

M

COMPANIES FORM No. 395

217281/26

Particulars of a mortgage or charge

395

CHFP025

Please do not
write in
this margin

Please complete
legibly, preferably
in black type, or
bold block lettering

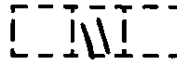
*insert full name
of Company

Pursuant to section 395 of the Companies Act 1985

To the Registrar of Companies
(Address overleaf - Note 6)

For official use

Company number



39494

Name of company

* Preston North End Football Club Limited (the "Chargor")

Date of creation of the charge

4 December 2008

Description of the instrument (if any) creating or evidencing the charge (note 2)

Composite Guarantee and Debenture dated 4 December 2008 (the "Debenture") between Preston North End Plc (the "Borrower") (1); the Chargor (2); and Guild Ventures Limited (the "Security Trustee") (3).

Amount secured by the mortgage or charge

All and any moneys, obligations and liabilities now or in the future due, owing or incurred by any Obligor to the Secured Parties and/or the Receiver under or in respect of the Finance Documents in whatever currency denominated (whether actually or contingently and whether alone or jointly with any other person and whether as principal, guarantor, surety or otherwise) including all interest, commissions, fees and all legal and other costs, charges and expenses which any Secured Party and/or Receiver may charge any Obligor or incur under any Finance Document (the "Secured Liabilities").

Please see the attached continuation sheet for defined terms.

Names and addresses of the mortgagees or persons entitled to the charge

Guild Ventures Limited (company number 0310762) having its registered office at Lynton House, Ackhurst Park, Foxhole Road, Chorley, Lancashire (the "Security Trustee")

Postcode PR7 1NY

Presenter's name address and
reference (if any):

K&L Gates LLP
110 Cannon Street
London
EC4N 6AR

RAH/RDB/6008825.00035

Time critical reference

For official Use (02/06)
Mortgage Section

TUESDAY



LDB4R5PY

LD4

16/12/2008

391

COMPANIES HOUSE

Short particulars of all the property mortgaged or charged

See addendum 4/4...

Please do not
write in
this margin

*Please complete
legibly, preferably
in black type, or
bold block
lettering*

Particulars as to commission allowance or discount (note 3)

Nil

Signed *K+L Goh LLP*

Date *11.11.28*

On behalf of ~~XXXXXXXXXXXXXXXXXX~~ (chargee) †

*A fee is payable
to Companies
House in
respect of each
register entry
for a mortgage
or charge.
(See Note 5)*

*† delete as
appropriate*

Notes

- 1 The original instrument (if any) creating or evidencing the charge, together with these prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of creation of the charge (section 395). If the property is situated and the charge was created outside the United Kingdom delivery to the Registrar must be effected within 21 days after the date on which the instrument could in due course of post, and if dispatched with due diligence, have been received in the United Kingdom (section 398). A copy of the instrument creating the charge will be accepted where the property charged is situated and the charge was created outside the United Kingdom (section 398) and in such cases the copy must be verified to be a correct copy either by the company or by the person who has delivered or sent the copy to the Registrar. The verification must be signed by or on behalf of the person giving the verification and where this is given by a body corporate it must be signed by an officer of that body. A verified copy will also be accepted where section 398(4) applies (property situate in Scotland or Northern Ireland) and Form No. 398 is submitted.
- 2 A description of the instrument, eg "Trust Deed", "Debenture", "Mortgage", or "Legal charge", etc, as the case may be, should be given.
- 3 In this section there should be inserted the amount or rate per cent. of the commission, allowance or discount (if any) paid or made either directly or indirectly by the company to any person in consideration of his;
(a) subscribing or agreeing to subscribe, whether absolutely or conditionally, or
(b) procuring or agreeing to procure subscriptions, whether absolute or conditional,
for any of the debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered.
- 4 If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet.
- 5 A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge. Cheques and Postal Orders must be made payable to **Companies House**.
- 6 The address of the Registrar of Companies is: Companies House, Crown Way, Cardiff CF14 3UZ

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Addendum 1/4

1. Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

Addendum 2/4

2. Amount due or owing on the mortgage or charge (continued)

Addendum 3/4

3. Names, addresses and descriptions of the mortgages or persons entitled to the charge (continued)

Addendum 4/4

4. Short particulars of all the property mortgaged or charged (continued)

1. Fixed and floating charges

As a continuing security for the payment of all Secured Liabilities, the Chargor charges in favour of the Security Trustee:

(a) by way of legal mortgage:

- (i) all estates or interests in the property described in Schedule 1 (Real Property); and
- (ii) all estates or interests in any freehold or leasehold property (except any assets specified in subparagraph (i) above) now or in the future belonging to it;

(b) by way of fixed charge:

- (i) (to the extent they are not the subject of a mortgage under paragraph 1(a) above) all estates or interests in any freehold and leasehold property now or in the future belonging to it, whether or not the title is registered at the Land Registry;
- (ii) all buildings, fixtures (including trade and tenant's fixtures belonging to it), plant and machinery now or in the future on or annexed to any Real Property;
- (iii) all plant and machinery now or in the future owned by it and its interest in any plant or machinery now or in the future in its possession;
- (iv) all rights, easements, privileges, covenants of title, benefits of all agreements and other interests now or in the future belonging to it in or over or in connection with any Real Property;
- (v) all licences, consents and authorisations (statutory or otherwise) held or required in connection with

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its business or its use of any Charged Property and all rights in connection with them;

- (vi) all its rights in respect of any amount from time to time standing to the credit of the Charged Accounts and the debts or debts represented thereby;
 - (vii) all its book debts and other debts, monetary claims, prepayments and the proceeds of the same existing now or in the future and whether payable now or in the future together with the benefit of all rights, claims, securities and guarantees enjoyed or held by it in relation to the foregoing;
 - (viii) all Securities now or in the future belonging to it;
 - (ix) all Intellectual Property now or in the future belonging to it;
 - (x) all its goodwill and uncalled capital from time to time;
 - (xi) all its rights to recover any value added tax on any supplies made to it relating to the Charged Property and any sums so received;
 - (xii) any beneficial interest, claim or entitlement in any pension fund or plan now or in the future belonging to it; and
 - (xiii) its undertaking and all its other property, rights, assets and income not effectively assigned under paragraph 1(c) below;
- (c) by way of assignment:
- (i) all its benefits, rights, titles, claims and interests in and to the Rental Income;
 - (ii) all its benefits, rights, titles, claims and interests in and to the Player Contracts;
 - (iii) all its benefit, rights, titles, claims and interests in and to the all leases, licences and any contracts entered into by it in relation to any Real Property; and
 - (iv) all its benefits, rights, titles, claims and interests in and to all present and future insurance policies or contracts in respect of the Charged Property and any payments paid or payable, claims or return of premium in relation thereto, provided that, in each case, to the extent (if any) that the benefits, rights, titles, claims and interests assigned under this paragraph 1(c) are not assignable, such assignment will operate as an assignment of all proceeds received by it in connection with such benefits, rights, titles, claims and interests; and
- (d) by way of floating charge, its undertaking and all its other property, rights, assets and income not effectively mortgaged, charged or assigned by this paragraph 1 (Fixed and floating charges) both present and future (including but not limited to its stock in trade and its heritable and other property, assets and rights in Scotland) (and paragraph 14 of Schedule B1 of the Insolvency Act 1986 applies so that the floating charge so created is a qualifying floating charge).

Note, inter alia:

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2. Excluded Property

- (a) There shall be excluded from the Security created by paragraph 1(b)(i) (Fixed and floating charges) above (i) any leasehold property detailed in Schedule 1 (Real Property) and (ii) any leasehold property held by the Chargor under any lease entered into after the date of the Debenture, which either precludes absolutely or conditionally (including requiring the consent of any third party) the Chargor from creating any mortgage or charge over its leasehold interest in that property (each an "Excluded Property") until the relevant condition or waiver has been satisfied or obtained.
- (b) For each Excluded Property the Chargor undertakes to:
- (i) apply for the relevant consent or waiver within 10 Business Days of the date of the Debenture or the date of acquisition of such Excluded Property (as applicable) and to use all reasonable endeavours to obtain such consent or waiver as soon as possible;
 - (ii) keep the Security Trustee informed of its progress in obtaining such consent or waiver; and
 - (iii) immediately upon receipt of such consent or waiver provide the Security Trustee with a copy.
- (c) Upon receipt of the relevant consent or waiver, the relevant Excluded Property shall stand charged to the Security Trustee under the Debenture and, if requested by the Security Trustee, the Chargor shall at its own cost execute and deliver to the Security Trustee a legal mortgage or any other agreement or document creating Security in favour of the Security Trustee in respect of such Excluded Property in any form which the Security Trustee may require.

3. Priority

The Security created by the Debenture:

- (a) is created in favour of the Security Trustee for the benefit of itself and the other Secured Parties;
- (b) subject to the Intercreditor Deed, ranks as first charges, mortgages and assignments; and
- (c) is given with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.

4. Negative pledge

- (a) The Chargor shall not, without the prior written consent of the Security Trustee or the Majority Lenders, create or permit to subsist or arise any Security over the Charged Property (other than as contemplated by the Intercreditor Deed).
- (b) Subject to paragraph (a) above, any Security on the Charged Property created in the future by the Chargor (otherwise than in favour of the Security Trustee) shall be expressed to be subject to the Debenture.

5. Restrictions on dealings

The Chargor shall not, without the prior written consent of the Security Trustee or the Majority Lenders, other than in accordance with the Intercreditor Deed, sell, transfer, assign, license, lease, hire out, grant, lend, discount, factor,

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pledge, charge, exchange, compound, set-off, grant time or indulgence or otherwise dispose of any of the Charged Property or the equity of redemption therein or permit any person to do any such thing, except for a disposal in the ordinary course of trade of any Charged Property subject to the floating charge created by paragraph 1(d) (Fixed and floating charges).

6. Powers of leasing

- (a) The Chargor shall not, except with the prior written consent of the Majority Lenders, exercise any of the powers of leasing or of accepting surrenders of leases conferred by sections 99 and 100 of the Act or by common law or vary any lease or tenancy agreement or reduce any sum payable under the same.
- (b) The Security Trustee shall be entitled to grant or agree to grant or vary or reduce any sum payable under or accept surrenders of leases and grant options without restriction (and without the need to comply with sections 99 and 100 of the Act) on such terms and conditions as the Security Trustee shall think fit.

7. Conversion of floating charge

- (a) The Security Trustee may from time to time, by notice in writing to the Chargor following the occurrence of a Default or if the Security Trustee considers those assets to be in danger of being seized or sold under any form of distress, attachment, execution, or other legal process or to otherwise be in jeopardy, convert the floating charge contained in paragraph 1(d) (Fixed and floating charges) into a fixed charge as regards any Charged Property specified in such notice.
- (b) The floating charge contained in paragraph 1(d) (Fixed and floating charges) may not be converted into a fixed charge solely by reason of the obtaining of a moratorium or anything done with a view to obtaining a moratorium under the Insolvency Act 2000.

8. Automatic Conversion

Notwithstanding anything contained in the Debenture, if (without the prior written consent of the Security Trustee):

- (a) the Chargor creates any Security (whether by way of fixed or floating security) over or otherwise encumbers any of the Charged Property subject to the floating charge created by the Debenture or attempts to do so (other than as contemplated by the Intercreditor Deed);
- (b) any person levies or attempts to levy any distress, execution, sequestration or other process against the Charged Property;
- (c) a resolution is passed or a petition is presented for the winding up, dissolution, administration or re-organisation of the Chargor;
- (d) a receiver, an administrative receiver or a receiver and manager is appointed over the Charged Property or, if any person entitled to do so, gives notice of its intention to appoint a receiver, an administrative receiver or a receiver and manager over the Charged Property or files such a notice with the court; or
- (e) an Administrator is appointed in respect of the Chargor or the Security Trustee receives notice of an intention to appoint an Administrator pursuant to paragraphs 15 or 26 of Schedule B1 of the Insolvency Act 1986 in respect of the Chargor,

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the floating charge created by the Debenture over such of the Charged Property shall with immediate effect and without notice automatically convert into a fixed charge.

9. Receivables

The Chargor shall (unless the Security Trustee instructs otherwise) collect and realise and immediately thereafter pay into its Charged Accounts all moneys ("**Receivables Proceeds**") which the Chargor may from time to time be entitled in respect of any of its book debts, other debts, Securities, Intellectual Property, royalties, policies of insurance or assurance, proceeds of sale or otherwise in respect of any of the Charged Property and until such payment shall hold all such Receivables Proceeds on trust for the Security Trustee.

10. Securities

(a) The Chargor undertakes:

- (i) immediately upon the execution of the Debenture or, if later, upon it becoming entitled to the relevant Securities, to deposit with the Security Trustee:
 - (A) subject to the terms of the Intercreditor Deed, all certificates, documents of title and other documentary evidence which at any time may be issued in respect of or attributable to the Securities; and
 - (B) all stock transfer forms of the Securities and other documents required to vest title in the Securities in the Security Trustee or any nominee of the Security Trustee, in the case of such stock transfer forms to be undated and have the name of the transferee left blank;
- (ii) duly and promptly to pay all calls and other payments which may from time to time become due and payable in respect of any of the Securities. If the Chargor fails to pay such calls and other amounts, the Security Trustee may pay such calls and other amounts on behalf of the Chargor and the Chargor shall promptly upon request reimburse the Security Trustee for any such payment; and
- (iii) immediately to provide (or cause to be immediately provided) to the Security Trustee a copy of any report, accounts, circular, notice and any other document sent or provided to it (or its nominee) in its capacity as the registered holder or beneficial owner of the Securities.

(b) Until the Security created by the Debenture becomes enforceable, the Chargor shall be entitled to:

- (i) exercise or direct the voting rights and other rights in respect of the Securities registered in its name, save that the Chargor undertakes that it will not exercise such rights in a manner inconsistent with the terms of the Finance Documents or which would otherwise have an adverse effect on the value of the Securities or interests of the Secured Parties or the Security created by the Debenture; and
- (ii) receive and retain all dividends, distributions and other amounts paid on or derived from any Securities.

(c) Upon the Security created by the Debenture becoming enforceable, the Security Trustee shall be entitled to:

- (i) complete all instruments of transfer referred to in paragraph 10(a)(i) above and otherwise have any Securities registered in its name or the name of its nominee;

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- (ii) receive and retain all dividends, distributions and other amounts paid on or derived from any Securities; and
- (iii) in the name of the Chargor, exercise or direct the exercise of the voting rights and other rights and powers attached to any Securities in such manner as it considers fit (including all powers given to trustees under Part II of the Trustee Act 2000) provided that nothing contained in this paragraph 10 (Securities) shall in any manner whatsoever restrict the Security Trustee or any nominee for the time being of the Security Trustee from exercising any such rights and powers in such manner as it shall in its absolute discretion determine where such rights and powers are being exercised for the purposes of preserving the value of or realising the whole or any part of the Security.

In these particulars the following defined terms are used:

"Act" means the Law of Property Act 1925;

"Administrator" means an administrator appointed under Schedule B1 of the Insolvency Act 1986;

"Business Day" means a day (not being a Saturday or Sunday) on which banks are open in London for business of the kind contemplated by the Facility Letters;

"Charged Accounts" means any other account or accounts the Chargor has now or in the future with any bank or other person;

"Charged Property" means the undertaking, property, rights, assets and income of the Chargor mortgaged, charged and/or assigned by the Debenture and includes any part thereof and any interest therein and, where the context permits, the proceeds of sale of such undertaking, property, rights, assets and income;

"Default" means the occurrence of any event circumstance specified in paragraph 15 of the Guild Facility Agreement and paragraph 15 of the FPNE Facility Agreement (an **"Event of Default"**);

"Facility Agreements" means the FPNE Facility Agreement and the Guild Facility Agreement;

"Finance Documents" means the Facility Agreements, the Security Documents and any other document designated as such by the Lenders and the Security Trustee;

"FPNE Facility Agreement" means the agreement constituted by the acceptance by the Borrower of the letter from Friends of Preston North End Limited dated 4 December 2008 as amended, supplemented, restated or novated from time to time;

"Guild Facility Agreement" means the agreement constituted by the acceptance by the Borrower of the letter from Guild Ventures Limited (in its capacity as lender) dated 4 December 2008 as amended, supplemented, restated or novated from time to time;

"Intellectual Property" means (to the extent of the Chargor's interest in them): (i) any patents, trade marks, service marks, designs, business names, copyrights, database rights, design rights, domain names, moral rights, inventions, confidential information, know how and other intellectual property rights and interests, whether registered or unregistered; and (ii) the benefit of all applications and rights to use such assets;

"Intercreditor Deed" means the intercreditor deed dated on or about the date hereof between (1) Bank of Scotland Plc as

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senior lender, (2) the Lenders as junior lenders, (3) the Obligor as obligors and (4) the Security Trustee;

"Lenders" means Guild Ventures Limited (registered number 03101762) having its registered office at Lynton House, Ackhurst Park, Foxhole Road, Chorley, Lancashire PR7 1NY and Friends of Preston North End Limited (registered number 04322676) having its registered office at 120-124 Towngate, Leyland, Preston, Lancashire PR25 2LQ (and each a "Lender");

"Liabilities" means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or as principal debtor, guarantor, surety or otherwise of each Obligor to the Secured Parties or any of them under the Finance Documents together with:

- (a) all costs, charges and expenses incurred by the Secured Parties or any of them in connection with the protection, preservation or enforcement of their rights under the Finance Documents;
- (b) any refinancing, novation, refunding, deferral or extension of or increase in any of those obligations or liabilities which does not breach the terms of the Debenture;
- (c) any further advances which may be made by the Lenders or any of them in accordance with the Debenture to any Obligor under any agreement expressed to be supplemental to any of the Finance Documents and all interest, fees and costs in connection therewith;
- (d) any claim for damages or restitution in the event of rescission of any of those liabilities or otherwise in connection with the Finance Documents;
- (e) any claim against any Obligor flowing from any recovery by an Obligor of a payment or discharge in respect of any of those obligations or liabilities on grounds of preference or otherwise; and
- (f) any amounts which would be included in any of the above but for any discharge, non-provability, unenforceability or non-allowability of the same in any insolvency or other proceedings;

"Majority Lenders" means a Lender or Lenders whose Proportion is more than 66 $\frac{2}{3}$ % of the total amount of the Liabilities;

"Obligor" means the Borrower and the Chargor (and each an "Obligor");

"Player Contracts" means the player contracts between the Chargor and the relevant players of Preston North End Football Club;

"Proportion" means, in relation to a Lender, the proportion borne by its share of the amount of the Liabilities to the total amount of the Liabilities;

"Real Property" means the Charged Property from time to time charged by the Chargor under paragraphs 1(a)(i), 1(a)(ii) and 1(b)(i) (Fixed and floating charges) and includes any part thereof;

"Receiver" means each person appointed under Clause 8 (Receivers and Administrators) of the Debenture as an administrative receiver, a receiver and manager or a receiver;

"Rental Income" means the gross rents, licence fees and other moneys receivable at any time by the Chargor in respect of

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or arising out of the letting, use or occupation of any Real Property or otherwise, without limitation, derived by the Chargor from any Real Property or otherwise paid to or received by the Chargor in respect of any Real Property (including, without limitation, all mesne profits);

"Secured Party" means the Security Trustee and each of the Lenders (and, together, the **"Secured Parties"**);

"Securities" means any debentures, bonds, shares, stocks, certificates of deposit or other securities or investments issued to or otherwise owned at law or in equity by the Chargor from time to time (including, without limitation, the Scheduled Securities) and all dividends (cash or otherwise), distributions, interest, and other moneys paid or payable in respect thereof and all rights, moneys and assets relating to or accruing or offered or arising thereon from time to time, whether by way of redemption, allotment, conversion, warrant, exercise of option rights, substitution, exchange, preference, bonus or otherwise;

"Security" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect;

"Security Documents" means the Security Trust Deed, the Debenture, the Intercreditor Deed and any other security document that may at any time be given to the Security Trustee as security for any of the Liabilities pursuant to or in connection with any Finance Document and any other document designated as such by the Lenders and the Security Trustee; and

"Security Trust Deed" means the security trust deed to be entered into between (1) the Borrower and the Chargor (as chargors), (2) the Lenders (as lenders) and (3) the Security Trustee (as security trustee).

SCHEDULE 1

Real Property

All that leasehold property known as Deepdale Football Stadium, Sir Tom Finney Way, Deepdale, Preston PR1 6RU, as the same is registered at the Land Registry under title number LA 761768.



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

Pursuant to section 401(2) of the Companies Act 1985

**COMPANY NO. 39494
CHARGE NO. 11**

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES
HEREBY CERTIFIES THAT A COMPOSITE GUARANTEE AND
DEBENTURE DATED 4 DECEMBER 2008 AND CREATED BY
PRESTON NORTH END FOOTBALL CLUB,LIMITED(THE) FOR
SECURING ALL MONIES DUE OR TO BECOME DUE FROM ANY
OBLIGOR TO THE SECURED PARTIES AND/OR THE RECEIVER
ON ANY ACCOUNT WHATSOEVER UNDER THE TERMS OF THE
AFOREMENTIONED INSTRUMENT CREATING OR EVIDENCING
THE CHARGE WAS REGISTERED PURSUANT TO CHAPTER 1
PART XII OF THE COMPANIES ACT 1985 ON THE 16 DECEMBER
2008

GIVEN AT COMPANIES HOUSE, CARDIFF THE 18 DECEMBER
2008

doch

