking ahead of all (if any) Security and rights of this parties, except those preferred by law.

9  
**Ownership of Charged Property**

The Borrower is the legal and beneficial owner of the Charged Property and has good and marketable title to the Property.

10  
**No Security**

The Charged Property is free from Security other than Permitted Security.

11  
**Adverse claims**

To the Borrower's knowledge, the Borrower has not received or acknowledged notice of any adverse claim by any person in respect of the Charged Property or any interest in it which, if adversely determined, would or would be reasonably likely to have a Material Adverse Effect.

12  
**Adverse covenants**

Except as disclosed in the Certificate of Title, there are no covenants, agreements, reservations, conditions, interests, rights or other matters whatsoever, which materially adversely affect the Charged Property.

13  
**No breach of laws**

There is no breach of any law or regulation which materially adversely affects the Charged Property.
14  No interference in enjoyment
Except as disclosed in the Certificate of Title, no facility necessary for the enjoyment and use of the Charged Property is subject to terms entitling any person to terminate or curtail its use.

15  No overriding interests
Except as disclosed in the Certificate of Title, nothing has arisen, has been created or is subsisting which would be an overriding interest in the Property.

16  Avoidance of security
No Security expressed to be created under this legal mortgage is liable to be avoided, or otherwise set aside, on the liquidation or administration of the Borrower or otherwise.

17  No prohibitions or breaches
There is no prohibition on the Borrower assigning its rights in any of the Charged Property referred to in clause Error! Reference source not found.3.2.

18  Environmental compliance
To the Borrower’s knowledge, the Borrower has, at all times, complied in all respects with all applicable Environmental Law and Environmental Licences to the extent that non-compliance would or would be reasonably likely to have a Material Adverse Effect.
SCHEDULE 3 - COVENANTS

PART 1 - GENERAL COVENANTS

1 Negative pledge and disposal restrictions
1.1 The Borrower shall not at any time, except with the prior written consent of the Council:
   1.1.1 create, purport to create or permit to subsist, any Security other than a Permitted Security on, or in relation to, the Charged Property other than this legal mortgage; or
   1.1.2 sell, assign, transfer, part with possession of or otherwise dispose of in any manner (or purport to do so) all or any part of, or any interest in, the Charged Property save that the same exceptions set out at Paragraph 2.2 of Schedule 6 (Covenants) of the Facility, shall apply in respect of the Charged Property; or
   1.1.3 create or grant (or purpose to create or grant) any interest in the Charged Property in favour of a third party.

2 Preservation of Charged Property
The Borrower shall not do, or permit to be done, any act or thing which would or might materially depreciate, jeopardise or otherwise prejudice the security held by the Council or materially diminish the value of any of the Charged Property or the effectiveness of the security created by this legal mortgage.

3 Enforcement of rights
3.1 The Borrower shall use its reasonable endeavours to:
   3.1.1 procure the prompt observance and performance by the relevant counterparty to any agreement or arrangement with the Borrower and forming part of the Charged Property of the covenants and other obligations imposed on such counterparty; and
   3.1.2 enforce any rights and institute, continue or defend any proceedings relating to any of the Charged Property which the Council may reasonably require from time to time.

4 Compliance with laws
The Borrower shall comply with all laws and regulations for the time being in force relating to or affecting any Charged Property and shall obtain and promptly renew from time to time and comply with the terms of all authorisations which may be necessary to enable it to preserve, maintain or renew any Charged Property in each case, where failure to do so would or would be reasonably likely to have a Material Adverse Effect.
5 Notice of breaches

5.1 The Borrower shall, promptly on becoming aware of any of the same, give the Lender notice in writing of any breach of:

5.1.1 any representation or warranty set out in Schedule 2; and
5.1.2 any covenant set out in this Schedule 3.

6 Title documents

6.1 The Borrower shall, on the execution of this legal mortgage, deposit with the Council and the Council shall, for the duration of this legal mortgage, be entitled to hold:

6.1.1 all deeds and documents of title relating exclusively to the Charged Property which are in the possession or control of the Borrower (if these are not within the possession and/or control of the Borrower, the Borrower undertakes to obtain possession of all such deeds and documents of title); and
6.1.2 all Insurance Policies.

7 Notices to be given by the Borrower

7.1 The Borrower shall promptly on the execution of this legal mortgage give notice to the relevant insurers of the assignment pursuant to clause 2.2 of the Borrower's rights and interest in and under the Insurance Policies and use its reasonable endeavours to procure that each addressee of such notice promptly provides an acknowledgement of that notice to the Council.

7.2 The Borrower shall obtain the Council's prior approval of the form of any notice or acknowledgement to be used under this paragraph 0.

8 Further assurance

The Borrower, at its own cost, shall prepare and execute such further legal or other mortgages, charges or transfers (containing a power of sale and such other provisions as the Lender may reasonably require) in favour of the Council as the Council reasonably requires from time to time over all or any part of the Charged Property and give all notices, orders and directions which the Council may require, reasonably for perfecting, protecting or facilitating the realisation of its security over the Charged Property.

9 Borrower's waiver of set-off

The Borrower waives any present or future right of set-off it may have in respect of the Secured Liabilities (including sums payable by the Borrower under this legal mortgage).

10 Ranking of obligations
The Borrower's payment obligations under this legal mortgage will, at all times, rank in all respects in priority to all its other indebtedness, other than indebtedness preferred by operation of law in the event of its winding-up.

11 Authorisations
The Borrower shall obtain all consents and authorisations necessary (and do all that is needed to maintain them in full force and effect) under any law or regulation of its jurisdiction of incorporation to enable it to perform its obligations under this legal mortgage and to ensure the legality, validity, enforceability and admissibility in evidence of this legal mortgage in its jurisdiction of incorporation.

PART 2 - PROPERTY COVENANTS

1 Repair and maintenance
The Borrower shall keep all premises, and fixtures and fittings on the Property in good and substantial repair and condition and shall keep all premises adequately and properly painted and decorated and replace any fixtures and fittings which have become worn out or otherwise unfit for use by others of a like nature and equal value.

2 No alterations
2.1 The Borrower shall not, without the prior written consent of the Council (such consent not to be unreasonably withheld or delayed):
   2.1.1 pull down or remove the whole or any material part of any building forming part of the Property nor permit the same to occur; or
   2.1.2 make or permit to be made any material alterations to the Property or sever or remove or permit to be severed or removed any of its material fixtures or fittings (except to make any necessary repairs or renew or replace the same in accordance with paragraph 1 of this Part 2 of Schedule 3).

2.2 The Borrower shall promptly give notice to the Council if any material part of the premises or material fixtures or fittings forming part of the Property are destroyed or damaged to a material extent.

3 Development restrictions
3.1 The Borrower shall not, without the prior written consent of the Council carry out or permit or suffer to be carried out on the Property any development as defined in each of the Town and Country Planning Act 1990 and the Planning Act 2008 or change or permit or suffer to be changed the use of the Property.

4 Insurance
4.1 In the event that the Charged Property includes assets which are of an insurable nature and have a reinstatement value (and reasonably prudent persons carrying on the same business as the Borrower would do so), the Borrower shall insure and keep insured (or
where, in the case of any leasehold property, insurance is the responsibility of the landlord under the terms of the lease, either procure that the landlord insures and keeps insured or, if and to the extent that the landlord does not do so, itself insure and keep insured) the Charged Property against:

4.1.1 loss or damage by fire or terrorist acts;
4.1.2 other risks, perils and contingencies that would be insured against by reasonably prudent persons carrying on the same class of business as the Borrower; and
4.1.3 any other risk, perils and contingencies as the Council may reasonably require.

4.2 Any such insurance must be with an insurance Borrower or underwriters and on such terms as are reasonably acceptable to the Council and must be for not less than the replacement value of the Charged Property (meaning in the case of any premises on the Property, the total cost of entirely rebuilding, reinstating or replacing the premises in the event of their being destroyed, together with architects', surveyors', engineers' and other professional fees and charges for demolition and reinstatement) and loss of rents payable by the tenants or other occupiers of the Property for a period of at least three years.

4.3 The Borrower shall, if requested by the Council, produce to the Council the policy, certificate or cover note relating to any such insurance required by paragraph 4.2 of this Part 2 of Schedule 3.

4.4 The Borrower shall, if requested by the Council, procure that a note of the Council's interest is endorsed upon each Insurance Policy maintained by it or any person on its behalf in accordance with paragraph 4.2 of this Part 2 of Schedule 3 and that the terms of each such Insurance Policy require the insurer not to invalidate the policy as against the Council by reason of the act or default of any other joint or named insured and not to cancel it without giving at least 30 days' prior written notice to the Council.

5 Insurance premiums

5.1 The Borrower:

5.1.1 shall promptly pay all premiums in respect of each Insurance Policy and do all other things necessary to keep such policy in full force and effect; and

5.1.2 shall (if the Council so requires) produce to the Council the receipts for all premiums and other payments necessary for effecting and keeping up the Insurance Policies

6 No invalidation of insurance

The Borrower shall not do or omit to do or permit to be done or omitted any thing that may invalidate or otherwise materially prejudice the Insurance Policies.
Insurance Policies' proceeds

7.1 All monies payable under any of the Insurance Policies at any time (whether or not the security constituted by this legal mortgage has become enforceable) shall be applied in making good or recouping expenditure in respect of the loss or damage for which such monies are received or, after the security constituted by this legal mortgage has become enforceable and if the Council so directs, in or towards discharge or reduction of the Secured Liabilities and be held, pending such payment, by the Borrower upon trust for the Council.

Leases and licences affecting the Property

8.1 Save as disclosed in the Certificate of Title, the Borrower shall not, without the prior written consent of the Council which consent is not to be unreasonably withheld or delayed:

8.1.1 grant, or agree to grant, any licence or tenancy affecting the whole or any part of the Property, or exercise the statutory powers of leasing (or agreeing to lease) or of accepting (or agreeing to accept) surrenders under sections 99 or 100 of the LPA; or

8.1.2 in any other way dispose of (or agree to dispose of), accept the surrender of (or agree to accept the surrender of), surrender (or agree to surrender) or create any legal or equitable estate or interest in the whole or any part of the Property; or

8.1.3 let any person into occupation of or share occupation of the whole or any part of the Property; or

8.1.4 grant any consent or licence under any lease or licence affecting the Property.

No restrictive obligations

9 The Borrower shall not, without the prior written consent of the Council (such consent not to be unreasonably withheld or delayed), enter into any materially onerous or restrictive obligations affecting the whole or any part of the Property or create or permit to arise any overriding interest, easement or right whatsoever in or over the whole or any part of the Property.

Proprietary rights

10 The Borrower shall procure that no person shall become entitled to assert any proprietary or other like right or interest over the whole or any part of the Property, without the prior written consent of the Council (such consents not to be unreasonably withheld or delayed).

Compliance with and enforcement of covenants

11 The Borrower shall:

11.1 observe and perform all covenants, stipulations and conditions applicable to it to which the Property, or the use of it, is or may be subject where failure to do
so would or would be reasonably likely to have a Material Adverse Effect and if the Council so requires) produce to the Council evidence sufficient to satisfy the Council (acting reasonably) that those covenants, stipulations and conditions have been observed and performed; and

11.1.2 diligently enforce all covenants, stipulations and conditions benefitting the Property where failure to do so would or would be reasonably likely to have a Material Adverse Effect and shall not (and shall not agree to) waive, release or vary any of the same.

12 Notices or claims relating to the Property

12.1 The Borrower shall:

12.1.1 give full particulars to the Council of any material notice, order, direction, designation, resolution, application, requirement or proposal given or made by any public or local body or authority (a Notice) that specifically applies to the Property, or to the locality in which it is situated, within fourteen days after becoming aware of the relevant Notice; and

12.1.2 (if the Council so reasonably requires) as soon as is reasonably practicable, and at the cost of the Borrower, take all reasonable and necessary steps to comply with any Notice, and make, or join with the Council in making, such objections or representations in respect of any such Notice as the Council may require (acting reasonably).

12.2 The Borrower shall give full particulars to the Council of any material claim, notice or other communication served on it in respect of any modification, suspension or revocation of any Environmental Licence or any alleged breach of any Environmental Law, in each case relating to the Property.

13 Payment of outgoings

The Borrower shall in relation to the Property pay (or procure payment of the same) when due all charges, rates, taxes, duties, assessments and other outgoings relating to or imposed upon the Property or on its occupier.

14 Rent reviews

14.1 The Borrower:

14.1.1 shall, if the Property is subject to occupational leases or licences, implement any upwards rent review provisions and shall not, without the prior written consent of the Council (such consent not to be unreasonably withheld or delayed), agree to any change in rent to less than the open market rental value of the relevant part of the Property; and

14.1.2 shall not, without the prior written consent of the Council (such consent not to be unreasonably withheld or delayed), if the Property is leasehold, agree to any change in the rent payable under the lease in excess of the open market
rental value and shall only agree to any upwards rent review in accordance with the terms of the lease;

save that the provisions of this clause 14.1 shall not apply to any rent payable in connection with any lease between the Borrower and the Borrower.

15 Environment
15.1 The Borrower shall in relation to the Property:
15.1.1 properly discharge all duties of care and responsibility placed upon it by Environmental Law and comply with the terms of any Environmental Licences;
15.1.2 observe and perform all the requirements of Environmental Law; and
15.1.3 apply for and obtain all Environmental Licences,
in each case where failure to do so would or would be reasonably likely to have a Material Adverse Effect.

16 Conduct of business on Property
The Borrower shall carry on its trade and business on those parts (if any) of the Property as are used for the purposes of its trade or business in accordance with the standards of good management from time to time current in such trade or business.

17 Inspection
The Borrower shall permit the Council and any Receiver and any person appointed by either of them to enter on and inspect the Property at reasonable times and on reasonable prior notice.

18 VAT option to tax
18.1 The Borrower shall not, without the prior written consent of the Council (such consent not to be unreasonably withheld or delayed):
18.1.1 exercise any VAT option to tax in relation to the Property; or
18.1.2 revoke any VAT option to tax exercised prior to and disclosed to the Council in writing prior to the date of this legal mortgage.

19 Property Rights
19.1 The Borrower hereby covenants with the Council on behalf of itself and its successors that following enforcement of the security created by this legal mortgage, the Borrower will at the request and direction of the Council:
19.1.1 Grant with full title guarantee the Property Rights to the Council, its Receiver, any Delegate or any person or persons to whom the Property may be transferred by the Council its Receiver or any Delegate for the benefit of the Property to hold to such person or persons in fee simple; and
19.1.2 If required by the Council, to procure that every successor delivers to the Council a deed containing a covenant by the successor in the same form as the covenants contained in clauses 19.1.1 and 19.1.2 of Part 2 of Schedule 3 to this legal mortgage.
19.2 The Borrower consents to the application being made by the Council to the Land Registrar for the following restriction to be registered against the title to the Retained Land:

"No disposition of this any part of the registered estate (other than a charge) by the proprietor of the registered estate, or by the proprietor of any registered charge, is to be registered without a certificate signed by Northampton Borough Council or their conveyancer that the provisions of clause 19.1.2 of Part 2 of Schedule 3 to the Legal Mortgage dated [ ] between (1) The Northampton Town Football Club Limited and (2) Northampton Borough Council have been complied with or that they do not apply to the disposition."
SCHEDULE 4 - POWERS OF THE COUNCIL

1 Power to remedy

1.1 The Council shall be entitled (but shall not be obliged) to remedy a breach at any time by the Borrower of any of its obligations contained in this legal mortgage. The Borrower irrevocably authorises the Lender and its agents to do all such things as are necessary for that purpose.

1.2 In remedying any breach in accordance with paragraph 1.1 of this Schedule 4, the Council, its agents and their respective officers, agents and employees shall be entitled to enter onto the Property and to take any action as the Lender may reasonably consider necessary including, without limitation, carrying out any repairs, other works or development.

2 Exercise of rights

The rights of the Council under paragraph 1 of this Schedule 4 are without prejudice to any other rights of the Council under this legal mortgage. The exercise of those rights shall not make the Council liable to account as a mortgagee in possession.

3 Council has Receiver's powers

To the extent permitted by law, any right, power or discretion conferred by this legal mortgage on a Receiver may, after the security constituted by this legal mortgage has become enforceable, be exercised by the Council in relation to any of the Charged Property whether or not it has taken possession of any Charged Property and without first appointing a Receiver or notwithstanding the appointment of a Receiver.

4 Conversion of currency

For the purpose of, or pending, the discharge of any of the Secured Liabilities, the Council may convert any monies received, recovered or realised by the Council under this legal mortgage (including the proceeds of any previous conversion under this paragraph 4) from their existing currencies of denomination into such other currencies of denomination as the Council may think fit. Any such conversion shall be effected at the Council's bank's then prevailing spot selling rate of exchange for such other currency against the existing currency. Each reference in this paragraph 4 to a currency extends to funds of that currency and, for the avoidance of doubt, funds of one currency may be converted into different funds of the same currency.

5 New accounts

5.1 If the Council receives, or is deemed to have received, notice of any subsequent Security or other interest, affecting all or part of the Charged Property, the Council may open a new account for the Borrower in the Council's books. Without prejudice to the Council's right to combine accounts, no money paid to the credit of the Borrower in any such new account shall be appropriated towards, or have the effect of discharging, any part of the Secured Liabilities.
5.2 If the Council does not open a new account immediately on receipt of the notice or
deemed notice referred to in paragraph 5.1 of this Schedule 4, then, unless the Council
gives express written notice to the contrary to the Borrower, all payments made by the
Borrower to the Council shall be treated as having been credited to a new account of the
Borrower and not as having been applied in reduction of the Secured Liabilities, as from
the time of receipt or deemed receipt of the relevant notice by the Council.

6 Indulgence
The Council may, at its discretion, grant time or other indulgence or make any other
arrangement, variation or release with any person that is not party to this legal mortgage
(whether or not such person is jointly liable with the Borrower) in respect of any of the
Secured Liabilities or of any other security for them without prejudice either to this legal
mortgage or to the liability of the Borrower for the Secured Liabilities.
SCHEDULE 5 - POWERS OF A RECEIVER

1 Power to repair and develop the Property
A Receiver may undertake or complete any works of repair, alteration, building or
development on the Property and may apply for and maintain any planning permission,
development consent, building regulation approval or any other permission, consent or
licence to carry out any of the same.

2 Power to grant or accept surrenders of leases
A Receiver may grant, or accept surrenders of, any leases or tenancies affecting the
Property and may grant any other interest or right over the Property on such terms and
subject to such conditions as he thinks fit.

3 Power to employ personnel and advisers
A Receiver may, for the purposes of this Schedule 5, provide services and employ, or
engage, such managers, officers, servants, contractors, workmen, agents, other
personnel and professional advisers on such salaries, for such periods and on such
other terms as he thinks fit. A Receiver may discharge any such person or any such
person appointed by the Borrower.

4 Power to make and revoke VAT options to tax
A Receiver may exercise or revoke any VAT option to tax as he thinks fit.

5 Power to charge for remuneration
A Receiver may charge and receive such sum by way of remuneration (in addition to all
costs, charges and expenses incurred by him) as the Council may prescribe or agree
with him.

6 Power to realise Charged Property
A Receiver may collect and get in the Charged Property or any part of it in respect of
which he is appointed and make such demands and take such proceedings as may
seem expedient for that purpose, and take possession of the Charged Property with like
rights.

7 Power to manage or reconstruct the Borrower's business
A Receiver may carry on, manage, develop, reconstruct, amalgamate or diversify or
concur in carrying on, managing, developing, reconstructing, amalgamating or
diversifying the business of the Borrower carried out at the Property.

8 Power to dispose of Charged Property
A Receiver may grant options and licences over all or any part of the Charged Property,
sell or concur in selling, assign or concur in assigning, lease or concur in leasing and
accept or concur in accepting surrenders of leases of, all or any of the Charged Property
in respect of which he is appointed for such consideration and, in such manner
(including, without limitation, by public auction or private sale) and generally on such
terms and conditions as he thinks fit. A Receiver may promote, or concur in promoting, a
Borrower to purchase the Charged Property to be disposed of by him.

9 **Power to sever fixtures and fittings**
A Receiver may sever and sell separately any fixtures or fittings from the Property without the consent of the Borrower.

10 **Power to give valid receipts**
A Receiver may give valid receipts for all monies and execute all assurances and things which may be proper or desirable for realising any of the Charged Property.

11 **Power to make settlements**
A Receiver may make any arrangement, settlement or compromise between the Borrower and any other person as he thinks fit.

12 **Power to bring proceedings**
A Receiver may bring, prosecute, enforce, defend and abandon all actions, suits and proceedings in relation to any of the Charged Property as he thinks fit.

13 **Power to insure**
A Receiver may, if he thinks fit, but without prejudice to the indemnity in clause Error! Reference source not found.15.2, effect with any insurer any policy of insurance either in lieu or satisfaction of, or in addition to, the insurance required to be maintained by the Borrower under this legal mortgage.

14 **Powers under LPA**
A Receiver may exercise all powers provided for in the LPA in the same way as if he had been duly appointed under that act and exercise all powers provided for an administrative receiver in Schedule 1 of the Insolvency Act 1986.

15 **Power to borrow**
A Receiver may, for any of the purposes authorised by this Schedule 5, raise money by borrowing from the Council (or from any other person) on the security of all or any of the Charged Property in respect of which he is appointed on such terms as he thinks fit (including, if the Council consents, terms under which such security ranks in priority to this legal mortgage).

16 **Power to redeem prior Security**
A Receiver may redeem any prior Security and settle and pass the accounts to which the Security relates. Any accounts so settled and passed shall be conclusive and binding on the Borrower, and the monies so paid shall be deemed to be an expense properly incurred by the Receiver.

17 **Power of absolute owner**
A Receiver may do all such acts and things as an absolute owner could do in the ownership and management of the Charged Property or any part of it.

18 **Incidental powers**
A Receiver may do all such other acts and things as he may consider incidental or
conducive to any of the matters or powers in this Schedule 5, or which he lawfully may
or can do as agent for the Borrower.

EXECUTED on the date which first appears in this Deed

The Common Seal of
NORTHAMPTON BOROUGH
COUNCIL was hereunto
affixed by its Authorised Officer

Authorised Officer

EXECUTED as a DEED by THE
NORTHAMPTON TOWN
FOOTBALL CLUB LIMITED acting
By its Director and
Company Secretary

Director

Company Secretary