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COMPANIES FORM No. 395

Particulars of a mortgage or charge

009098/30

395

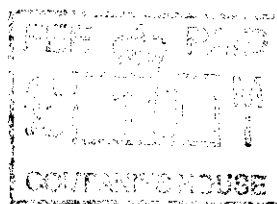
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Pursuant to section 395 of the Companies Act 1985

CHA 116

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To the Registrar of Companies



For official use

Company number

26

40946

Name of company

* Manchester City Football Club Plc ("Club")

Date of creation of the charge

28 October 2002

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

A stadium debenture ("Debenture") dated 28 October 2002 and made between
(1) the Club and (2) Manchester City Investments Limited ("Issuer")

Amount secured by the mortgage or charge

All monies, debts and liabilities which may at any time be or become
due, owing or incurred, actually or contingently, by the Club to the
Issuer under the Stadium Loan Agreement (defined below) and any other
Relevant Document (defined below) ("Secured Club Obligations")

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

Manchester City Investments Limited
Maine Road
Moss Side
Manchester M14 7WN

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

DLA
Princes Exchange
Princes Square
LEEDS
LS1 4BY

Ref: MB.67723.120000

Time critical reference
MB

For official use
Mortgage Section

Post room



1. Fixed Charges

The Club charged with full title guarantee in favour of the Issuer as security for the payment and discharge of the Secured Club Obligations, by way of first fixed charge (which so far as it relates to land in England and Wales vested in the Club at the date of the Debenture shall be a charge by way of first legal mortgage) all the Club's right, title and interest from time to time in and to each of the following assets (subject to obtaining any necessary consent to such mortgage or fixed charge from any third party):

- (a) the freehold land described in Schedule 1 to the Debenture, being the freehold land and building known as the Maine Road Stadium, Maine Road, Moss Side, Manchester comprising the freehold land more particularly described in and by an indenture dated 5 July 1922 made between George William Lloyd (1) and Manchester City Football Club Limited (2);

continued....

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

Particulars as to commission allowance or discount (note 3)

Nil

Signed

RJA

Date 1 November 2002

On behalf of [company] [~~mortgagee/chargee~~][†]

[†] 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.

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Particulars of a mortgage or charge (continued)

Continuation sheet No 1
to Form No 395 and 410 (Scot)

CHA 116

Please complete
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Company Number

40946

Name of Company

Manchester City Football Club Plc ("Club")

Limited*

* delete if
inappropriate

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

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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

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- (b) the Stadium Bank Accounts (defined below) (save for the Stadium Operating Account (defined below));
- (c) the New Stadium Agreement to Lease (defined below);
- (d) all Stadium Monetary Claims (defined below) other than any claims which are otherwise subject to a fixed charge or assignment (at law or in equity) pursuant to the Debenture and all Related Rights (defined below); and
- (e) all Authorised Investments (defined below) to which the Club is beneficially entitled and all moneys, income and proceeds to become payable thereunder or thereon and the benefits of all covenants relating thereto and all powers and remedies for enforcing the same (save to the extent that any of the foregoing derive out of the Stadium Operating Account).

2. Assignments

The Club assigned with full title guarantee to the Issuer as security for the payment and discharge of the Secured Club Obligations all the Club's right, title and interest from time to time in and to each of the following assets (subject to obtaining any necessary consent to such assignment from any third party):

- (a) all contracts, agreements, deeds and documents relating to the Ground (defined below), present and future, to which the Club is or may become a party and all Related Rights;
- (b) any Insurance Policy (defined below), the Proceeds (defined below) from such Insurance Policy and all Related Rights; and
- (c) all agreements, contracts, deeds, licences, undertakings, guarantees, covenants, warranties, representations and other documents (including all documents entered into now or in the future in order to enable the Issuer to perfect its rights thereunder or under the Debenture) entered into by or given to the Club in respect of the Ground including all:
 - (i) claims, remedies, awards or judgments paid or payable to the Club (including, without limitation, all liquidated and ascertained damages payable to the Club in respect of the items referred to);
 - (ii) guarantees, warranties, bonds and representations given or made by, and any right or remedies against any designer, builder, contractor, professional adviser, sub-contractor, manufacturer, supplier or installer of any fixture, fitting, fixed plant or machinery; and
 - (iii) the benefit of all tenant covenants, and all of the covenants, agreements, undertakings or obligations entered into or to be entered into by any other party to any leases or to any licences, deeds, rent deposit agreements or other deeds or documents supplemental or collateral to any lease and of all guarantees or indemnities in any of the same.

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Particulars of a mortgage or charge (continued)

Continuation sheet No 2
to Form No 395 and 410 (Scot)

CHA 116

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Company Number

40946

Name of Company

Manchester City Football Club Plc ("Club")

Limited*

* delete if
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Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

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3. Floating Charge

The Club charged with full title guarantee in favour of the Issuer as security for the payment and discharge of the Secured Club Obligations by way of first floating charge the whole of the Club's undertaking and assets, present and future, other than any assets validly and effectively charged or assigned (whether at law or in equity) by way of fixed security pursuant to Clause 3.1 or Clause 3.2 of the Debenture (1 and 2 above) under the laws of England and Wales, or of the jurisdiction in which that asset is situated, in favour of the Issuer as security for the Secured Club Obligations.

Note 1:

The Debenture contains the following negative pledge:

The Club undertakes that it shall not, at any time during the subsistence of the Debenture, create or permit to subsist any Encumbrance (defined below) over all or any part of the Club Charged Property (defined below) other than pursuant to or as otherwise permitted under the Transaction Documents (defined below).

Note 2:

The Debenture contains the following restrictive covenants:

The Club shall, in relation to any lease, agreement for lease or other right to occupy to which all or any part of the Club Charged Property is at any time subject, not (if the lessee) do any act or thing whereby any lease or other document which gives any right to occupy any part of the Club Charged Property becomes or may become subject to determination or any right of re-entry or forfeiture prior to the expiration of its term.

The Club shall:

- (a) save as otherwise agreed by the parties to the Debenture, not at any time without the prior written consent of the Issuer sever or remove any of the fixtures forming part of the Real Property (defined below) or any of the plant or machinery (other than stock in trade or work in progress) on or in the Real Property (except for the purpose of any repairs or replacement thereof) and where necessary to replace any plant or machinery forming part of the Real Property by items of similar quality and value; and
- (b) save as contemplated in any of the Transaction Documents, required by legislation or otherwise agreed by the parties to the Debenture, not at any time without the prior written consent of the Issuer (not to be unreasonably withheld or delayed) effect, carry out or permit any demolition, reconstruction or rebuilding of or any structural alteration to or a material change in the use of the Real Property.

Note 3:

The Debenture contains a power to appoint a receiver

Note 4:

The Debenture contains a power of attorney by the Club in favour of the Issuer and the Trustee (defined below).

Note 5:

The attached appendix contains the definitions referred to in this form M395.

APPENDIX TO FORM 395

DEFINITIONS

Except where otherwise defined, the following defined terms used in the Transaction Documents (as defined below) have the meanings set out below:

"Account Bank" at any time means The Co-operative Bank plc or any other Eligible Bank holding any of the Accounts appointed as a successor Account Bank pursuant to the Cash Management Agreement;

"Accounts" means the Stadium Accounts and the Issuer Operating Account and **"Account"** means any of them;

"Act" means the Law of Property Act, 1925;

"Administration Agreement" means the administration agreement dated on or about the date hereof between the Administrator, the Issuer and the Trustee;

"Administrator" means the Club or any person from time to time acting as administrator of the Issuer in accordance with the provisions of the Administration Agreement;

"Advances" means the Original Advance and the Further Advances (such Advances as from time to time reduced by repayment or prepayment in accordance with the terms of the Stadium Loan Agreement) made, or to be made, by the Issuer under the Stadium Loan Agreement and **"Advance"** means any of them;

"Affiliate" means, at any time, and with respect to any person, any other person that at such time directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such first person. Unless the context otherwise clearly requires, any reference to an **"Affiliate"** is a reference to an Affiliate of an Obligor;

"Agents" means the Registrar and the Paying Bank, or either of them as the context so requires;

"agreed form" means that the form of the document in question has been agreed between the proposed parties thereto and that either a copy thereof has been signed for the purpose of identification on behalf of Weil, Gotshal & Manges and DLA or such document has been signed on behalf of the parties thereto and delivered to Weil, Gotshal & Manges to be held in escrow pending release on the Closing Date;

"Announcement Date" has the meaning given to it in Clause 7.1 of the Cash Management Agreement;

"Appointee" has the meaning given to it in Clause 1.1 of the Trust Deed;

"Arranger" means Bear, Stearns International Limited;

"Auditors" means KPMG Audit Plc or such other internationally recognised firm of independent auditors licensed to practice in England and Wales as may be approved by the Issuer and the Trustee (acting reasonably);

"Authorised Investments" means, at any time in respect of monies standing to the credit of any Investment Account, any of the following investments which has a scheduled maturity no later

than the earlier of (i) the day preceding the date of any anticipated withdrawal of the proceeds of such investments from such Account and (ii) the day preceding one year from the date of issue:

- (a) gilt-edged securities and other freely transferable and marketable debt securities issued by the Government of the United Kingdom, denominated in sterling and which constitute direct, primary and unsubordinated obligations;
- (b) bonds or notes of or guaranteed by any company or corporation, supranational entity or sovereign, the unsecured, unguaranteed and unsubordinated medium term obligations of which have a medium term senior debt rating of AA- or higher from Standard & Poor's or Aa3 or higher from Moody's;
- (c) certificates of deposit or commercial paper, denominated in sterling, constituting direct, primary and unsubordinated obligations and having an outstanding maturity of less than 3 months from the date of purchase by or on behalf of the Club, which has a short term senior debt rating of A-1 or higher from Standard & Poor's and P-1 from Moody's; and
- (d) call or fixed deposits, certificates of deposit of an institution under the Banking Act 1987 or a European authorised institution within the meaning of the Banking Coordination (Second Council Directive) Regulations 1992 which has lawfully established a branch in the United Kingdom for the purposes of accepting deposits or other repayable funds from the public and which has a short term senior debt rating of A-1 or higher from Standard & Poor's and P-1 from Moody's;

"Authorised Signatory" means, in relation to an Obligor, any person who is duly authorised (in such manner as may be reasonably acceptable to the Issuer and the Trustee) and in respect of whom the Issuer and the Trustee has received a certificate signed by a director or another Authorised Signatory of such Obligor setting out the name and signature of such person and confirming such person's authority to act;

"Away Supporters' Tickets" means tickets for Home Matches, Cup Matches and Friendly Matches allocated to and sold to supporters of Visiting Clubs;

"Beneficiaries" means each of the Issuer, the Trustee and the Noteholders;

"Borrowed Moneys" see **"Indebtedness for Borrowed Money"**;

"Buildings" means any of the buildings, erections or structures on or at any time in the Ground;

"Business Day" means a day (other than a Saturday or Sunday) on which banks generally are open for business and settle payments in London;

"Capital Stock" of any person means any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (howsoever designated) equity of such person, including any preferred stock, but excluding any debt securities convertible into such equity;

"Cash Cover" means, in respect of any Collection Period, the ratio of Ticket Income for such Collection Period to the aggregate amount of Scheduled Principal and Scheduled Interest to be paid on the Scheduled Payment Date immediately following the expiry of such Collection Period;

"Cash Flow Coverage Ratio" means, in respect of a Financial Year, the ratio of (1) the Turnover less operating expenses before exceptional items and amortisation of fees previously paid in

respect of registrations of Professional Footballers and depreciation (excluding any gains on directors' share option schemes, or similar), as reported in the audited consolidated financial statements of the Group for such Financial Year plus proceeds from subscription monies received for shares in the Parent and proceeds from sales of the registrations of Professional Footballers and other assets to (2) the Scheduled Debt Service for such Financial Year;

"Cash Flow Coverage Ratio Calculation Date" means the last day of September of each year until the Finance Liabilities Discharge Date, commencing on 30 September 2003 and if such day is not a Business Day, it will fall on the first Business Day preceding such date;

"Cash Management Agreement" means the cash management agreement dated on or about the date hereof between the Issuer, the Club, the Cash Manager, the Trustee, the Account Bank and the Paying Bank;

"Cash Manager" means the Club in its capacity as cash manager under the Cash Management Agreement;

"cessation date" has the meaning given to it in the Cash Management Agreement;

"cessation notice" has the meaning given to it in the Cash Management Agreement;

"Certificate of Title" means the certificates of title relating to the Maine Road Stadium and to the New Stadium Agreement to Lease, in form and substance satisfactory to the Issuer and the Investors, addressed to the Issuer, the Investors, and the Trustee and prepared by Eversheds, solicitors for the Club;

"Change of Control Date" means the date on which any person, or group of connected persons (other than the Exempt Group), which would not be held under Section 416 of the Taxes Act to have, at the Closing Date, control of the Club, acquires such control;

"Change of Control Notice" has the meaning given to it in Condition 7(b);

"City Council" means the Council of the City of Manchester of Town Hall, Manchester M60 2LA;

"City Council Loan" means the loan from the City Council to the Club pursuant to the New Stadium Agreement to Lease;

"Closing Date" has the meaning given to it in Clause 1.1 of the Note Purchase Agreement;

"Club" means Manchester City Football Club PLC (registered number 40946) with registered office at Maine Road, Moss Side, Manchester M14 7WN;

"Club Charged Asset" means all the assets and undertaking of the Club from time to time charged in favour of, or assigned (whether at law or in equity) to, the Trustee by or pursuant to the Share Charge;

"Club Charged Property" means all the assets of the Club from time to time charged in favour of, or assigned (whether at law or in equity) to, the Issuer by or pursuant to the Stadium Debenture;

"Club Security" means the security created by the Security Documents or otherwise in respect of the Secured Club Obligations;

"Code" has the meaning given to it in Clause 1.1 of the Note Purchase Agreement;

"Collateral Rights" means all rights, powers and remedies of the Issuer provided by or pursuant to the Stadium Debenture or all rights, powers and remedies of the Trustee provided by or pursuant to the Share Charge, as the case may be;

"Collection Account" means the account of the Club to be known as the **"Collection Account"** and to be established with the Account Bank in accordance with Clause 5 of the Cash Management Agreement;

"Collection Period" means each period commencing on (and including) each Scheduled Payment Date (or, in the case of the first such period, the Closing Date) and ending on (and including) the Business Day immediately preceding the next following Scheduled Payment Date;

"Compliance Certificate" means a certificate substantially in the form set out in Part A (in the case of a Compliance Certificate to be given by the Auditors) or Part B (in the case of a Compliance Certificate to be given by directors) of Schedule 4 to the Stadium Loan Agreement;

"Conditions" means the terms and conditions to be endorsed on each Note Certificate, in the form or substantially in the form set out in Schedule 2 to the Trust Deed and any reference to a particular numbered Condition shall be construed in relation to the Notes accordingly;

"connected person" has the meaning given to it in the definition of Change of Control Date;

"Consolidated Gross Assets" means, at any date, the gross book value of the assets of the Restricted Group (inclusive of goodwill, player registrations, patents, trademarks, trade names, organisation expense, unauthorised debt discount and expense and other like intangibles), less reserves applicable thereto, all determined on a consolidated basis in accordance with GAAP as reflected in the latest consolidated balance sheet and adjusted to reflect any changes since such balance sheet;

"Consolidated Profits Before Interest and Tax" means, in respect of any Financial Year, the total operating profit of the Restricted Group for continuing operations, acquisitions (as a component of continuing operations) and discontinued operations as set out in UK Financial Reporting Standard 3 (but ignoring any exceptional operating items);

"Corporate Hospitality Packages" means any arrangement whereby the Club provides to persons attending Matches at the Ground catering facilities in consideration of such persons paying a premium above the normal price of a Match Day Ticket;

"Cup Match" means any fixture of the Club staged at the Ground or which would have been staged at the Ground but which, at the direction of a Football Authority, is staged at a stadium other than the Ground as part of the Club's participation in the U.E.F.A. European Champions League, the U.E.F.A. Cup, the F.A. Cup, the Football League Cup, the F.I.F.A. World Club Championship (or any successor competition to any of them) and any other competition sanctioned by the country association of which the Club is a member;

"Debt Service Account" means the account of the Club to be known as the **"Debt Service Account"** and to be established with the Account Bank in accordance with Clause 5 of the Cash Management Agreement;

"Debt Service Cover Date" means, in respect of any Collection Period, the date on which the balance on the Debt Service Account first reaches the Debt Service Required Amount for such Collection Period;

"Debt Service Required Amount" means, in respect of any Collection Period, Scheduled Debt Service for such Collection Period provided that for the last such Collection Period and so long as the credit balance on the Debt Service Reserve Account for such Collection Period is at all times equal to the Debt Service Reserve Required Amount, the Debt Service Required Amount shall mean an amount equal to Scheduled Debt Service for such Collection Period less the Debt Service Reserve Required Amount for such Collection Period;

"Debt Service Reserve Account" means the account of the Club to be known as the **"Debt Service Reserve Account"** and to be established with the Account Bank in accordance with Clause 5 of the Cash Management Agreement;

"Debt Service Reserve Required Amount" means, at any time, the amount required pursuant to Clause 10 of the Stadium Loan Agreement to be deposited by the Club in the Debt Service Reserve Account;

"Deed of Subordination" means the deed of subordination dated on or about the date hereof between the Club, the Issuer, the Trustee and the Lenders;

"Default Interest Period" means, in relation to an Unpaid Sum under the Stadium Loan Agreement, each period determined in accordance with Clause 21.1 thereof;

"Determination Date" means the date on which a determination is made in accordance with the provisions of Clauses 8.4 to 8.6 of the Cash Management Agreement;

"Director's Certificate" means, in respect of any person, a certificate in respect of the relevant matter(s) in a form reasonable satisfactory to, and addressed to, the Trustee and the Issuer and signed by two directors of such person (to include wherever practical to do so the finance director);

"Discounted Value" has the meaning given to it in Condition 1;

"Distribution" means the declaration or payment of any cash dividend or the making of any other cash payment or distribution on account of Capital Stock, including any cash purchase of such Capital Stock;

"Drawdown Date" means either the Closing Date or a Further Issue Date;

"Eligible Bank" means any bank authorised to conduct deposit taking business under the Banking Act 1987 which provides cheque clearing services to its customers and, in the case of any bank appointed after the date hereof, which does not at the time of its proposed appointment have a short term debt rating from Moody's and Standard & Poor's which is lower than the short term debt rating from Moody's and Standard & Poor's for the Account Bank which is seeking to resign at the time of its proposed resignation;

"Encumbrance" means (a) a mortgage, charge, pledge, lien or other encumbrance securing any obligation of any person, (b) any arrangement under which money or claims to, or the benefit of, a bank or other account may be applied, set off or made subject to a combination of accounts so as to effect discharge of any sum owed or payable to any person or (c) any other type of

preferential arrangement (including any title transfer and retention arrangement) having a similar effect;

"Enforcement Event" means, in relation to the Share Charge, the occurrence of an Event of Default under the Stadium Loan Agreement;

"Enforcement Notice" means a notice given by the Trustee under Condition 12 causing the Notes to become immediately due and repayable;

"Environment" means all or any part of the air (including without limitation the air within buildings and the air within other natural or man made structures above or below ground), water (including surface water and ground water) and land and any living organisms or systems supported by those media;

"Environmental Claim" means any claim, proceedings, or investigation by any person pursuant to any Environmental Law;

"Environmental Laws" means any applicable law and all applicable statutes, regulations and subordinate legislation of the relevant jurisdiction, any applicable common laws and all regulations lawfully imposed by any environmental agency or competent local authority in any jurisdiction in which any member of the Restricted Group conducts business which relates to the pollution or protection of the Environment or harm to or the protection of human health or the health of animals or plants and is applicable to the relevant member of the Restricted Group;

"Environmental Permits" means any permit, licence, consent, approval and other authorisation and the filing of any notification, report or assessment required under any Environmental Law for the operation of the business of any member of the Restricted Group conducted on or from the properties owned or used by the relevant member of the Restricted Group;

"ERISA" has the meaning given to it in Clause 1.1 of the Note Purchase Agreement;

"ERISA Affiliate" has the meaning given to it in Clause 1.1 of the Note Purchase Agreement;

"Event of Default" means any event of default (as so described) under any of the Notes or the Stadium Loan Agreement, as the context may require;

"Excluded Documents" has the meaning given to it in Clause 3.1(c) of the Issuer Deed of Charge;

"Executive Box Packages" means any arrangement whereby one or more persons is granted a licence to use a furnished box at the Ground for all Home Matches and Cup Matches including the Club's first team in consideration for the payment of a licence fee and **"Executive Box Package"** shall be construed accordingly;

"Exempt Group" means:

- (a) any of the directors of the Parent and/or the Club at the date hereof and/or their connected persons (which for these purposes shall also include any Family Trust); or
- (b) any of the shareholders of the Parent at the date hereof holding at least 20% of the outstanding share capital of the Club carrying voting rights and/or their connected persons (which for these purposes shall also include any Family Trust);

"Exercise Notice" has the meaning given to it in Condition 7(b);

“Facility” means the £44,300,000 sterling term loan facility granted by the Issuer to the Club pursuant to the Stadium Loan Agreement;

“Family Trust” means, a settlement under which no one other than the relevant person, his spouse or his children (including adopted children) and any descendent (including any not yet born) of any children is entitled to a beneficial interest;

“Finance Liabilities” means the indebtedness (present and future, actual or contingent) of the Obligors and the Issuer under the Relevant Documents;

“Finance Liabilities Discharge Date” means the date upon which all Finance Liabilities have been fully and irrevocably paid or discharged and no further Finance Liabilities are capable of becoming outstanding;

“Financial Indebtedness” means any indebtedness (but without double counting) for or in respect of:

- (a) Indebtedness for Borrowed Money;
- (b) any documentary credit facility;
- (c) any interest rate swap, currency swap, forward foreign exchange transaction, cap, floor, collar or option transaction or any other treasury transaction or any combination thereof or any other transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and the amount of the Financial Indebtedness in relation to any such transaction shall be calculated by reference to the mark-to-market valuation of such transaction at the relevant time); and
- (d) any guarantee, indemnity, bond, standby letter of credit or any other instrument issued in connection with the performance of any contract or other obligation;

“Financial Statements” means the most recent annual audited statements of any of the Obligors;

“Financial Year” means the period of 12 months ending on 31 May in each year or such other period as may be approved by the Issuer and the Trustee;

“Fitch” means Fitch Ratings Limited or any successor to its rating business;

“Football Association” means The Football Association Limited;

“Football Association Rules” means the rules and regulations for the time being of the Football Association;

“Football Authorities” means such of the Football Association, the Football Association Premier League Limited, the Football League (as the case may be), the Federation of International Football Associations (FIFA), the Union of European Football Associations (UEFA) and/or any other regulatory body from time to time regulating association football or other sporting activities where regulations are for the time being required to be observed by the Club and **“Football Authority”** shall be construed accordingly;

“Football Entertainment” means the participation by the Club or any successor entity trading as **“Manchester City Football Club”** (or a similar name) in professional football matches;

“Football League” means The Football League Limited;

"Force Majeure" means an event beyond the reasonable control of a party to a Transaction Document including, without limitation, strike, lock-out, labour dispute, act of God, war, riot, civil commotion, malicious damage, compliance with the law or governmental order, rule, regulation or direction, accident, breakdown of plant or machinery, floods and storm;

"Friendly Match" means any fixture of the Club to be played at the Ground other than a Home Match, Cup Match, Youth Fixture or Reserve Fixture;

"Further Advances" means the further advances of up to an aggregate amount of £14,000,000 to be made by the Issuer to the Club in accordance with and subject to the provisions of the Stadium Loan Agreement and **"Further Advance"** means any of them;

"Further Issue" has the meaning given to it in Clause 9.1 of the Note Purchase Agreement;

"Further Issue Date" has the meaning given to it in Clause 9.1 of the Note Purchase Agreement;

"Further Notes" means the £14,000,000 7.27 per cent. Senior Secured Notes due 2026 of the Issuer in registered form, constituted and secured by the Trust Deed and the Issuer Deed of Charge, respectively;

"GAAP" means generally accepted accounting principles generally applied in the United Kingdom;

"Ground" means the Maine Road Stadium and/or the New Stadium, as the context requires, in each case including all buildings, erections and structures now or at any time in, on or about the same and all fixtures and fittings in or about the same and all alterations or additions made to the same;

"Ground Safety Certificate" means the ground safety certificate issued in respect of the Ground by Manchester City Council under the Safety of Sports Grounds Act 1975 (or any successor ground safety certificate issued under relevant legislation);

"Group" means the group comprising the Parent and its Subsidiaries (but not Unrestricted Subsidiaries) from time to time (provided always that in the event that the Parent shall become the Subsidiary of any other person then the Group shall thereafter comprise that person or, as the case may be, that person's holding company from time to time and, as the case may be, its Subsidiaries from time to time and references to the Parent in the Stadium Loan Agreement shall thereafter be read and construed, *mutatis mutandis*, and as the context shall require as references to such person or, as the case may be, such person's holding company) and **"member of the Group"** shall be construed accordingly;

"Hazardous Substance" means any substance which is capable of causing harm or damage to the Environment or to humans or any living creature or organism at the Ground which is present in or under the Ground at any time;

"Health and Safety Legislation" means legislation in the United Kingdom which applies specifically to workplace health, safety and welfare maintenance;

"Holder" has the meaning given to it in Condition 3(a);

"Holding" has the meaning given to it in Condition 2(a);

"Home Match" means any League fixture of the Club's first team which is staged at the Ground or which would have been staged at the Ground but which, at the direction of a Football

Authority or otherwise due to the unavailability of the Ground, is staged at an alternative stadium on a temporary basis in accordance with Clause 15(i) of the Stadium Loan Agreement;

"Indebtedness for Borrowed Money" means at any time any (but without double counting) indebtedness of any member of the Restricted Group for or in respect of:

- (a) moneys borrowed (other than the Shareholders' Loans);
- (b) any amount raised by acceptance under any acceptance credit facility;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) any amount raised pursuant to any issue of shares which are expressed to be redeemable (save for any redeemable shares which may be issued to any company jointly owned by a member of the Restricted Group for the purposes of funding such company);
- (e) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with generally accepted accounting principles in the relevant jurisdiction, be treated as a finance or capital lease;
- (f) the amount of any liability in respect of any deferred purchase agreement if one of the primary reasons for entering into such agreement is to raise finance;
- (g) receivables sold or discounted (other than on a non-recourse basis);
- (h) any agreement or option to re-acquire an asset if one of the primary reasons for entering into such agreement or option is to raise finance;
- (i) the deferred amount of any transfer fees payable by the Club in respect of the transfer of a Professional Footballer's registration (less the deferred amount of any transfer fees payable to the Club in respect of the transfer of a Professional Footballer's registration) to the extent that such obligation is treated as borrowings under GAAP;
- (j) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (k) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (j) above; and
- (l) for the purposes of Clause 15(b) of the Stadium Loan Agreement only, the amount of any investment made by an Obligor and/or any other Restricted Subsidiary in the Capital Stock of a Subsidiary designated as an Unrestricted Subsidiary in accordance with Clause 18 of the Stadium Loan Agreement, either prior to or at the same time of such designation;

"Institutional Investor" has the meaning given to it in Clause 1.1 of the Note Purchase Agreement;

"Insurance Policies" means the insurance policy arranged under the Stadium Loan Agreement;

"Insurance Proceeds" means the proceeds of any Insurance Policy;

"Insurance Proceeds Account" means the account of the Club to be known as the **"Insurance Proceeds Account"** and to be established with the Account Bank in accordance with Clause 5 of the Cash Management Agreement;

"Insured Risks" means destruction by fire, storm, tempest, accident and terrorism, any other risks or contingencies as are insured under the Insurance Policies (for so long as they are required to subsist) and such other risks or contingencies which ought reasonably to be insured in accordance with sound commercial practice in relation to properties of the type comprised in the Ground (other than any risk which has become Uninsurable);

"Inter-Creditor Deed" means the inter-creditor deed to be entered into and made between, *inter alia*, the Club, the Issuer and the Trustee;

"Investment Accounts" has the meaning given to it in Clause 13 of the Cash Management Agreement;

"Investors" has the meaning given to it in the Note Purchase Agreement;

"Issue Date" means, in the case of the first issue of Notes in the aggregate principal amount of £30,300,000, the Closing Date and, in the case of the second, or any subsequent issue of Notes, the Further Issue Date or Further Issue Dates (as applicable) on which such Further Notes are issued and **"Issue Dates"** shall be construed accordingly;

"Issue Documents" has the meaning given to it in Clause 1.1 of the Note Purchase Agreement;

"Issue Price" has the meaning given to it in the Notes Purchase Agreement;

"Issuer" means Manchester City Investments Limited (registered number 4513353) with registered office at Maine Road, Moss Side, Manchester, M14 7WN;

"Issuer Charged Property" means the property in respect of which security is created pursuant to the Issuer Deed of Charge;

"Issuer Deed of Charge" means the deed of charge to be granted by the Issuer in favour of the Trustee as security for its obligations under and in respect of the Notes;

"Issuer Monetary Claims" means any book and other debts and monetary claims owing to the Issuer and any proceeds thereof (including the proceeds of any insurance policy, any court order or judgement, any contract or agreement to which the Issuer is a party and any other assets, property, rights or undertaking of the Issuer);

"Issuer Operating Account" means the account of the Issuer to be known as the **"Issuer Operating Account"** and to be established with the Account Bank in accordance with Clause 5 of the Cash Management Agreement;

"Issuer Shares" means all of the shares in the capital of the Issuer held by, to the order or on behalf of the Club at any time;

"Issuer's Business" has the meaning given to it in Clause 1.2 of the Administration Agreement;

"League" means The Football Association Premier League or, as the case may be, The Football League (or, in either case, any successor or body thereto) or, in the case of any European or world league, the governing authority in respect of each such league;

"Ledger" has the meaning given to it in Clause 12.4 of the Cash Management Agreement;

"Lenders" means Mr. David Makin and Mr. John Wardle or their respective successors or assigns;

"Liabilities" means any loss, damage, cost, charge, claim, demand, expense, judgement, action, proceeding or other liability whatsoever (including, without limitation, in respect of taxes, duties, levies, imposts and other charges) and any interest and penalties in respect thereof and including any irrecoverable value added tax or similar tax charged or chargeable in respect thereof and legal fees and expenses on a full indemnity basis;

"Loan Scheduled Interest" has the meaning given to it in Clause 5.1 of the Stadium Loan Agreement;

"Loan Scheduled Principal" has the meaning given to it in Clause 6 of the Stadium Loan Agreement;

"Maine Road Stadium" means the freehold land at Maine Street, Manchester, as more particularly described in the relevant Certificate of Title;

"Majority Noteholders" means Noteholders holding more than half of the outstanding principal amount of the Notes;

"Make-Whole Amount" has the meaning given to it in Condition 1;

"Mandate" means, in respect of each Account, the bank mandate to be entered into between the Account Bank and the Club or the Issuer (as applicable) in respect of such Account as the same may be varied or supplemented pursuant to the Cash Management Agreement;

"Margin" means 0.01% or such other amount as determined by the Cash Manager in accordance with Clause 23 of the Cash Management Agreement;

"Match" means a Home Match, Cup Match, Friendly Match, Reserve Fixture or Youth Fixture scheduled to be staged at the Ground (or, in the case of Cup Matches, any ground) other than a Testimonial Match and **"Matches"** shall be construed accordingly;

"Match Day Ticket" means a ticket entitling the purchaser thereof to attend a particular Match and **"Match Day Tickets"** shall be construed accordingly;

"Material Adverse Effect" is to be construed as a reference to an event or matter having a material adverse effect on:

- (a) the present or future financial condition or revenues of the relevant Obligor; or
- (b) the present or future ability of the relevant Obligor duly to perform all or its payment obligations which it is expressed to undertake under any of the Relevant Documents;

"Material Subsidiary" means a Restricted Subsidiary which contributes not less than 10 per cent. of the Restricted Group's:

- (a) gross revenue;
- (b) Consolidated Profits before Interest and Tax; or

(c) Consolidated Gross Assets;

"Maximum Aggregate Principal Amount" means £44,300,000;

"Monthly Period" means the period from and including the first day of a calendar month to and including the last day of a calendar month;

"Moody's" means Moody's Investors Service Inc. and any successor to its rating business;

"Multiple Season Account" means the account of the Club to be known as the **"Multiple Season Account"** and to be established with the Account Bank in accordance with Clause 5 of the Cash Management Agreement;

"Multiple Season Package" means any Season Ticket, Executive Box Package or Corporate Hospitality Package relating to more than one Season;

"Naming Rights" means the right, whether exclusive or otherwise, of a person to designate the name of the Ground or any part thereof, together with all rights associated with the right to designate the name of the Ground, such as, without limitation, the right of such person to erect signage on or at the Ground, to have all merchandising and marketing materials (including stationery, brochures and advertising) relating to the Ground to carry the designated name;

"Naming Rights Agreement" means any agreement between the Club or one of its Subsidiaries and another person for the purposes of granting Naming Rights to such person;

"New Stadium" means the new stadium as defined in the New Stadium Agreement to Lease, currently known as The City of Manchester Stadium, Eastlands, Manchester;

"New Stadium Agreement to Lease" means the Agreement dated 30 July 1999 between the City Council, the Club and the Parent as varied and restated by the Supplemental Agreement dated 28 January 2002 and made between the same parties;

"New Stadium Lease" means the lease to be granted pursuant to the New Stadium Agreement to Lease;

"Non-Recourse Debt" means Indebtedness for Borrowed Money:

- (a) as to which neither an Obligor nor any Restricted Subsidiary (i) provides any guarantee or credit support of any kind (including any undertaking, guarantee, indemnity, agreement or instrument that would constitute Indebtedness for Borrowed Money); (ii) is directly or indirectly liable (as guarantor or otherwise) or (iii) has received the proceeds (or any part thereof) in respect thereof, whether through on-lending by an Unrestricted Subsidiary to such member of the Restricted Group or otherwise; and
- (b) no default with respect to which (including any rights that the holders thereof may have to take enforcement action against an Unrestricted Subsidiary) would permit (upon notice, lapse of time or both) any holder of any other Indebtedness for Borrowed Money in excess of £1,000,000 of an Obligor or any Restricted Subsidiary to declare a default under such other Indebtedness for Borrowed Money or cause the payment thereof to be accelerated or payable prior to its stated maturity;

"Northern Plaza Centre" has the meaning given to it in the New Stadium Lease;

"Note Certificate" means any registered Note Certificate representing a Noteholder's holding of Notes, in, or substantially in, the form set out in Schedule 1 to the Trust Deed;

"Noteholder" has the meaning given to it in Condition 3(a);

"Note Purchase Agreement" means the Note Purchase Agreement between the Issuer and the Investors dated on or about the date hereof relating to the Notes;

"Notes" means the Original Notes and the Further Notes;

"Notice of Drawdown" means a notice substantially in the form set out in Schedule 1 to the Stadium Loan Agreement;

"Obligors" means the Parent and the Club;

"Original Advance" means the advance of £30,300,000 to be made by the Issuer to the Club on the Closing Date in accordance with and subject to the provisions of the Stadium Loan Agreement;

"Original Financial Statements" means, in relation to the Parent, its audited consolidated financial statements for the financial year ended 31 May 2002;

"Original Notes" means the £30,300,000 7.27 per cent. Senior Secured Notes due 2026 of the Issuer in registered form, constituted and secured by the Trust Deed and the Issuer Deed of Charge, respectively;

"outstanding" means, in relation to the Notes, all the Notes other than:

- (a) those which have been redeemed in full in accordance with these presents;
- (b) those in respect of which the date for redemption in accordance with the provisions of the Conditions has occurred and for which the redemption moneys (including all interest accrued thereon to such date for redemption) have been duly paid to the Trustee or by the Paying Bank in the manner provided for in the Registrar and Paying Bank Agreement (and, where appropriate, notice to that effect has been given to the Noteholders in accordance with Condition 7) and remain available for payment in accordance with the Conditions;
- (c) those which have become void under Condition 13 or otherwise;
- (d) those mutilated or defaced Note Certificates which have been surrendered or cancelled and in respect of which replacement Note Certificates have been issued pursuant to Condition 14,

provided that without prejudice to the restriction set out in Condition 7(g), for each of the following purposes, namely:

- (a) any amendment or waiver in relation to the Notes or any Transaction Document;
- (b) the determination of how many and which Notes are for the time being outstanding for the purposes of Conditions 12 and 17; and

- (c) any discretion, power or authority, whether contained in the Trust Deed or provided by law, which the Trustee is required to exercise in or by reference to the interests of the Noteholders or any of them,

those Notes (if any) which are for the time being held by any person (including but not limited to the Issuer or any member of the Group) for the benefit of the Issuer shall (unless and until ceasing to be so held) be deemed not to remain outstanding;

"Participating Member State" means a member state of the European Union that has adopted or adopts the single currency in accordance with the Treaty;

"Paying Bank" means The Co-operative Bank plc or a successor Paying Bank appointed in accordance with the Registrar and Paying Bank Agreement;

"Permitted Encumbrance" means any Encumbrance permitted under Clause 15(a) of the Stadium Loan Agreement;

"Permitted Indebtedness" means at any time any Indebtedness for Borrowed Money which would not result in a breach of the covenant set out in Clause 13.1 of the Stadium Loan Agreement as determined by reference to the most recently delivered financial statements pursuant to Clause 12.1 of the Stadium Loan Agreement;

"Permitted Jurisdiction" has the meaning given to it in Clause 15(g) of the Stadium Loan Agreement;

"Permitted Transferee" has the meaning given to it in Condition 1;

"person" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"Placement Memorandum" means the placement memorandum dated April 2002 prepared in connection with the issue of the Notes, excluding any annexures thereto;

"Plan" has the meaning given to it in Clause 1.1 of the Note Purchase Agreement;

"Plans" means the plans, drawings, specification, bills of quantity, engineering calculations and other data relating to the works required for the purpose of carrying out the Project, including, as they are from time to time made, any variations, alterations and additions to the Plans;

"Planning Acts" means the Town and Country Planning Act 1990, the Planning (Listed Buildings and Conservation Areas) Act 1990, the Planning (Hazardous Substances) Act 1990, the Planning (Consequential Provisions) Act 1990, the Planning and Compensation Act 1998 and any other town and country planning or related legislation (including that relating to listed buildings);

"Potential Event of Default" means any event which would become (with the passage of time, the giving of notice, the making of any determination hereunder or any combination thereof) an Event of Default;

"powers" means, in relation to the Trustee, any Appointee or Receiver appointed by it under the Trust Deed, the Issuer Deed of Charge or the Share Charge, their respective powers, authorities and discretions under the Trust Deed, the Issuer Deed of Charge or the Share Charge, as the case may be;

“Practical Completion” means the date of practical completion of the New Stadium as specified in the written statement of practical completion issued under the construction contract for the New Stadium;

“Premier League” means the Football Association Premier League Limited or its successor, including any European league;

“Premier League Rules” means the rules and regulations for the time being of the Premier League;

“Prior Ranking Expenses” means, to the extent not already paid by or on behalf of the Club, in respect of any Collection Period, the aggregate of:

- (a) all fees, expenses and costs (including any VAT chargeable thereon) payable by the Issuer to the Trustee, and all stamp duties and other taxes and duties, as contemplated in Clause 10 of the Trust Deed other than additional fees, costs and expenses (including any VAT chargeable thereon) payable by the Issuer to the Trustee that have not been approved by the Majority Noteholders in accordance with Clause 10.1 of the Trust Deed;
- (b) all fees (including any VAT chargeable thereon) payable to the Administrator as contemplated in Clause 7.1 of the Administration Agreement; and
- (c) all fees, expenses and costs (including any VAT chargeable thereon) payable to the Agents, and all stamp duties and other taxes and duties, as contemplated in Clause 8 of the Registrar and Paying Bank Agreement;

“Professional Footballer” means a football player whose contract of employment is registered with the Football Association or any other relevant Football Authority or, as the context may require, the right, title and interest of a member of the Restricted Group in such player, contract or registration;

“Project” means the construction of the New Stadium in accordance with the New Stadium Agreement to Lease, including, without limitation, the Base Building Works, the Centre Works and the Fit Out Works, each as defined in the New Stadium Agreement to Lease;

“Project Documents” means the New Stadium Agreement to Lease and any document relating thereto including, without limitation, the Construction Management Agreement, the Planning Agreement, the Trade Contract(s), each as defined in the New Stadium Agreement to Lease;

“purchaser” has (in relation to any part of the Club Charged Property, the Club Charged Asset and the Issuer Charged Property situated in England and Wales or governed by the law of England and Wales) the meaning given to it by Section 205 of the Act and includes any person dealing (including any person acquiring, for money or money’s worth, any Security Interest over, or any other interest or right whatsoever in relation to, the Club Charged Property, the Club Charged Asset and the Issuer Charged Property) in good faith;

“Put Date” has the meaning given to it in Condition 7(b);

“Put Period” has the meaning given to it in Condition 7(b);

“Rate of Interest” in the case of the Notes, has the meaning given to it in Condition 1 or, in the case of the Stadium Loan, the meaning given to it in Clause 1.1 of the Stadium Loan Agreement;

“Real Property” means:

- (a) any present or future freehold, leasehold or immovable property;
- (b) any buildings, fixtures, fittings, fixed plant or machinery from time to time situated on or forming part of such freehold or leasehold property; and
- (c) the Club's interest in the New Stadium Agreement to Lease,

in each case beneficially owned by the Club and includes all Related Rights in relation to such assets;

"Receiver" means any person or persons qualified under the Insolvency Act 1986 to be a receiver, a receiver and manager or an administrative receiver;

"Records" means all contracts, other documents, books, records and other information (including computer programmes) maintained in relation to Ticket Income;

"Redeemed Principal" has the meaning given to it in Condition 1;

"Redemption Date" has the meaning given to it in Clause 9.3 of the Cash Management Agreement;

"Redemption Notice" has the meaning given to it in Condition 7(c);

"Reference Gift" has the meaning given to it in Condition 1;

"Registrar" means the Club or any successor Registrar appointed in accordance with Registrar and Paying Bank Agreement;

"Registrar and Paying Bank Agreement" means the agreement between the Issuer, the Registrar, the Paying Bank and the Trustee dated on or about the date hereof, relating to certain payment functions of the Paying Bank and functions of the Registrar relating to the Notes including, amongst other things, the maintenance of a register of Holders;

"Reinstatement Plan" has the meaning given to it in Clause 9.3 of the Cash Management Agreement;

"Reinvestment Yield" has the meaning given to it in Condition 1;

"Related Rights" means, in relation to any asset:

- (a) the proceeds of sale of any part of that asset;
- (b) all rights under any licence, agreement for sale or agreement for lease in respect of that asset;
- (c) all rights, benefits, claims, contracts, warranties, remedies, security, indemnities or covenants for title in respect of that asset; and
- (d) any moneys and proceeds paid or payable in respect of that asset;

"Relevant Date" has the meaning given to it in the Conditions;

"Relevant Documents" means, in relation to any person, the Transaction Documents to which that person is expressed to be a party;

"Relevant Income" has the meaning given to it in Clause 13.1 of the Stadium Loan Agreement;

"Relevant Period" has the meaning given to it in Clause 13.1 of the Stadium Loan Agreement;

"Relevant Sales" means the sale and supply of:

- (a) Season Tickets;
- (b) Match Day Tickets;
- (c) Away Supporters' Tickets;
- (d) Executive Box Packages;
- (e) Corporate Hospitality Packages; and
- (f) Multiple Season Packages;

"Remaining Life" has the meaning given to it in Condition 1;

"Remaining Schedule Payments" has the meaning given to it in Condition 1;

"Repeated Representations" means each of the representations referred to in Schedule 5 to the Stadium Loan Agreement;

"Reporting Date" has the meaning given to it in Clause 15.2 of the Cash Management Agreement;

"Required Amount" means, in respect of the Debt Service Account, the Debt Service Required Amount and, in respect of the Debt Service Reserve Account, means the Debt Service Reserve Required Amount;

"Requisite Consents" means those permissions, consents, approvals, licences, certificates and permits in legally effectual form whether statutory or otherwise as may be necessary lawfully to use and enjoy any part of the Ground as intended by the parties including:

- (a) planning permission and approval of reserved matters;
- (b) building regulations, consents and by-law approvals;
- (c) the requirements of all competent authorities regulating the use of the Ground; and
- (d) the consents of all parties having interests or rights in or over the Ground;

"Reserve Fixture" means a fixture to be played at the Ground involving the Club's second eleven team;

"Reserved Matter" means any proposal:

- (a) to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes or to alter the method of calculating the amount of any payment in respect of the Notes on redemption or maturity or the date for any such payment;

- (b) to change the currency in which amounts due in respect of the Notes are payable (other than redenomination of the Notes pursuant to Condition 20);
- (c) to make any changes or consent to any changes to any Transaction Document which would have the effect of changing any provisions in the Transaction Documents relating to the items described in (a) and (b) above in respect of the Stadium Loan;
- (d) to release or discharge in whole or in part the Security or the Club Security (other than on or after the Finance Liabilities Discharge Date);
- (e) to reduce the amount required to be deposited in the Debt Service Reserve Account under Clause 10 of the Stadium Loan Agreement;
- (f) to alter the priority of payments set out in the Cash Management Agreement or Clause 7.3 of the Issuer Deed of Charge;
- (g) to change the provisions of any of (i) Clause 15 of the Note Purchase Agreement, (ii) Condition 16 or (iii) Clause 6 of the Trust Deed;
- (h) to agree to the substitution in place of the Issuer (or any other previous substitute) of another single purpose company; or
- (i) to amend this definition;

"Restricted Group" means the Parent, the Club and its Restricted Subsidiaries from time to time;

"Restricted Subsidiary" means any Subsidiary of the Parent (other than the Issuer, the Club and any Unrestricted Subsidiary) that is involved in the business of the Parent or in activities relating thereto;

"Rights" means rights, authorities, discretions, remedies, liberties, interests, claims and powers, in each case of any nature whatsoever;

"Scheduled Debt Service" means, in respect of each Collection Period, the aggregate amount of principal and interest falling due for payment from the Club under the Stadium Loan Agreement on the next following Scheduled Payment Date;

"Scheduled Interest" has the meaning given to it in the Conditions;

"Scheduled Principal" has the meaning given to it in the Conditions;

"Scheduled Payment Date" means the date upon which (a) Scheduled Interest and/or Scheduled Principal are due to be paid under the Conditions, and (b) Loan Scheduled Interest and/or Loan Scheduled Principal are due to be paid under the Stadium Loan Agreement;

"Season" means the period commencing on the date of the first League fixture on the League fixture list for a particular year and ending on the date of the last fixture on that League fixture list;

"Season Tickets Cash Cover" means, in respect of any Collection Period, the ratio of Ticket Income allocable to Season Tickets for such Collection Period to the aggregate amount of Scheduled Principal and Scheduled Interest to be paid on the Scheduled Payment Date immediately following the expiry of such Collection Period;

"Season Ticket" means a booklet of tickets entitling the purchaser thereof to attend all of the Home Matches and (where relevant) Cup Matches in a Season;

"Seasonal Required Amount" means, in respect of any Season, 100% of Scheduled Debt Service to be paid on the Scheduled Payment Date which occurs in the year of commencement of the relevant Season;

"Secured Creditors" means the Trustee (for itself and on behalf of the Noteholders), the Noteholders, the Registrar, the Administrator, the Account Bank and any other party agreed by the Issuer and the Trustee to be a Secured Creditor in relation to the Notes;

"Secured Club Obligations" means all monies, debts and liabilities which may at any time be or become due, owing or incurred, actually or contingently, by the Club to the Issuer under the Stadium Loan Agreement and any other Relevant Document;

"Secured Issuer Obligations" means all monies, debts and liabilities which may at any time be or become due, owing or incurred, actually or contingently, by the Issuer to:

- (a) the Trustee, in its capacity as such in relation to the Notes and in respect of any Liabilities incurred by the Trustee in relation thereto;
- (b) the Noteholders in respect of principal, interest or other amounts payable in respect of the Notes; and
- (c) the other Secured Creditors under the Transaction Documents;

"Security" means the security created pursuant to the Issuer Deed of Charge;

"Securities Act" means the United States Securities Act of 1933;

"Security Documents" means:

- (a) the Stadium Debenture;
- (b) the Share Charge;
- (c) any other document from time to time executed in favour of the Issuer for the purpose of securing all or any of the Secured Club Obligations; and
- (d) any deed of accession entered into in respect of (a) to (c) above;

"Security Interest" means any mortgage, pledge, lien, charge, security assignment, hypothecation or security interest or any other agreement or arrangement having the effect of conferring security (including, for the avoidance of doubt, a floating charge) or any other type of preferential arrangement having a similar effect;

"Services" has the meaning given to it in Clause 1.2 of the Administration Agreement;

"Settlement Date" has the meaning given to it in Condition 1;

"Share Charge" means the share charge to be granted by the Club in favour of the Trustee;

"Shareholders' Loans" means the loan of £2,995,000 from Mr. David Makin to the Club pursuant to a letter dated 17 May 2002 and the loan of £3,200,000 from Mr. John Wardle to the

Club pursuant to a letter dated 17 May 2002 and such other loan(s) made by any person which are also subordinated on the same terms as contained in the Deed of Subordination;

"Specified Office" means, in relation to the Registrar, either the office identified with its name in the Conditions or any other office notified to any relevant parties pursuant to the Registrar and Paying Bank Agreement and, in relation to the Paying Bank, means the office identified with its name in the Conditions or any other office notified to any relevant parties by the Paying Bank from time to time;

"Stadium Bank Accounts" and **"Stadium Accounts"** means the Collection Account, the Debt Service Account, the Debt Service Reserve Account, the Insurance Proceeds Account, the Multiple Season Account, the Stadium Deposit Account, the Stadium Operating Account and the VAT Account and **"Stadium Bank Account"** and **"Stadium Account"** means any of them;

"Stadium Debenture" means the debenture to be granted by the Club in favour of the Issuer;

"Stadium Deposit Account" means the account of the Club to be known as the **"Stadium Deposit Account"** and to be established with the Account Bank in accordance with Clause 5 of the Cash Management Agreement;

"Stadium Events" means any football matches, other sporting fixtures, concerts or other events open for attendance by the general public upon the purchase of a ticket which are staged from time to time at the Ground;

"Stadium Loan" means the principal amount of the Advances outstanding under the Stadium Loan Agreement;

"Stadium Loan Agreement" means the loan agreement dated on or about the date hereof made between the Club, the Parent, the Trustee and the Issuer;

"Stadium Monetary Claims" means any book and other debts and monetary claims relating to the Ground owing to the Club and any proceeds thereof (including any claims or sums of money deriving from or in relation to the Stadium Revenue, the proceeds of any Insurance Policy, any court order or judgement relating to the Ground, any contract or agreement to which the Club is a party relating to the Ground and any other assets, property, rights or undertaking of the Club relating to the Ground) other than:

- (a) any book and other debts and monetary claims relating to Naming Rights or rights relating to pouring, sponsorship, merchandising, broadcasting, media, catering (other than book and other debts and monetary claims relating to Executive Box Packages and Corporate Hospitality Packages), match day programmes (other than book and other debts and monetary claims relating to Executive Box Packages and Corporate Hospitality Packages), advertising, non-match day hospitality events, football club membership schemes, car parking, sale of away game tickets, internet, official club football kit supplies, lotteries and other cash making schemes, the museum and tour of the Club, the visitor centre of the Club, travel agency, financial services provided by the Club, development association donations, hiring of the Ground for any purposes other than for Matches, sale of hampers, grant income and donations or any rights of similar nature; or
- (b) in respect of the New Stadium, any book and other debts and monetary claims relating to Northern Plaza Centre;

"Stadium Name" means the name to be designated to the Maine Road Stadium or the New Stadium, as the case may be, by a sponsor pursuant to a Naming Rights Agreement;

"Stadium Operating Account" means the account of the Club to be known as the **"Stadium Operating Account"** and to be established with the Account Bank in accordance with Clause 5 of the Cash Management Agreement;

"Stadium Revenue" means the gross proceeds of Relevant Sales (including, any amounts received by the Club in respect of VAT chargeable thereon) and all amounts payable under the New Stadium Agreement to Lease for delay in relocating to the New Stadium save that, in the case of Corporate Hospitality Packages and Executive Box Packages, the extent of gross proceeds of Relevant Sales to be included in Stadium Revenue shall be where the Corporate Hospitality Package or Executive Box Package is a Multiple Season Package, the price for each Season included in the Multiple Season Package as notified to the Cash Manager and the Trustee in accordance with Clause 8.8(a) of the Cash Management Agreement;

"Standard & Poor's" means Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies, Inc.;

"Subordinated Secured Creditor" means any Secured Creditor other than a Noteholder;

"Subsidiary" means, in respect of any person (the **"first person"**) at any particular time, any other person (the **"second person"**):

- (a) who is a subsidiary of the first person within the meaning of section 736 of the Companies Act 1985; or
- (b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first person;

"Successor" means, in relation to any Registrar, such other or further person as may from time to time be appointed pursuant to the Registrar and Paying Bank Agreement as a Registrar;

"successor account bank" has the meaning given to it in Clause 20.1 of the Cash Management Agreement;

"Successor Cash Manager" has the meaning given to it in Clause 18.3 of the Cash Management Agreement;

"Tax Deed of Covenant" means the deed of that name dated on or about the date hereof made between the Obligors, the Issuer and the Trustee;

"Tax Event" means any change in, or amendment to, the laws or regulations of the United Kingdom or any political sub-division or any authority hereof or therein having power to tax, or any change in the application or official interpretation of such laws and regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the Closing Date;

"Tax Event Redemption Notice" has the meaning given to it in Condition 7(d);

"Tax Indemnity Amount" has the meaning given to it in Condition 10(a);

"Tax Refund" has the meaning given to it in Condition 10(e);

"Taxes" means all present and future income and other taxes, levies, assessments, imposts and duties imposed by any jurisdiction (which expression shall include any supra-national federation or other similar organisation) and any withholdings in the nature of such taxes, levies, assessments, imposts and duties together with interest imposed thereon and penalties and fines in respect thereto, if any, and any payments made on or in respect thereof, assessed or levied by or on behalf of such jurisdiction or any political subdivision of it or by any authority of it having power to tax, and shall include any interest or penalties which may attach as a consequence of failure to pay on the due date and/or non-payment, and **"Tax"**, **"Taxation"** and similar words shall be construed accordingly;

"Taxes Act" means the Income and Corporation Taxes Act 1988;

"Term" means the period commencing on the Closing Date and expiring on the Finance Liabilities Discharge Date;

"Termination Notice" shall have the meaning given to it in Clause 18.1 of the Cash Management Agreement;

"Testimonial Match" means a Match staged at the Ground which is not a Match played in a competition organised by a Football Authority but is played for the purposes of benefiting a certain individual or individuals associated with the Club the proceeds of which are not retained by the Club;

"these presents" means the Trust Deed (including the schedules thereto) and the Issuer Deed of Charge and (unless the context requires otherwise) includes any deed or other document executed in accordance with the provisions thereof and expressed to be supplemental thereto;

"Third Party" means any person who is not a party to any of the Transaction Documents;

"Third Party Expenses" means any amounts which are (a) attributable to arms length market costs of carparking, advertising and catering in connection with the provision of Executive Box Packages and Corporate Hospitality Packages, (b) liable to be paid out of Stadium Revenue generated from a Match to the Visiting Club or to any Football Authority or by way of expenses incurred as authorised by any Football Authority or (c) commissions to third parties in relation to sales of tickets;

"Ticket Income" means, in a Collection Period, all Stadium Revenue which is collected during the period from (and including) the Announcement Date for such Collection Period to (and including) the last day of such Collection Period excluding VAT payable thereon and any Third Party Expenses in respect thereof as determined in accordance with Clause 8.5(b) of the Cash Management Agreement;

"Ticketing Budget" means, at any time, the ticketing budget for the then current Financial Year in relation to the Ground showing a break down of the anticipated Ticket Income in respect of Relevant Sales for that year as produced by the Club under Clause 16.5 of the Stadium Loan Agreement;

"Transaction Documents" means the Administration Agreement, the Cash Management Agreement, the Conditions, the Deed of Subordination, the Inter-Creditor Deed, the Issuer Deed of Charge, the Mandates, the Notes, the Note Purchase Agreement, the Registrar and Paying Bank Agreement, the Security Documents, the Stadium Loan Agreement, the Tax Deed of Covenant, the Trust Deed and the Trustee Fee Letter, and **"Transaction Document"** means any one of them;

"Transfer Event" means the transactions contemplated by Clause 17 of the Stadium Loan Agreement have occurred with the consent of the Trustee;

"Treaty" means the Treaty establishing the European Economic Community being the Treaty of Rome of 25 March 1957 as amended by the Single European Act 1986 and the Maastricht Treaty (which was signed on 7 February 1992 and came into force on 3 November 1993) as amended, varied or supplemented from time to time;

"Trust Corporation" means a corporation entitled by rules made under the Public Trustee Act 1906 to act as a custodian trustee or entitled pursuant to any other legislation applicable to a trustee in any jurisdiction other than England to act as trustee and carry on trust business under the laws of the country of its incorporation;

"Trust Deed" means the trust deed to be entered into between the Issuer and the Trustee constituting the Notes;

"Trustee" means Prudential Trustee Company Limited in its capacity as trustee under the Trust Deed and includes any successor trustee appointed in accordance with the Trust Deed;

"Trustee Fee Letter" means the fee letter dated on or about the date hereof from the Issuer to the Trustee;

"Turnover" means, with reference to any period, the turnover of the Parent and the Group for such period (taken as a cumulative whole), as determined in accordance with GAAP, after eliminating and offsetting debits and credits between the Parent and its Subsidiaries (other than Unrestricted Subsidiaries);

"Uninsurable" means, in relation to any risk:

- (a) insurance is not available in the European insurance market in respect of such risk; or
- (b) the insurance premium payable for insuring such risk is at such a level that it is not generally being insured against by any party acting prudently in the European insurance market;

"Unpaid Sum" means, in the case of the Stadium Loan Agreement, the unpaid balance of any of the sums referred to in Clause 21.1 of the Stadium Loan Agreement;

"Unrestricted Subsidiary" means any Subsidiary of the Parent or any Restricted Subsidiary that has been designated as an Unrestricted Subsidiary in accordance with Clause 18 of the Stadium Loan Agreement and any Subsidiary of an Unrestricted Subsidiary;

"VAT Account" means the account of the Club to be known as the **"VAT Account"** and to be established with the Account Bank in accordance with Clause 5 of the Cash Management Agreement;

"VAT Accounting Date" means each of the dates upon which the Club is required to account to HM Customs and Excise for VAT;

"VAT Reserve Amount" has the meaning given to it in Clause 8.5(a) of the Cash Management Agreement;

"Value Added Tax" and **"VAT"** shall be construed as a reference to value added tax as that term is used in the Value Added Tax Act 1994 and all subsequent amendments thereto, and shall

include any similar tax which may be imposed in addition thereto or in place thereof from time to time;

“Visiting Club” means the professional football club opposing the Club in a Home Match, a Cup Match or a Friendly Match;

“Voluntary Prepayment Notice” means the notice given by the Club to the Issuer pursuant to Clause 7.1 of the Stadium Loan Agreement; and

“Youth Fixture” means a fixture to be played at the Ground involving one of the Club’s youth teams.

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 00040946

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A STADIUM DEBENTURE DATED THE 28th OCTOBER 2002 AND CREATED BY MANCHESTER CITY FOOTBALL CLUB PLC FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO MANCHESTER CITY INVESTMENTS LIMITED 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 4th NOVEMBER 2002.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 7th NOVEMBER 2002.



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House

— for the record —