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COMPANIES FORM No. 155(6)a**Declaration in relation to
assistance for the acquisition
of shares**

155(6)a

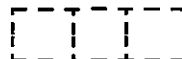
Pursuant to section 155(6) of the Companies Act 1985

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

To the Registrar of Companies
(Address overleaf - Note 5)

For official use

Company number



3335610

Note

Please read the notes
on page 3 before
completing this form.

Name of company

* Watford Association Football Club (Holdings) Limited

* insert full name
of company

* /We ☒ Sir Elton Hercules John of Woodside, Crimp Hill, Old Windsor,
Berkshire, SL4 2HL,

☒ insert name(s) and
address(es) of all
the directors

Haig Oundjian of 2 Lawn Crescent, Richmond, Surrey TW9 3NR

Nigel William Wray of 20 Thayer Street, London W1M 6DD

† delete as
appropriate

~~[the sole director]~~ [all the directors]† of the above company do solemnly and sincerely declare that:

The business of the company is:

§ delete whichever
is inappropriate

~~(a) that of a (recognised bank) (licensed institution)† within the meaning of the Banking Act 1979§~~

~~(b) that of a person authorised under section 3 or 4 of the Insurance Companies Act 1982 to carry on insurance business in the United Kingdom§~~

(c) something other than the above§

The company is proposing to give financial assistance in connection with the acquisition of shares in the
[company] ~~[company's holding company]~~ _____

limited†

The assistance is for the purpose of [that acquisition] ~~[reducing or discharging a liability incurred for the purpose of that acquisition]†~~

The number and class of the shares acquired or to be acquired is: _____

39,998 Ordinary Shares of £1 each

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

Weil, Gotshal & Manges
One South Place
LONDON
EC2M 2WG

DX: 124402 LONDON/CITY
Ref: 143086.1

For official Use
General Section



The assistance is to be given to: (note 2) _____

David Robert Meller of 47 Avenue Road, London, NW8 6BJ

Please do not
write in this
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Please complete
legibly, preferably
in black type, or
bold block
lettering

The assistance will take the form of:

The entering into of a deed of variation between the Company and Mr David Meller altering the terms of the Company's debt obligations to Mr David Meller.

The person who ~~has acquired~~ [will acquire][†] the shares is:

[†] delete as
appropriate

David Meller

The principal terms on which the assistance will be given are:

Please see Schedule 1

The amount of cash to be transferred to the person assisted is £ NIL

The value of any asset to be transferred to the person assisted is £ N/A

The date on which the assistance is to be given is Please see Schedule 2

19 _____

Please do not
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Please complete
legibly, preferably
in black type, or
bold block lettering

* delete either (a) or
(b) as appropriate

~~*/~~We have formed the opinion, as regards the company's initial situation immediately following the date on which the assistance is proposed to be given, that there will be no ground on which it could then be found to be unable to pay its debts. (note 3)

(a) ~~*/~~We have formed the opinion that the company will be able to pay its debts as they fall due during the year immediately following that date]* (note 3)

(b) ~~[It is intended to commence the winding up of the company within 12 months of that date, and I/we have formed the opinion that the company will be able to pay its debts in full within 12 months of the commencement of the winding up.]~~* (note 3)

And ~~*/~~we make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1835.

Declared at 20 THAYER STREET,
LONDON, W1M 6DD

Declarants to sign below

the 29th day of September
one thousand nine hundred and ninety nine

Nick Wn

before me Gairiel M GABRIEL ALTERMAN

A Commissioner for Oaths or Notary Public or Justice of
the Peace or a Solicitor having the powers conferred on
a Commissioner for Oaths.

NOTES

- 1 For the meaning of "a person incurring a liability" and "reducing or discharging a liability" see section 152(3) of the Companies Act 1985.
- 2 Insert full name(s) and address(es) of the person(s) to whom assistance is to be given; if a recipient is a company the registered office address should be shown.
- 3 Contingent and prospective liabilities of the company are to be taken into account - see section 156(3) of the Companies Act 1985.
- 4 The auditors report required by section 156(4) of the Companies Act 1985 must be annexed to this form.
- 5 The address for companies registered in England and Wales or Wales is:-

The Registrar of Companies
Companies House
Crown Way
Cardiff
CF4 3UZ

or, for companies registered in Scotland:-

The Registrar of Companies
37 Castle Terrace
Edinburgh
EH1 2EB

FORM 155(6)a
WATFORD ASSOCIATION FOOTBALL CLUB (HOLDINGS) LIMITED
COMPANY NUMBER 3335610

SCHEDULE 1 - PRINCIPLE TERMS ON WHICH ASSISTANCE IS GIVEN

The Company is currently indebted to Mr. Meller in an amount of £50,000 (the "**Original Debt**"). The Original debt is evidenced by loan stock issued by the Company pursuant to an instrument executed by the Company on 26 April 1997 (the "**Loan Stock Agreement**").

The Original Debt does not bear interest and is repayable on 20 April 2002 unless repaid earlier by the Company. The deed of Variation will convert the Original Debt into an interest bearing loan from Mr David Meller to the Company which will be repayable on demand by Mr David Meller.

SCHEDULE 2 - THE DATE ON WHICH ASSISTANCE GIVEN

As soon as practicable from the date hereof and, in any event, within 8 weeks of the date hereof.

G

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COMPANIES FORM No. 155(6)a

Declaration in relation to assistance for the acquisition of shares

155(6)a

Pursuant to section 155(6) of the Companies Act 1985

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

Note
Please read the notes
on page 3 before
completing this form.

- * insert full name
of company
- § insert name(s) and
address(es) of all
the directors

To the Registrar of Companies
(Address overleaf - Note 5)

For official use

Company number

--	--	--	--

3335610

Name of company

* Watford Association Football Club (Holdings) Limited

*/We § Sir Elton Hercules John of Woodside, Crimp Hill, Old Windsor,
Berkshire, SL4 2HL,
Haig Oundjian of 2 Lawn Crescent, Richmond, Surrey TW9 3NR
Nigel William Wray of 20 Thayer Street, London W1M 6DD

† delete as
appropriate

§ delete whichever
is inappropriate

~~[the sole director]~~ [all the directors]† of the above company do solemnly and sincerely declare that:

The business of the company is:

~~(a) that of a recognised bank (licensed institution) within the meaning of the Banking Act 1979~~

~~(b) that of a person authorised under section 8 or 4 of the Insurance Companies Act 1982 to carry on insurance business in the United Kingdom~~

(c) something other than the above§

The company is proposing to give financial assistance in connection with the acquisition of shares in the
[company] ~~[company's holding company]~~

~~limited~~†

The assistance is for the purpose of [that acquisition] ~~[reducing or discharging a liability incurred for the purpose of that acquisition]~~†

The number and class of the shares acquired or to be acquired is: _____

39,998 Ordinary Shares of £1 each

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

Weil, Gotshal & Manges
One South Place
LONDON
EC2M 2WG

For official Use
General Section

The assistance is to be given to: (note 2) _____

David Robert Meller of 47 Avenue Road, London, NW8 6BJ

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The assistance will take the form of:

The entering into of a deed of variation between the Company and Mr David Meller altering the terms of the Company's debt obligations to Mr David Meller.

The person who ~~has acquired~~ [will acquire]† the shares is:

† delete as
appropriate

David Meller

The principal terms on which the assistance will be given are:

Please see Schedule 1

The amount of cash to be transferred to the person assisted is £ NIL

The value of any asset to be transferred to the person assisted is £ N/A

The date on which the assistance is to be given is Please see Schedule 2

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(b) as appropriate

1/We have formed the opinion, as regards the company's initial situation immediately following the date on which the assistance is proposed to be given, that there will be no ground on which it could then be found to be unable to pay its debts. (note 3)

(a) ~~1/~~We have formed the opinion that the company will be able to pay its debts as they fall due during the year immediately following that date]* (note 3)

(b) ~~[It is intended to commence the winding up of the company within 12 months of that date, and I/we have formed the opinion that the company will be able to pay its debts in full within 12 months of the commencement of the winding up.]~~* (note 3)

And I/we make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1835.

Declared at 20 THAYER STREET.
LONDON W1M 6AD

Declarants to sign below

the 29th day of September
one thousand nine hundred and ninety nine

before me GABRIEL AUCHEMAN

A Commissioner for Oaths or Notary Public or Justice of the Peace or a Solicitor having the powers conferred on a Commissioner for Oaths.

NOTES

- 1 For the meaning of "a person incurring a liability" and "reducing or discharging a liability" see section 152(3) of the Companies Act 1985.
- 2 Insert full name(s) and address(es) of the person(s) to whom assistance is to be given; if a recipient is a company the registered office address should be shown.
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FORM 155(6)a
WATFORD ASSOCIATION FOOTBALL CLUB (HOLDINGS) LIMITED
COMPANY NUMBER 3335610

SCHEDULE 1 - PRINCIPLE TERMS ON WHICH ASSISTANCE IS GIVEN

The Company is currently indebted to Mr. Meller in an amount of £50,000 (the "**Original Debt**"). The Original debt is evidenced by loan stock issued by the Company pursuant to an instrument executed by the Company on 26 April 1997 (the "**Loan Stock Agreement**").

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SCHEDULE 2 - THE DATE ON WHICH ASSISTANCE GIVEN

As soon as practicable from the date hereof and, in any event, within 8 weeks of the date hereof.

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COMPANIES FORM No. 155(6)a

**Declaration in relation to
assistance for the acquisition
of shares**

155(6)a

Pursuant to section 155(6) of the Companies Act 1985

Please complete
legibly, preferably
in black type, or
bold block lettering**Note**
Please read the notes
on page 3 before
completing this form.* insert full name
of company§ insert name(s) and
address(es) of all
the directors† delete as
appropriate§ delete whichever
is inappropriateTo the Registrar of Companies
(Address overleaf - Note 5)

For official use

Company number

3335610

Name of company

* Watford Association Football Club (Holdings) Limited

†/We § Sir Elton Hercules John of Woodside, Crimp Hill, Old Windsor,
Berkshire, SL4 2HL,
Haig Oundjian of 2 Lawn Crescent, Richmond, Surrey TW9 3NR
Nigel William Wray of 20 Thayer Street, London W1M 6DD

[~~the sole director~~] [all the directors]† of the above company do solemnly and sincerely declare that:

The business of the company is:

(a) ~~that of a recognised bank (licensed institution) within the meaning of the Banking Act 1979~~§(b) ~~that of a person authorised under section 9 or 4 of the Insurance Companies Act 1982 to carry on insurance business in the United Kingdom~~§

(c) something other than the above§

The company is proposing to give financial assistance in connection with the acquisition of shares in the
[company] [~~company's holding company~~]

limited)†

The assistance is for the purpose of [that acquisition] [~~reducing or discharging a liability incurred for the purpose of that acquisition~~]†

The number and class of the shares acquired or to be acquired is: _____

39,998 Ordinary Shares of £1 each

Presentor's name address and
reference (if any) :Weil, Gotshal & Manges
One South Place
LONDON
EC2M 2WGFor official Use
General Section

Post room

DX: 124402 LONDON/CITY
Ref: 143086.1

The assistance is to be given to: (note 2) _____

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† delete as
appropriate

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Please see Schedule 1

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(a) ~~*/~~We have formed the opinion that the company will be able to pay its debts as they fall due during the year immediately following that date]* (note 3)

(b) ~~[It is intended to commence the winding up of the company within 12 months of that date, and ~~*/~~we have formed the opinion that the company will be able to pay its debts in full within 12 months of the commencement of the winding up.]~~* (note 3)

And ~~*/~~we make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1835.

Declared at 2660 Peachtree Road, N.W.
Atlanta, GA 30305

Declarants to sign below

the 29th day of September
one thousand nine hundred and ninety nine

before me Yvette Fallon
A Commissioner for Oaths or Notary Public or Justice of
the Peace or a Solicitor having the powers conferred on
a Commissioner for Oaths.



NOTES

- 1 For the meaning of "a person incurring a liability" and "reducing or discharging a liability" see section 152(3) of the Companies Act 1985.
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FORM 155(6)a
WATFORD ASSOCIATION FOOTBALL CLUB (HOLDINGS) LIMITED
COMPANY NUMBER 3335610

SCHEDULE 1 - PRINCIPLE TERMS ON WHICH ASSISTANCE IS GIVEN

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The Original Debt does not bear interest and is repayable on 20 April 2002 unless repaid earlier by the Company. The deed of Variation will convert the Original Debt into an interest bearing loan from Mr David Meller to the Company which will be repayable on demand by Mr David Meller.

SCHEDULE 2 - THE DATE ON WHICH ASSISTANCE GIVEN

As soon as practicable from the date hereof and, in any event, within 8 weeks of the date hereof.

Dated 18 September

1999

WATFORD ASSOCIATION FOOTBALL CLUB (HOLDINGS) LIMITED

and

ELTON HERCULES JOHN

DEED OF RELEASE

in respect of a

DEED

executed by Elton John

dated 26 April 1997

WEIL, GOTSHAL & MANGES

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2 CONDITION PRECEDENT TO THE RELEASE FROM OBLIGATIONS	2
3 GOVERNING LAW	2
4 COUNTERPARTS.....	2

THIS DEED OF RELEASE is made on 18 September

1999

BETWEEN

- (1) **WATFORD ASSOCIATION FOOTBALL CLUB (HOLDINGS) LIMITED** whose registered office is at Vicarage Road Stadium, Watford, Hertfordshire, WD1 8ER and whose registered number is 3335610 (the "**Company**"); and
- (2) **SIR ELTON HERCULES JOHN** ("**Elton John**").

WHEREAS

- (A) Pursuant to a sale and purchase agreement dated 26 April 1997 between (1) Watford Holdings Limited; (2) Incorporated Holdings Limited ("**IHL**"); and (3) the Company (formerly Shelfco (No. 1331) Limited) (the "**Agreement**"), the Company purchased from IHL the debt owed in respect of all loans made by IHL to Watford Association Football Club, for a consideration of £2,500,000. Under the terms of the Agreement, final payment of the aforementioned consideration (the "**Deferred Consideration**") is to be received no later than 26 April 2000 and, as of 26 April 1999, any outstanding principal amount is to accrue interest at a rate per annum equal to one per cent. above the base rate from time to time of Midland Bank plc (the "**Interest**").
- (B) By way of assistance to the Company in respect of its obligations to pay Deferred Consideration and Interest, Elton John undertook to: (1) subscribe for £250,000 of unsecured non-interest bearing loan stock in the Company on 26 April 2000; and (2) pay the Company interest in an amount equal to 10 per cent. of the interest payable by the Company to IHL under the terms of the Agreement. Such undertakings were made for no consideration in a letter to the Company which was executed as a deed by Elton John on 26 April 1997.
- (C) Conditional upon the forthcoming issue of shares in the Company by way of private placement raising no less than £2,500,000 in subscription monies, the Company wishes to hereby irrevocably release Elton John from the above mentioned undertakings.

NOW THIS DEED OF RELEASE WITNESSES AND IT IS HEREBY AGREED AND DECLARED as follows:

1 RELEASE FROM OBLIGATIONS

The parties recognise and agree that subject to fulfilment of the condition set out in clause 2 of this Deed, the Company hereby irrevocably releases Elton John from any subscription obligation, indebtedness or other payment obligation which is or could become owed to the Company in accordance with the terms of the letter to the Company which was executed as a deed by him on 26 April 1997. In particular, the Company releases Elton John from the obligation to: (1) subscribe for £250,000 of unsecured non-interest bearing loan stock in the Company on 26 April 2000; and (2) pay the Company interest in an amount equal to 10 per cent. of the interest payable by the Company to IHL under the terms of the Agreement.

2 CONDITION PRECEDENT TO THE RELEASE FROM OBLIGATIONS

2.1 The release of Elton John from his obligations pursuant to clause 1 of this Deed is subject to the fulfilment of the following condition:

2.2.1 the receipt of no less than £2,500,000 in subscription monies in relation to the forthcoming issue of shares by way of private placement by the Company, with such amount of subscription monies having been received on or prior to 31 December 1999.

2.2 The Company shall use all reasonable endeavours to procure, at the Company's own expense, the fulfilment of the condition set out in clause 2.2.1 on or prior to the applicable date.

2.3 If the condition set out in clause 2.2.1 becomes incapable of being satisfied, this Deed shall have no further effect and in such event (except in relation to any breaches prior to the applicable date) no party to this Deed shall have any claim against the other party to this Deed for costs, damages, charges, compensation or otherwise under this Deed.

3 GOVERNING LAW

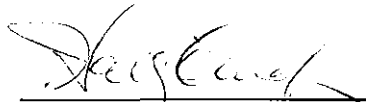
This Deed shall be governed by and construed in accordance with the laws of England.

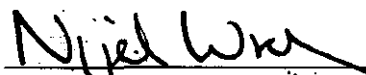
4 COUNTERPARTS

This Deed of Release may be executed in any number of counterparts, each of which when executed and delivered constitutes an original of this Deed of Release, but all the counterparts shall together constitute one and the same agreement. No counterpart shall be effective until each party has executed at least one counterpart.

IN WITNESS WHEREOF THE PARTIES BY THEIR DULY AUTHORISED
SIGNATORIES HAVE EXECUTED THIS DOCUMENT AS A DEED ON THE DATE
FIRST ABOVE MENTIONED

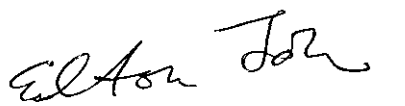
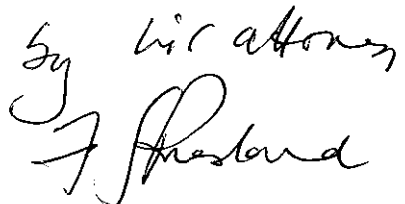
EXECUTED AS A DEED)
by WATFORD ASSOCIATION FOOTBALL)
CLUB (HOLDINGS) LIMITED)
in the presence of:)


Director


Director/Secretary

EXECUTED AS A DEED)
by ELTON HERCULES JOHN)
in the presence of:)




by his attorney


**Auditors' report to the directors' of
Watford Association Football Club (Holdings) Limited
pursuant to 156(4) of the Companies Act 1985**

We have examined the attached statutory declarations of the directors' of Watford Association Football Club (Holdings) limited (the "Company") dated 29 September 1999 in connection with the proposal that the Company should give financial assistance for the purpose of an acquisition of the company's shares as detailed in the attached declaration.

Respective responsibilities of directors' and auditors'

The Company's directors' are responsible for the statutory declarations. Our responsibility is to enquire into the state of the Company's affairs, in order to review the bases for the statutory declaration, and to provide a report to the directors'.

Basis of opinion

We have enquired into the state of the Company's affairs so far as is necessary for us to review the bases for the statutory declarations.

Opinion

We are not aware of anything to indicate that the opinion expressed by the directors' in their statutory declarations as to any of the matters mentioned in Section 156(2) of the Companies Act 1985 is unreasonable in all the circumstances.



Chantrey Vellacott DFK
Chartered Accountants
Gresham House
53 Clarendon Road
WATFORD
Herts WD1 1LR

29 September 1999

Dated 18 September 1999

WATFORD ASSOCIATION FOOTBALL CLUB (HOLDINGS) LIMITED

and

DAVID ROBERT MELLER

**DEED OF VARIATION
in respect of an**

**INSTRUMENT
constituting £5,300,000
Non-Interest Bearing Unsecured Loan Stock 2002
(the "Loan Stock Agreement")**

WEIL, GOTSHAL & MANGES

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4 GOVERNING LAW	2
5 COUNTERPARTS.....	2

THIS DEED OF VARIATION is made on 18 September 1999

BETWEEN

- (1) **WATFORD ASSOCIATION FOOTBALL CLUB (HOLDINGS) LIMITED** whose registered office is at Vicarage Road Stadium, Watford, Hertfordshire, WD1 8ER and whose registered number is 3335610 (the "**Company**"); and
- (2) **DAVID ROBERT MELLER** (the "**David Meller**").

WHEREAS

- (A) The Company by a resolution of its Board of Directors dated 26 April 1997 resolved to create £5,300,000 of loan stock (the "**Loan Stock**") to be designated as Non-Interest Bearing Unsecured Loan Stock 2002 and constituted by an instrument dated 26 April 1997 (the "**Loan Stock Agreement**").
- (B) David Meller is the holder of £50,000 of Loan Stock issued pursuant to the Loan Stock Agreement, having subscribed for £106,000 in principal amount on 26 April 1997 and the Company having converted David Meller's holding in the principal amount of £56,000 by the issue of 39,998 shares in the Company.
- (C) Conditional upon the forthcoming issue of shares in the Company by way of private placement raising no less than £50,000 in subscription monies, the parties hereto wish to amend the terms of the Loan Stock Agreement to incorporate:
 - (i) an obligation upon the Company to pay interest accrued on the principal amount of the Loan Stock held by David Meller; and
 - (ii) an obligation upon the Company to repay the whole of the principal, or any part thereof, in accordance with any demand for repayment made by the David Meller.

NOW THIS DEED OF AMENDMENT WITNESSES AND IT IS HEREBY AGREED AND DECLARED as follows:

1 ALTERATION OF TERMS

The parties recognise and agree that subject to fulfilment of the condition set out in clause 2 of this Deed, the principal amount of the Loan Stock held by David Meller pursuant to the Loan Stock Agreement and the debt represented thereby shall cease to be an obligation of the Company under the Loan Stock Agreement and shall become a simple debt owing by the Company to David Meller on the terms, that: (a) it shall not bear interest and (b) shall be repayable either in part or in whole by the Company immediately after any demand for repayment made by David Meller.

2 CONDITION PRECEDENT TO THE ALTERATION OF TERMS

2.1 The variation of the Loan Stock Agreement pursuant to clause 1 of this Deed is subject to the fulfilment of the following condition:

- 2.2.1** the receipt of no less than £50,000 in subscription monies in relation to the forthcoming issue of shares by way of private placement by the Company, with such amount of subscription monies having been received on or prior to 31 December 1999.

2.2 The Company shall use all reasonable endeavours to procure, at the Company's own expense, the fulfilment of the condition set out in clause 2.2.1 on or prior to the applicable date.

2.3 If the condition set out in clause 2.2.1 becomes incapable of being satisfied, this Deed shall have no further effect and in such event (except in relation to any breaches prior to the applicable date) no party to this Deed shall have any claim against the other party to this Deed for costs, damages, charges, compensation or otherwise under this Deed.

3 CONSTRUCTION

This Deed of Variation shall form part of and be construed as one with the Loan Stock Agreement and all references in the Loan Stock Agreement to "this Instrument" shall be construed so as to refer to the Loan Stock Agreement as amended by this Deed of Variation.

4 GOVERNING LAW

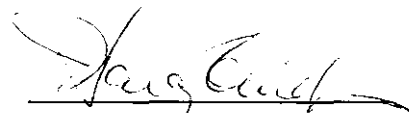
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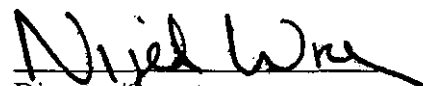
5 COUNTERPARTS

This Deed of Release may be executed in any number of counterparts, each of which when executed and delivered constitutes an original of this Deed of Release, but all the counterparts shall together constitute one and the same agreement. No counterpart shall be effective until each party has executed at least one counterpart.

IN WITNESS WHEREOF THE PARTIES BY THEIR DULY AUTHORISED
SIGNATORIES HAVE EXECUTED THIS DOCUMENT AS A DEED ON THE DATE
FIRST ABOVE MENTIONED

EXECUTED AS A DEED)
by WATFORD ASSOCIATION FOOTBALL)
CLUB (HOLDINGS) LIMITED)
in the presence of:)


Director


Director/Secretary

EXECUTED AS A DEED)
by DAVID ROBERT MELLER)
in the presence of:)

