Facility Agreement
Sixfields

23rd July 2014
Dated 23rd July 2014

(1) Northampton Town Football Club Limited

(2) Northampton Borough Council

Facility Agreement

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THIS AGREEMENT is dated ___________________ 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 24 (twenty four) months 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
otherwise);

(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 an 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.


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.
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<th><strong>Interest Payment Date</strong></th>
<th>means the date due for payment of Interest as specified in each Loan Term Sheet applicable to a Drawdown.</th>
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<td><strong>Interest Period</strong></td>
<td>means any periods identified in a Loan Term Sheet relating to an Advance.</td>
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<td><strong>Legal Reservations</strong></td>
<td>means:</td>
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<td>(a) 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>
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<td>(b) 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>
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<td>(c) similar principles, rights and defences under the laws of any relevant jurisdiction.</td>
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<td><strong>Loan</strong></td>
<td>the total principal amount of the Advance outstanding under this agreement up to a maximum of £ 4,500,000 (Four million five hundred thousand pounds Sterling).</td>
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<td><strong>Loan Term Sheet</strong></td>
<td>means the document set out in Schedule 3;</td>
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<td><strong>Market Value</strong></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>
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<tr>
<td><strong>Material Adverse Effect</strong></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>
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<tr>
<td><strong>Mortgaged Property</strong></td>
<td>property known as Land at Sixfields registered at the Land Registry 18516</td>
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<td><strong>Original Financial Statements</strong></td>
<td>the latest available audited financial statements of the Borrower delivered under paragraph 2.1.6 of Schedule 1.</td>
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<td><strong>Permitted Disposal</strong></td>
<td>any sale, lease, licence, transfer or other disposal of assets of the Borrower:</td>
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<td>(a) of trading stock or cash made in the ordinary course of trading;</td>
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<td>(b) of assets in exchange for other assets comparable or superior as to type, value and quality;</td>
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<td></td>
<td>(c) of obsolete or redundant vehicles, plant and equipment</td>
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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 not exceeding 25 (twenty-five) years.
Unpaid Amount

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 a form agreed between the parties and initialled 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 a total facility not exceeding £4,500,000 (four million five hundred thousand pounds Sterling), to be made in separate Advances in the proportions set out in clause 5.4 and subject to the conditions of this agreement.

2.2

3. **Purpose**

3.1. The Borrower shall use all money borrowed under this agreement 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 4 (four) Advances.

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. A Drawdown Request:

5.3.1. may only specify a single Advance;

5.3.2. shall only be regarded as having been completed if the requested Drawdown Date is a Business Day before the end of the Availability Period; and

5.3.3. once it has been delivered, is irrevocable.

5.4. Drawdown Requests shall be made in accordance with the following timescale:

5.4.1. £1,250,000 (one million two hundred and fifty thousand pounds Sterling) of the Loan taken as an Advance immediately following the date of this agreement;

5.4.2. £1,750,000 (one million seven hundred and fifty thousand pounds Sterling) of the Loan taken as an Advance following planning approval of the purpose described in clause 3;

5.4.3. £1,200,000 (one million two hundred thousand pounds Sterling) of the Loan taken as an Advance following a satisfactory report of a surveyor appointed by the Lender that the development works pursuant to clause 3 are in their view two thirds complete and work is progressing on site, such Advance shall not be taken earlier than the last Business day of May 2015;

5.4.4. £300,000 (Three hundred thousand pounds Sterling) of the Loan taken as an Advance on the issue of the practical completion certificate by the contract administrator appointed by the Borrower.

5.5. In the event the Borrower does not obtain planning approval following any appeal made within 45 (forty five) calendar days of the issue of a planning decision notice the Borrower shall repay to the Lender within 28 (twenty eight) calendar days the Advance pursuant to 5.4.1 above together with any costs due in respect of such repayment including any unpaid interest accrued on the Advance, any amount due under any other provision of this agreement together with any costs due in respect of repayment in accordance with Public Works Loan Board guidance.

5.6. The Borrower shall in respect of the Drawdown Request for the Advances at 5.4.1, 5.4.2, 5.4.3 and 5.4.4 provide such evidence as the Lender shall reasonably require to satisfy it that such Advances should be made.

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

58. 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 Lender shall not be obliged to consult the Borrower 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
      2.2.1 the unpaid interest accrued on the prepaid amount; and
      2.2.2 any amount due under any other provision of this agreement at the time together with any costs due in respect of repayment in accordance with the Public Works Loan Board Guidance.

   2.3 The Lender may at its sole discretion, by notice in writing, waive the requirements under paragraph 2.

3. Right of Prepayment
   3.1 If the Borrower is required to pay the Lender any additional amounts under either paragraph 1 of Part 1 or paragraph 1 of Part 2 of Schedule 4, or the Lender claims indemnification from the Borrower under paragraph 2 of Part 1 of Schedule 4, then the Borrower may serve a notice of prepayment on the Lender while the circumstances referred to continue. This does not affect the Borrower’s obligations under paragraph 1.3 of Part 1 of Schedule 4 or paragraph 2 of Part 1 of Schedule 4 or paragraph 1 of Part 2 of Schedule 4.

   3.2 If the Borrower gives a prepayment notice it shall prepay the whole of the Loan 5 (five) Business Days after that notice is given. The Borrower shall, in addition to the prepayment of the whole of the Loan, pay:
      3.2.1 any unpaid interest on the Loan;
      3.2.2 any amounts due to the Lender under paragraph 1 and paragraph 2 of Part 1 of Schedule 4;
      3.2.3 any amount due to the Lender under paragraph 1 of Part 2 of Schedule 4;
3.2.4 any amounts due to the Lender under paragraph 1.1 of Part 3 of Schedule 4; and

3.2.5 any amounts due for discharging all other obligations and liabilities due or owed by the Borrower to the Lender under this agreement

3.2.6 any other amounts due to the Lender under this agreement.

3.3 If the Borrower prepays under paragraph 3.1 of this Schedule 3 in accordance with paragraph 3.2 of this Schedule 3, the Commitment shall be cancelled.

4 Illegality

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

4.1.2 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

4.1.3 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

4.1.4 any judgment, order or direction of any court, tribunal or authority binding on the Lender, makes it unlawful for the Lender to:

4.1.4.1 make an Advance, or allow an Advance to remain outstanding; or

4.1.4.2 fund or maintain the Commitment, or allow the Commitment to remain outstanding.

4.2 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).

4.3 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.

4.4 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.

5 Change of control

5.1 The Borrower shall promptly notify the Lender if:

5.1.2 there is a Change of Control, or

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

5.2 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.

6 General

6.1 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.

6.2 The Borrower may not re-borrow any amount of the Loan which has been either repaid or prepaid under this Schedule 3.
6.3 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 43 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 43 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
respect 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 of 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 Borrower 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 financial covenants contained in this agreement and shall ensure that the Borrower’s Borrowed Money (other than the Facility and Directors loans) at all times shall be less than £ 1,250,000 (one million two hundred and fifty thousand pounds Sterling);

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 - £4,500,000 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