

Lincoln City Football Club Limited loan note (ISSUE ONE)

This loan note is issued under the following terms and conditions by the Company to

Name _____ of _____

and has a face value of £ _____

1 Definitions and interpretation

1.1 In this Note:

Company means Lincoln City Football Club Limited (Company No. 00045611);

Member means a member and/or shareholder of the Company

Noteholder means the member who is the registered holder or holders for the time being of this Note and includes the personal representatives of the registered holders;

Noteholders means the Member(s) registered as holders for the time being of the Notes;

Notes means all the notes of the Series for the time being outstanding;

Pari Passu means with equal right.

Principal Sum means the principal sum of this Note stated above; and

Series means the series of notes referred to in clause 2 below.

1.2 In this Note:

1.2.1 reference to any statute or statutory provision includes a reference to:

(a) that statute or statutory provision as from time to time amended extended or re-enacted or consolidated, and

(b) all statutory instruments or orders made pursuant to it;

1.2.2 words denoting the singular shall include the plural and vice versa; and

1.2.3 words denoting any gender include all the genders and words denoting persons shall include firms and corporations and vice versa.

1.3 References in this Deed to **clauses** and the **Schedule** are to clauses of and the schedule to this Note, and references to paragraphs are to paragraphs of the Schedule.

1.4 Clause and paragraph headings are for convenience only and shall not affect the interpretation of this Note.

2 Series

This Note is one of a series of notes in similar form having a maximum aggregate principal amount of £ 250,000.00 The Company may from time to time issue further notes of the Series provided that the aggregate principal amount of all notes of the Series which have been issued at any time shall not exceed that maximum. All notes of the Series rank pari passu with each other.

3 Covenant to pay Principal Sum

The Company will pay the Principal Sum to the Noteholder on the date being the third anniversary of the Date or on such earlier date as the Principal Sum shall become payable in accordance with this Note.

4 Interest

The Company will pay interest to the Noteholder on the Principal Sum at a rate of 3% per year in arrears

on 31st January each year (both before and after any judgment) until the Principal Sum is paid in full. Interest will accrue on a daily basis and shall itself bear interest if not paid on the due date without prejudice to the right of the Noteholder to require payment.

5 Payment upon notice

5.1 The Company may at any time on giving not less than 31 days' notice in writing to the Noteholder of its intention to prepay the Principal Sum in whole or in part.

5.2 The Company may give notice to prepay any one or more of the Notes without giving a similar notice in respect of any others of them.

5.3 Upon the expiry of any notice given under clause 5.1 above the Noteholder shall deliver this Note to the Company at its registered office and against such delivery the Company shall pay to the Noteholder the Principal Sum or the part to be prepaid together with accumulated interest on that amount. In the case of a partial prepayment, the Company shall issue to the Noteholder a replacement note for the balance of the Principal Sum. If the Noteholder shall fail to deliver this Note on the due date, interest shall cease to run on the amount to be prepaid, and the Company shall pay that amount into a separate account to be held on trust to pay that amount to the Noteholder upon receipt by the Company of this Note, and to pay any interest earned on such account to the Company.

6 Acceleration

The Principal Sum shall immediately become payable together with all unpaid interest on it to the date of payment on the happening of any one or more of the following events:

6.1 if the Company makes default for a period of 90 days in the payment of any interest secured by this Note and the Noteholder before such interest is paid by notice in writing calls in the Principal Sum;

6.2 if an order is made or an effective resolution is passed for winding up the Company;

6.3 if an encumbrancer takes possession or a receiver is appointed of the assets of the Company;

6.4 if the Company is unable to pay its debts within the meaning of the Insolvency Act 1986 Section 123 or goes into insolvency or liquidation within the meaning of Section 247(2) of that Act or stops payment or ceases or threatens to cease to carry on its business;

6.5 if default shall be made by the Company in the performance of any covenant condition or obligation (other than the covenant for payment of interest) binding on the Company under the Notes.

7 Company to insure

The Company agrees with the Noteholder that it will at all times until the Principal Sum and all interest and other money from time to time payable under this Note shall have been paid or satisfied keep insured in accordance with sound commercial practice and in insurance offices or institutions of good repute or with Lloyd's underwriters such parts of the assets and activities of the Company as are normally insured in businesses of a similar nature.

8 Register

The Company will keep a register and enter in it the issue and changes of ownership of this Note. The register may be closed from time to time for such periods (not exceeding 30 days in all in any year) as the Company may decide.

9 Death of the Noteholder

On the death of the Noteholder his personal representatives and on the death of a joint holder the survivor or survivors shall be the only persons recognised by the Company as having any title to this Note.

10 Registration on transmission

Any person entitled to this Note by reason of the death of the Noteholder or otherwise by operation of law may, upon producing such evidence of his title as the Company may reasonably require, be registered as the holder of this Note.

11 Notice of trusts

The Company shall recognise and treat the Noteholder as the sole absolute owner of this Note and as alone entitled to receive and give effectual discharges for the money secured by this Note. The Company shall not be affected by notice of any trust or any right, title or claim or any person other than the Noteholder to this Note.

12 Freedom from equities

The Principal Sum and interest due on this Note shall be payable without regard to any set off, cross claims or equities between the Company and the Noteholder or any prior holder.

13 Method of payment

The Principal Sum and interest due on this Note will be paid by cheque posted at the risk of the Noteholder in a prepaid letter to the Noteholder if he is a sole holder or to the first named of joint holders at his registered address or to such other person or address as the Noteholder or joint holders may request in writing. Payment of any such cheque shall for all purposes be deemed to be payment and satisfaction of the Principal Sum or interest represented by such payment.

14 Loss or destruction

If this Note shall be lost or destroyed or damaged the Company will at the request of the Noteholder issue a duplicate, provided that the Noteholder shall first have given to the Company such evidence of the circumstances, and such indemnities and security as it may require, and have paid the Company's costs (including legal costs) in connection with issuing a duplicate and such fee not exceeding £ 50.00 as the Company may require, and (in the case of damage) delivered the damaged deed to the Company.

15 Notices

Any notice to be given under this Note by the Company shall be sufficiently given if sent by first class post to the Noteholder at his address in the register kept under clause 11 above (or, in the case of joint Noteholders, to the address of the first-named in that register), and shall be deemed received on the working day after posting.

EXECUTED AS A DEED by the Company the day and year first above written.

Director:

Director:

Date:



LINCOLN CITY FC