



**Registration of a Charge**

Company name: **SWANSEA CITY FOOTBALL 2002 LIMITED**

Company number: **04305508**



X9DSZ782

Received for Electronic Filing: **17/09/2020**

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**Details of Charge**

Date of creation: **11/09/2020**

Charge code: **0430 5508 0003**

Persons entitled: **STORMLIGHT ELYRCH LLC (AS HOLDER)**

Brief description: **NOT APPLICABLE**

**Contains fixed charge(s).**

**Contains floating charge(s) (floating charge covers all the property or undertaking of the company).**

**Contains negative pledge.**

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**Authentication of Form**

This form was authorised by: **a person with an interest in the registration of the charge.**

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**Authentication of Instrument**

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT TO S.859G OF THE COMPANIES ACT 2006 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION**

**FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL  
INSTRUMENT.**

Certified by:

**ALEX MCCARNEY**



## **CERTIFICATE OF THE REGISTRATION OF A CHARGE**

Company number: 4305508

Charge code: 0430 5508 0003

The Registrar of Companies for England and Wales hereby certifies that a charge dated 11th September 2020 and created by SWANSEA CITY FOOTBALL 2002 LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 17th September 2020 .

Given at Companies House, Cardiff on 18th September 2020

The above information was communicated by electronic means and authenticated by the Registrar of Companies under section 1115 of the Companies Act 2006



**Companies House**



**THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES**

11 September 2020

**SWANSEA CITY FOOTBALL 2002 LIMITED**  
(as Chargor)

and

**STORMLIGHT ELYRCH LLC**  
(as Holder)

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**DEBENTURE**

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**LATHAM & WATKINS**

I certify that, save for material redacted pursuant to section 859G of the Companies Act 2006, the enclosed copy of the security instrument delivered as part of this application for registration in accordance with section 859A of the Companies Act 2006 is a correct copy of the original security instrument.

Signature: Alex McCarney

Name: Alex McCarney

Title: Solicitor

Date: 16 September 2020

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THIS DEBENTURE is made by way of deed on 11 September 2020

**BETWEEN:**

- (1) **SWANSEA CITY FOOTBALL 2002 LIMITED**, a private limited company incorporated under the laws of England and Wales with registered number 04305508 whose registered office is at The Liberty Stadium, Landore, Swansea SA1 2FA (the "**Chargor**"); and
- (2) **STORMLIGHT ELYRCH LLC**, a Domestic Limited Liability Company formed in Texas (the "**Holder**").

**IT IS AGREED AS FOLLOWS:**

**1. INTERPRETATION**

**1.1 Definitions**

In this Debenture:

"**Account Notice**" means a notice substantially in the form set out in Part II (*Form of Account Notice*) of Schedule 3 (*Forms of Notices*);

"**Accounts**" means all present and future accounts opened or maintained by the Chargor, including but not limited to the accounts set out in Schedule 2 (*Bank Accounts*) of this Debenture (and any renewal or re-designation of such account(s)), in each case, together with the debt or debts represented thereby;

"**Charged Property**" means all the assets and undertakings of the Chargor which from time to time are subject of the Security Interest created or expressed to be created in favour of the Holder by or pursuant to this Debenture;

"**Convertible Note**" means the REDACTED convertible secured promissory note issued by the Chargor to the Holder on 7 August 2020;

"**Counterparty Notice**" means a notice substantially in the form set out in Part I (*Form of Counterparty Notice*) of Schedule 3 (*Forms of Notices*);

"**Default Rate**" means the rate at which interest is payable under Section 6(a) of the Convertible Note;

"**Intra-Group Debt Documents**" means all intragroup loan agreements (if any) entered into between the Chargor as lender and a member of the Group as borrower;

"**Parties**" means each of the parties to this Debenture from time to time;

"**Quasi-Security**" means a transaction in which the Chargor:

- (a) sells, transfers or otherwise disposes of any of its assets on terms whereby they are or may be leased to or re-acquired by the Chargor or any other member of the Group;
- (b) sells, transfers or otherwise disposes of any of its receivables on recourse terms;
- (c) enters into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or
- (d) enters into any other preferential arrangement having a similar effect,

in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset;

**"Receiver"** means a receiver, receiver and manager or administrative receiver appointed under this Debenture;

**"Related Rights"** means all dividends, distributions and other income paid or payable on a Share, together with all shares or other property derived from any Share and all other allotments, accretions, rights, benefits and advantages of all kinds accruing, offered or otherwise derived from or incidental to that Share (whether by way of conversion, redemption, bonus, preference, option or otherwise);

**"Secured Liabilities"** means all present and future sums, liabilities and obligations (whether actual or contingent, incurred solely or jointly with any other person and whether as principal or surety) payable or owing by the Chargor to the Holder under or in connection with any Transaction Document or any New Money Financing provided by the Holder, except for any money, obligation or liability which, if it were so included, would cause the infringement of section 678 of the Companies Act 2006;

**"Secured Parties"** means the Holder and any Receiver;

**"Security Interest"** means any mortgage, charge (fixed or floating), pledge, lien, hypothecation, right of set-off, security trust, assignment, reservation of title or other security interest and any other agreement entered into for the purpose and having the commercial effect of conferring security; and

**"Shares"** means all present and future shares owned by the Chargor in its subsidiaries including but not limited to the shares specified in Schedule 1 (*Shares*).

## 1.2 Construction

In this Debenture, unless a contrary intention appears, a reference to:

- (a) an **"agreement"** includes any legally binding arrangement, concession, contract, deed or franchise (in each case whether oral or written);
- (b) an **"amendment"** includes any amendment, supplement, variation, novation, modification, replacement or restatement and **"amend"**, **"amending"** and **"amended"** shall be construed accordingly;
- (c) **"assets"** includes present and future properties, revenues and rights of every description;
- (d) **"including"** means including without limitation and **"includes"** and **"included"** shall be construed accordingly;
- (e) **"losses"** includes losses, actions, damages, claims, proceedings, costs, demands, expenses (including fees) and liabilities and **"loss"** shall be construed accordingly;
- (f) a **"person"** includes any person, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) or any two or more of the foregoing; and
- (g) a **"regulation"** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation.

### 1.3 Other References

- (a) In this Debenture, unless a contrary intention appears, a reference to:
  - (i) the Holder, the Chargor or any other person is, where relevant, deemed to be a reference to or to include, as appropriate, that person's successors in title, permitted assignees and transferees;
  - (ii) any Transaction Document or other agreement or instrument is to be construed as a reference to that agreement or instrument as amended (howsoever fundamentally and whether or not such amendment results in new and / or more onerous obligations and liabilities), including by way of a change in the purpose of the facilities, or by way of a refinancing, deferral or extension of the facilities or by way of an addition or increase of or other changes to the facilities or other obligations or liabilities under the agreements or accession or retirement of the parties to the agreements;
  - (iii) any clause or schedule is a reference to, respectively, a clause of and schedule to this Debenture and any reference to this Debenture includes its schedules; and
  - (iv) a provision of law is a reference to that provision as amended or re-enacted.
- (b) The index to and the headings in this Debenture are inserted for convenience only and are to be ignored in construing this Debenture.
- (c) Words importing the plural shall include the singular and vice versa.

### 1.4 Incorporation by reference

Unless the context otherwise requires or unless otherwise defined in this Debenture, words and expressions defined in the Convertible Note have the same meanings when used in this Debenture.

### 1.5 Miscellaneous

- (a) The terms of the documents under which the Secured Liabilities arise and of any side letters between the Chargor and the Holder relating to the Secured Liabilities are incorporated in this Debenture to the extent required for any purported disposition of the Charged Property contained in this Debenture to be a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
- (b) Notwithstanding any other provision of this Debenture, the obtaining of a moratorium under section 1A of the Insolvency Act 1986, or anything done with a view to obtaining such a moratorium (including any preliminary decision or investigation), shall not be an event causing restrictions which would not otherwise apply to be imposed on the disposal of property by the Chargor or a ground for the appointment of a Receiver.
- (c) The Contracts (Rights of Third Parties) Act 1999 shall not apply to this Debenture and no rights or benefits expressly or impliedly conferred by this Debenture shall be enforceable under that Act against the Parties by any other person.
- (d) The Parties hereto intend that this document shall take effect as a deed notwithstanding that a Party may only execute this document under hand.



## **2. COVENANT TO PAY**

The Chargor as primary obligor covenants with the Holder that it will on demand pay the Secured Liabilities when they fall due for payment.

## **3. CHARGING PROVISIONS**

### **3.1 Specific Security**

The Chargor, as continuing security for the payment of the Secured Liabilities, charges in favour of the Holder with full title guarantee the following assets, both present and future, from time to time owned by it or in which it has an interest, by way of first fixed charge:

- (a) all Shares and all corresponding Related Rights;
- (b) all monies from time to time standing to the credit of the Accounts (including any interest and other sums accruing thereon), together with all of its rights, title and interest in, and benefits and proceeds deriving from or arising in connection with, the Accounts; and
- (c) if not effectively assigned by Clause 3.2 (*Security Assignment*), all its rights, title and interest in (and proceeds and claims under) the Intra-Group Debt Documents,

and includes, in respect of each of the above charged assets (as appropriate), the benefit of all licences, consents and agreements held by the Chargor in connection with the use of the asset, any monies or income paid or payable in respect of the asset, any proceeds of the sale of the asset and any other property, rights or claims relating to, accruing to or deriving from the asset.

### **3.2 Security Assignment**

As further continuing security for the payment of the Secured Liabilities, the Chargor assigns absolutely with full title guarantee to the Holder all its rights, title and interest, both present and future, from time to time in the Intra-Group Debt Documents, subject in each case to reassignment by the Holder to the Chargor of all such rights, title and interest upon irrevocable payment or discharge in full of the Secured Liabilities.

### **3.3 Floating Charge**

- (a) As further continuing security for the payment of the Secured Liabilities, the Chargor charges with full title guarantee in favour of the Holder by way of first floating charge all its present and future assets, undertakings and rights.
- (b) Paragraph 14 of Schedule B1 to the Insolvency Act 1986 shall apply to the floating charge created by this Debenture.

### **3.4 Conversion of Floating Charge**

- (a) The Holder may, by notice to the Chargor, convert the floating charge created under this Debenture into a fixed charge with immediate effect as regards those assets specified in the notice, if:
  - (i) an Event of Default has occurred; or
  - (ii) the Holder is of the view that any asset charged under the floating charge created under this Debenture is in danger of being seized or sold under any form of distress, attachment, execution or other legal process or is otherwise in jeopardy; or

- (iii) the Holder reasonably considers that it is necessary in order to protect the priority, value or enforceability of the Security Interest created under this Debenture.
- (b) The floating charge created under this Debenture will automatically (without notice) and immediately be converted into a fixed charge over all the assets of the Chargor which are subject to the floating charge created under this Debenture, if:
  - (i) the members of the Chargor convene a meeting for the purposes of considering any resolution for its winding-up, dissolution, or a compromise, assignment or arrangement with any creditor;
  - (ii) the Chargor creates, or purports to create, Security Interest (except as permitted by the Transaction Documents or with the prior consent of the Holder) on or over any asset which is subject to the floating charge created under this Debenture;
  - (iii) any third party takes any step with a view to levying distress, attachment, execution or other legal process against any such asset;
  - (iv) any person (entitled to do so) gives notice of its intention to appoint an administrator to the Chargor or files such a notice with the court; or
  - (v) if any other floating charge created by the Chargor crystallises for any reason.

#### 4. FURTHER ASSURANCE

- (a) The covenants set out in Section 2(1)(b) of the Law of Property (Miscellaneous Provisions) Act 1994 shall extend to include the obligations set out in sub-clause 4 (b) and (c) below.
- (b) The Chargor shall promptly (and at its own expense) do all such acts (including payment of all stamp duties or fees) or execute or re-execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions on terms equivalent or similar to those set out in this Debenture) as the Holder may reasonably specify (and in such form as the Holder may reasonably require):
  - (i) to perfect the Security Interest created or intended to be created under or evidenced by this Debenture (which may include the execution or re-execution of a mortgage, charge, assignment or other Security Interest over all or any of the assets which are, or are intended to be, the subject of this Debenture) or for the exercise of any rights, powers and remedies of the Holder, any Receiver or the other Secured Parties provided by or pursuant to this Debenture or by law;
  - (ii) to confer on the Holder, Security Interest over any property and assets of the Chargor located in any jurisdiction equivalent or similar to the Security Interest intended to be conferred by or pursuant to this Debenture; and/or
  - (iii) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Security Interest created under this Debenture.
- (c) The Chargor shall take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security Interest conferred or intended to be conferred on the Holder by or pursuant to this Debenture.

- (d) The Chargor and the Holder shall, within 60 days of receiving a written request to do so from Swansea Football, LLC, use all reasonable endeavours to do all such acts, and negotiate and execute all such documents, in each case as are reasonably necessary:
- (i) to replace (by the creation of a new Security Interest or otherwise) the bilateral Security Interest created or expressed to be created in favour of the Holder by or pursuant to this Debenture with an equivalent multilateral security arrangement (with necessary changes), comprising (i) a Security Interest created by the Chargor in favour of a security trustee (however described) and held for the benefit of the Holder, Swansea Football, LLC and any other providers of New Money Financing which accede to the arrangement from time to time and (ii) customary intercreditor arrangements between such parties (including, without limitation, *pari passu* ranking and customary arrangements for instructing the security trustee (including customary entrenched rights in respect of matters that could materially prejudice the position of the Holder)); and
  - (ii) to perfect the Security Interest created or expressed to be created by or pursuant to that multilateral security arrangement.

## **5. NEGATIVE PLEDGE**

The Chargor shall not:

- (a) create or agree to create or permit to subsist any Security Interest or Quasi-Security over all or any part of the Charged Property; or
- (b) sell, assign, transfer, lease out, lend or otherwise dispose of all or any part of the Charged Property (other than in respect of assets charged under Clause 3.3 (*Floating Charge*) on arm's length terms in the ordinary course of trading) or the right to receive or to be paid the proceeds arising on the disposal of the same, or agree or attempt to do so,

except (i) to secure any additional convertible notes or other New Money Financing or (ii) as permitted by the Convertible Note or (iii) with the prior consent of the Holder.

## **6. REPRESENTATIONS AND WARRANTIES**

### **6.1 General**

The Chargor represents and warrants to the Holder as set out in this Clause 6 on the date of this Debenture.

### **6.2 Ownership of Charged Property**

The Chargor is the sole legal and beneficial owner of, and has good, valid and marketable title to the Charged Property.

### **6.3 Shares**

- (a) All of the Shares re fully paid.
- (b) The Chargor has not issued and does not intend to issue any warning notice or restrictions notice under Schedule 1B of the Companies Act 2006 in respect of any Shares.

- (c) The Chargor has not received any warning notice or restrictions notice under Schedule 1B of the Companies Act 2006 in respect of any Shares.

#### **6.4 Bank Accounts**

The Chargor has full power to establish and maintain the Accounts and to enter into and deliver and to create the Security Interest constituted by this Debenture.

#### **6.5 No Security Interest**

The Charged Property is free from any Security Interest other than as created pursuant to the Transaction Documents.

### **7. PROTECTION OF SECURITY**

#### **7.1 Title Documents**

- (a) The Chargor shall promptly deposit with the Holder (or as it shall direct):
  - (i) all stock and share certificates and other documents of title relating to the Shares together with stock transfer forms executed in blank and left undated on the basis that the Holder shall be able to hold such documents of title and stock transfer forms until the Secured Liabilities have been irrevocably and unconditionally discharged in full and shall be entitled, at any time following the occurrence of an Event of Default to complete, under its power of attorney given in this Debenture, the stock transfer forms on behalf of the Chargor in favour of itself or such other person as it shall select;
  - (ii) all documents (including any passbook) relating to the Accounts; and
  - (iii) following an Event of Default, all other documents relating to the Charged Property which the Holder may from time to time reasonably require.
- (b) The Holder may retain any document delivered to it under this Clause 7.1 or otherwise until the Security Interest created under this Debenture is released and, if for any reason it ceases to hold any such document before that time, it may by notice to the Chargor require that the document be redelivered to it and the Chargor shall promptly comply (or procure compliance) with that notice.
- (c) Any document required to be delivered to the Holder under Clause 7.1(a) which is for any reason not so delivered or which is released by the Holder to the Chargor shall be held on trust by the Chargor for the Holder.

#### **7.2 Bank Accounts**

- (a) In respect of each Account, the Chargor shall serve an Account Notice on the bank with whom the Account is maintained and use reasonable endeavours to procure that such bank signs and delivers to the Holder an acknowledgement substantially in the form of the schedule to the Account Notice.
- (b) The Holder shall not be entitled to give any notice referred to in paragraph 2(b) of the Account Notice, withdrawing its consent to the making of withdrawals by the Chargor in respect of the Accounts, unless and until an Event of Default occurred or any of the circumstances described in Clause 3.4 (*Conversion of Floating Charge*) has arisen.

### **7.3 Intra-Group Debt Documents**

- (a) Following the execution of this Debenture, the Chargor will:
  - (i) promptly after the date of the relevant Intra-Group Debt Document (or in respect of any Intra-Group Debt Document dated on or earlier than the date of this Debenture, promptly following execution of this Debenture) give notice to the other party to each Intra-Group Debt Document that it has assigned or charged its right to the Holder under this Debenture. Such notice will be a Counterparty Notice. The Chargor shall use all reasonable endeavours to procure that the relevant counterparty signs and delivers to the Holder an acknowledgement substantially in the form of that set out in the schedule to the relevant notice within 14 days of the execution of this Debenture (or, as the case may be, of the entering into of the relevant Intra-Group Debt Document);
  - (ii) perform all its obligations under the Intra-Group Debt Documents in a diligent and timely manner; and
  - (iii) not make or agree to make any amendments to the Intra-Group Debt Documents, waive any of its rights under such agreements or exercise any right to terminate any Intra-Group Debt Document, except with the prior consent of the Holder.
- (b) The Holder shall not be entitled to give any notice referred to in paragraph 2 of the Counterparty Notice, unless and until an Event of Default has occurred.

## **8. UNDERTAKINGS**

### **8.1 General**

- (a) The Chargor undertakes to the Holder in the terms of this Clause 8 from the date of this Debenture and for so long as any of the Secured Liabilities are outstanding.
- (b) The Chargor will observe and perform all covenants and stipulations from time to time affecting the Charged Property, make all payments, carry out all registrations or renewals and generally take all steps which are necessary to preserve, maintain and renew when necessary or desirable all of the Charged Property.

### **8.2 Voting and Distribution Rights**

- (a) Prior to the occurrence of an Event of Default:
  - (i) the Chargor shall be entitled to receive and retain all dividends, distributions and other monies paid on or derived from its Shares; and
  - (ii) the Chargor shall be entitled to exercise all voting and other rights and powers attaching to its Shares provided that it shall not exercise any such voting rights or powers in a manner which would prejudice the interests of the Holder under this Debenture or adversely affect the validity, enforceability or existence of the Charged Property or the Security Interest created under this Debenture.
- (b) At any time after the occurrence of an Event of Default, all voting rights in respect of the Shares shall be exercised by the Chargor as directed by the Holder (in order to preserve and/or realise the value of the security), unless the Holder has notified the Chargor in writing that it wishes to give up this right.

- (c) At any time after the occurrence of an Event of Default, the Chargor shall hold any dividends, distributions and other monies paid on or derived from the Shares on trust for the Holder and pay the same to, or as directed by, the Holder.
- (d) If, at any time, any Shares are registered in the name of the Holder or its nominee, the Holder will not be under any duty to ensure that any dividends, distributions or other monies payable in respect of those Shares are duly and promptly paid or received by it or its nominee, or to verify that the correct amounts are paid or received, or to take any action in connection with the taking up of any (or any offer of any) stocks, shares, rights, monies or other property paid, distributed, accruing or offered at any time by way of interest, dividend, redemption, bonus, rights, preference, option, warrant or otherwise on or in respect of or in substitution for, any of those Shares.

### 8.3 Persons with Significant Control regime

- (a) In respect of any Shares which constitute Charged Property, the Chargor shall promptly:
  - (i) notify the Holder of its intention to issue, or its receipt of, any warning notice or restrictions notice under Schedule 1B of the Companies Act 2006 and provide to the Holder a copy of any such warning notice or restrictions notice;
  - (ii) respond to that notice within the prescribed timeframe; and
  - (iii) provide to the Holder a copy of the response sent/received in respect of such notice.
- (b) For the purposes of withdrawing any restrictions notice or for any application to the court under Schedule 1B of the Companies Act 2006, the Holder shall (and shall ensure that the relevant members of the Group will) provide such assistance as the Holder may reasonably request in respect of any Shares which constitute Charged Property and provide the Holder with all information, documents and evidence that it may reasonably request in connection with the same.

### 8.4 Appropriation under the Financial Collateral Regulations

- (a) To the extent that any of the Charged Property constitutes "financial collateral" and this Debenture and the obligations of the Chargor hereunder constitute "security financial collateral arrangement" (in each case as defined in, and for the purposes of, the Financial Collateral Arrangements (No. 2) Regulations 2003 (as amended) (the "**Regulations**")), the Holder shall have the right to appropriate all or any part of such financial collateral in or towards discharge of the Secured Liabilities and may exercise that right to appropriate by giving notice to the Chargor at any time after an Event of Default has occurred.
- (b) The Parties agree that the value of any such appropriated financial collateral shall be:
  - (x) in the case of securities, the price at which such securities can be disposed of by the Holder; and
  - (y) in the case of any other asset, the market value of such financial collateral as determined by the Holder, in each case, in a commercially reasonable manner (including by way of an independent valuation). The Parties agree that the methods of valuation provided for in this paragraph shall constitute commercially reasonable methods of valuation for the purposes of the Regulations.

## **8.5 Bank Accounts**

At any time after an Event of Default has occurred the Holder may and is hereby irrevocably and unconditionally authorised, without further enquiry and without either giving notice to the Chargor or obtaining any consent, to apply the whole or part of all monies standing to the credit of the Accounts in or towards payment of the Secured Liabilities.

## **9. HOLDER'S POWER TO REMEDY**

### **9.1 Power to Remedy**

If the Chargor fails to comply with any obligation set out in Clause 7 (*Protection of Security*) or Clause 8 (*Undertakings*) and that failure is not remedied to the satisfaction of the Holder within 14 days of the Holder giving notice to the Chargor or the Chargor becoming aware of the failure to comply, it will allow (and irrevocably authorises) the Holder or any person which the Holder nominates to take any action on behalf of the Chargor which is necessary to ensure that those obligations are complied with.

### **9.2 Indemnity**

The Chargor will indemnify the Holder against all losses incurred by the Holder as a result of a breach by the Chargor of its obligations under Clause 7 (*Protection of Security*) or Clause 8 (*Undertakings*) and in connection with the exercise by the Holder of its rights contained in Clause 9.1 above. All sums the subject of this indemnity will be payable by the Chargor to the Holder on demand and if not so paid will bear interest at the Default Rate. Any unpaid interest will be compounded with monthly rates.

## **10. CONTINUING SECURITY**

### **10.1 Continuing Security**

Each Security Interest constituted by this Debenture shall be a continuing security notwithstanding any intermediate payment or settlement of all or any part of the Secured Liabilities or any other act, matter or thing.

### **10.2 Other Security**

Each Security Interest constituted by this Debenture is to be in addition to and shall neither be merged in nor in any way exclude or prejudice or be affected by any other Security Interest or other right which the Holder may now or after the date of this Debenture hold for any of the Secured Liabilities, and this Security Interest may be enforced against the Chargor without first having recourse to any other rights of the Holder.

## **11. ENFORCEMENT OF SECURITY**

### **11.1 Enforcement Powers**

For the purpose of all rights and powers implied or granted by statute, the Secured Liabilities are deemed to have fallen due on the date of this Debenture. The power of sale and other powers conferred by section 101 of the Law of Property Act 1925 and all other enforcement powers conferred by this Debenture shall be immediately exercisable at any time after an Event of Default has occurred.

### **11.2 Statutory Powers**

The powers conferred on mortgagees, receivers or administrative receivers by the Law of Property Act 1925 and the Insolvency Act 1986 (as the case may be) shall apply to the Security

Interest created under this Debenture, unless they are expressly or impliedly excluded. If there is ambiguity or conflict between the powers contained in those Acts and those contained in this Debenture, those contained in this Debenture shall prevail.

### **11.3 Exercise of Powers**

All or any of the powers conferred upon mortgagees by the Law of Property Act 1925 as varied or extended by this Debenture, and all or any of the rights and powers conferred by this Debenture on a Receiver (whether expressly or impliedly), may be exercised by the Holder without further notice to the Chargor at any time after an Event of Default has occurred, irrespective of whether the Holder has taken possession or appointed a Receiver of the Charged Property.

### **11.4 Disapplication of Statutory Restrictions**

The restriction on the consolidation of mortgages and on power of sale imposed by sections 93 and 103 respectively of the Law of Property Act 1925 shall not apply to any Security Interest constituted by this Debenture.

## **12. RECEIVERS**

### **12.1 Appointment of Receiver**

- (a) Subject to paragraph (c) below, at any time after notice demanding payment of any sum which is then due but unpaid in respect of the Secured Liabilities has been given by the Holder to the Chargor, or if so requested by the Chargor, the Holder may by writing under hand signed by any officer or manager of the Holder, appoint any person (or persons) to be a Receiver of all or any part of the Charged Property.
- (b) Section 109(1) of the Law of Property Act 1925 shall not apply to this Debenture.
- (c) The Holder shall be entitled to appoint a Receiver save to the extent prohibited by section 72A Insolvency Act 1986.

### **12.2 Powers of Receiver**

Each Receiver appointed under this Debenture shall have (subject to any limitations or restrictions which the Holder may incorporate in the deed or instrument appointing it) all the powers conferred from time to time on receivers by the Law of Property Act 1925 and the Insolvency Act 1986 (each of which is deemed incorporated in this Debenture), so that the powers set out in schedule 1 to the Insolvency Act 1986 shall extend to every Receiver, whether or not an administrative receiver. In addition, notwithstanding any liquidation of the Chargor, each Receiver shall have power to:

- (a) manage, develop, reconstruct, amalgamate or diversify any part of the business of the Chargor;
- (b) enter into or cancel any contracts on any terms or conditions;
- (c) incur any liability on any terms, whether secured or unsecured, and whether to rank for payment in priority to this security or not;
- (d) let or lease or concur in letting or leasing, and vary the terms of, determine, surrender leases or tenancies of, or grant options and licences over, or otherwise deal with, all or any of the Charged Property, without being responsible for loss or damage;



- (e) establish subsidiaries to acquire interests in any of the Charged Property and/or arrange for those subsidiaries to trade or cease to trade and acquire any of the Charged Property on any terms and conditions;
- (f) make and effect all repairs, renewals and improvements to any of the Charged Property and maintain, renew, take out or increase insurances;
- (g) exercise all voting and other rights attaching to the Shares and stocks, shares and other securities owned by the Chargor and comprised in the Charged Property, but only following a written notification from either the Receiver or the Holder to the Chargor stating that the Holder shall exercise all voting rights in respect of the Shares and stocks, shares and other securities owned by the Chargor and comprised in the Charged Property;
- (h) redeem any prior Security Interest on or relating to the Charged Property and settle and pass the accounts of the person entitled to that prior Security Interest, so that any accounts so settled and passed shall (subject to any manifest error) be conclusive and binding on the Chargor and the money so paid shall be deemed to be an expense properly incurred by the Receiver;
- (i) appoint and discharge officers and others for any of the purposes of this Debenture and/or to guard or protect the Charged Property upon terms as to remuneration or otherwise as he may think fit;
- (j) settle any claims, accounts, disputes, questions and demands with or by any person who is or claims to be a creditor of the Chargor or relating to any of the Charged Property;
- (k) purchase or acquire any land or any interest in or right over land; and
- (l) do all other acts and things (including signing and executing all documents and deeds) as the Receiver considers to be incidental or conducive to any of the matters or powers in this Clause 12.2, or otherwise incidental or conducive to the preservation, improvement or realisation of the Charged Property, and use the name of the Chargor for all such purposes,

and in each case may use the name of the Chargor and exercise the relevant power in any manner which he may think fit.

### **12.3 Receiver as Agent**

Each Receiver shall be the agent of the Chargor, which shall be solely responsible for his acts or defaults, and for his remuneration and expenses, and be liable on any agreements or engagements made or entered into by him. The Holder will not be responsible for any misconduct, negligence or default of a Receiver.

### **12.4 Removal of Receiver**

The Holder may by notice remove from time to time any Receiver appointed by it (subject to the provisions of section 45 of the Insolvency Act 1986 in the case of an administrative receivership) and, whenever it may deem appropriate, appoint a new Receiver in the place of any Receiver whose appointment has terminated, for whatever reason.

### **12.5 Remuneration of Receiver**

The Holder may from time to time fix the remuneration of any Receiver appointed by it.

## **12.6 Several Receivers**

If at any time there is more than one Receiver, each Receiver may separately exercise all of the powers conferred by this Debenture (unless the document appointing such Receiver states otherwise).

## **13. APPLICATION OF PROCEEDS**

### **13.1 Order of Application**

All monies received or recovered by the Holder or any Receiver pursuant to this Debenture shall (subject to the claims of any person having prior rights thereto) be applied notwithstanding any purported appropriation by the Chargor.

### **13.2 Insurance Proceeds**

If an Event of Default has occurred, all monies received by virtue of any insurance maintained or effected in respect of the Charged Property shall be paid to the Holder (or, if not paid by the insurers directly to the Holder, shall be held on trust for the Holder) and shall, at the option of the Holder, be applied in replacing or reinstating the assets destroyed, damaged or lost (any deficiency being made good by the Chargor) or (except in the case of leasehold premises) in reduction of the Secured Liabilities.

### **13.3 Section 109 Law of Property Act 1925**

Sections 109(6) and (8) of the Law of Property Act 1925 shall not apply to a Receiver appointed under this Debenture.

### **13.4 Application against Secured Liabilities**

Subject to Clause 13.1 above, any monies or other value received or realised by the Holder from the Chargor or a Receiver under this Debenture may be applied by the Holder to any item of account or liability or transaction forming part of the Secured Liabilities to which they may be applicable in any order or manner which the Holder may determine.

### **13.5 Suspense Account**

Until the Secured Liabilities have been irrevocably paid or discharged in full, the Holder or the Receiver (as applicable) may place and keep (for such time as it shall determine) any money received, recovered or realised pursuant to this Debenture or on account of the Chargor's liability in respect of the Secured Liabilities in an interest bearing separate suspense account (to the credit of either the Chargor or the Holder or the Receiver as the Holder or the Receiver shall think fit) and the Holder or the Receiver may retain the same for the period which it considers expedient without having any obligation to apply all or any part of that money in or towards discharge of the Secured Liabilities.

## **14. PROTECTION OF HOLDER AND RECEIVER**

### **14.1 No Liability**

Neither the Holder nor any Receiver shall be liable in respect of any of the Charged Property or for any loss or damage which arises out of the exercise or the attempted or purported exercise of, or the failure to exercise any of, their respective powers, unless caused by its or his gross negligence, wilful default or breach of any obligations under the Transaction Documents.

#### **14.2 Possession of Charged Property**

Without prejudice to Clause 14.1 above, if the Holder or the Receiver enters into possession of the Charged Property, it will not be liable to account as mortgagee in possession and may at any time at its discretion go out of such possession.

#### **14.3 Primary liability of Chargor**

The Chargor shall be deemed to be a principal debtor and the sole, original and independent obligor for the Secured Liabilities and the Charged Property shall be deemed to be a principal security for the Secured Liabilities. The liability of the Chargor under this Debenture and the charges contained in this Debenture shall not be impaired by any forbearance, neglect, indulgence, abandonment, extension of time, release, surrender or loss of securities, dealing, variation or arrangement by the Holder, or by any other act, event or matter whatsoever whereby the liability of the Chargor (as a surety only) or the charges contained in this Debenture (as secondary or collateral charges only) would, but for this provision, have been discharged.

#### **14.4 Delegation**

The Holder may delegate by power of attorney or in any other manner all or any of the powers, authorities and discretions which are for the time being exercisable by it under this Debenture to any person or persons upon such terms and conditions (including the power to sub-delegate) as it may think fit. The Holder will not be liable or responsible to the Chargor or any other person for any losses arising from any act, default, omission or misconduct on the part of any delegate.

#### **14.5 Cumulative Powers**

The powers which this Debenture confers on the Holder and any Receiver appointed under this Debenture are cumulative, without prejudice to their respective powers under the general law, and may be exercised as often as the relevant person reasonably thinks appropriate. The Holder or the Receiver may, in connection with the exercise of their powers, join or concur with any person in any transaction, scheme or arrangement whatsoever. The respective powers of the Holder and the Receiver will in no circumstances be suspended, waived or otherwise prejudiced by anything other than an express consent or amendment.

### **15. SAVING PROVISIONS**

#### **15.1 Waiver of Defences**

Neither the obligations of the Chargor under this Debenture nor the Security Interests constituted by this Debenture will be affected by any act, omission, matter or thing which, but for this Clause 15.1, would reduce, release or prejudice any of its obligations under any Transaction Document (without limitation and whether or not known to it or the Holder) including:

- (a) any time, waiver or consent granted to, or composition with, the Chargor or any other person;
- (b) the release of the Chargor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of the Chargor or any other person or any non-presentation or non-observance of any formality or

other requirement in respect of any instrument or any failure to realise the full value of any security;

- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Chargor or any other person;
- (e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any Transaction Document or any other document or security including without limitation any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Transaction Document or other document or security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Transaction Document or any other document or security; or
- (g) any insolvency or similar proceedings.

#### **15.2 Chargor intent**

Without prejudice to the generality of Clause 15.1 (*Waiver of Defences*), the Chargor expressly confirms that it intends that the Security Interests constituted by this Debenture shall extend from time to time to any (however fundamental and of whatsoever nature, and whether or not more onerous) variation, increase, extension or addition of or to any of the Transaction Documents and/or any facility or amount made available under any of the Transaction Documents for the purposes of or in connection with any of the following: acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

#### **15.3 Immediate Recourse**

The Chargor waives any right it may have of first requiring the Holder (or any agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from the chargor under this Debenture. This waiver applies irrespective of any law or any provision of a Transaction Document to the contrary.

#### **15.4 Enforcement**

Until all Secured Liabilities have been irrevocably paid or discharged in full, the Holder (or any agent on its behalf) may refrain from enforcing any security or rights held or received by the Holder (or any trustee or agent on its behalf) in respect of those amounts, or enforce the same in such manner and order as it sees fit and the Chargor shall not be entitled to the benefit of the same.

### **16. POWER OF ATTORNEY**

The Chargor, by way of security, irrevocably and severally appoints the Holder, each Receiver and any person nominated for the purpose by the Holder or any Receiver (in writing and signed by the Holder or Receiver) as its attorney (with full power of substitution and delegation) in its name and on its behalf and as its act and deed to execute, seal and deliver (using the company seal where appropriate) and otherwise perfect and do any deed, assurance, agreement, instrument, act or thing which it ought to execute and do under the terms of this Debenture, or which may be required or deemed proper in the exercise of any rights or powers conferred on the Holder or any Receiver under this Debenture or otherwise for any of the purposes of this

Debenture, and the Chargor covenants with the Holder and each Receiver to ratify and confirm all such acts or things made, done or executed by that attorney.

## **17. PROTECTION FOR THIRD PARTIES**

### **17.1 No Obligation to Enquire**

No purchaser from, or other person dealing with, the Holder or any Receiver (or their agents) shall be obliged or concerned to enquire whether:

- (a) the right of the Holder or any Receiver to exercise any of the powers conferred by this Debenture has arisen or become exercisable or as to the propriety or validity of the exercise or purported exercise of any such power; or
- (b) any of the Secured Liabilities remain outstanding and/or are due and payable or be concerned with notice to the contrary and the title and position of such a purchaser or other person shall not be impeachable by reference to any of those matters.

### **17.2 Receipt Conclusive**

The receipt of the Holder or any Receiver shall be an absolute and a conclusive discharge to a purchaser, and shall relieve him of any obligation to see to the application of any monies paid to or by the direction of the Holder or any Receiver.

## **18. COSTS AND EXPENSES**

### **18.1 Enforcement Expenses**

The Chargor shall, within ten Business Days of demand, pay to each of the Holder, any Receiver the amount of all costs and expenses (including legal fees) incurred by it in connection with the enforcement of or the preservation of any rights under (and any documents referred to in) this Debenture and any proceedings instituted by or against the Holder as a consequence of taking or holding the Security Interest created under this Debenture or enforcing these rights.

### **18.2 Stamp Duties, etc**

The Chargor shall pay and, within ten Business Days of demand, indemnify each Secured Party against any cost, loss or liability that Secured Party incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of this Debenture.

### **18.3 Default Interest**

If not paid when due, the amounts payable under this Clause 18 shall carry interest compounded with monthly rates at the Default Rate (after as well as before judgment), from the date of demand and shall form part of the Secured Liabilities.

## **19. REINSTATEMENT AND RELEASE**

### **19.1 Amounts Avoided**

If any amount paid by the Chargor in respect of the Secured Liabilities is capable of being avoided or set aside on the liquidation or administration of the Chargor or otherwise, then for the purposes of this Debenture that amount shall not be considered to have been paid.

## **19.2 Discharge Conditional**

Any settlement or discharge between the Chargor and the Holder shall be conditional upon no security or payment to the Holder by the Chargor or any other person being avoided, set aside, ordered to be refunded or reduced by virtue of any provision or enactment relating to insolvency and accordingly (but without limiting the other rights of the Holder under this Debenture) the Holder shall be entitled to recover from the Chargor the value which the Holder has placed on that security or the amount of any such payment as if that settlement or discharge had not occurred.

## **19.3 Covenant To Release**

Once all the Secured Liabilities have been irrevocably paid or discharged in full and the Holder does not have any actual or contingent liability to advance further monies to, or incur liability on behalf of, the Chargor, the Holder shall, at the request and cost of the Chargor, execute any documents (or procure that its nominees execute any documents) or take any action which may be necessary to release the Charged Property from any Security Interest constituted by this Debenture. On the release of any of the Charged Property the Holder shall not be bound to return the identical securities which were deposited, lodged, held or transferred and the Chargor will accept securities of the same class and denomination or such other securities as shall then represent the Charged Property being released.

## **20. CURRENCY CLAUSES**

### **20.1 Conversion**

All monies received or held by the Holder or any Receiver under this Debenture may be converted into any other currency which the Holder considers necessary to cover the obligations and liabilities comprised in the Secured Liabilities in that other currency at the Holder's spot rate of exchange then prevailing for purchasing that other currency with the existing currency.

### **20.2 No Discharge**

No payment to the Holder (whether under any judgment or court order or otherwise) shall discharge the obligation or liability of the Chargor in respect of which it was made unless and until the Holder has received payment in full in the currency in which the obligation or liability is payable or, if the currency of payment is not specified, was incurred. To the extent that the amount of any such payment shall on actual conversion into that currency fall short of that obligation or liability expressed in that currency, the Holder shall have a further separate cause of action against the Chargor and shall be entitled to enforce the Security Interests constituted by this Debenture to recover the amount of the shortfall.

## **21. SET-OFF**

### **21.1 Set-off rights**

The Holder may set off any matured obligation due from the Chargor under the Transaction Documents (to the extent beneficially owned by the Holder) against any matured obligation owed by the Holder to the Chargor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Holder may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

## **21.2 Different Currencies**

The Holder may exercise its rights under Clause 21.1 (*Set-off rights*) notwithstanding that the amounts concerned may be expressed in different currencies and the Holder is authorised to effect any necessary conversions at a market rate of exchange selected by it.

## **21.3 Unliquidated Claims**

If, at any time after notice demanding payment of any sum which is then due but unpaid in respect of the Secured Liabilities has been given by the Holder to the Chargor, the relevant obligation or liability is unliquidated or unascertained, the Holder may set-off the amount which it estimates (in good faith) will be the final amount of that obligation or liability once it becomes liquidated or ascertained.

## **21.4 No Set-off**

The Chargor will pay all amounts payable under this Debenture without any set-off, counterclaim or deduction whatsoever unless required by law, in which event the Chargor will pay an additional amount to ensure that the payment recipient receives the amount which would have been payable had no deduction been required to have been made.

## **22. RULING OFF**

If the Holder receives notice of any subsequent Security Interest or other interest affecting any of the Charged Property (except as permitted by the Convertible Note) it may open a new account for the Chargor in its books. If it does not do so then (unless it gives express notice to the contrary to the Chargor), as from the time it receives that notice, all payments made by the Chargor to it (in the absence of any express appropriation to the contrary) shall be treated as having been credited to a new account of the Chargor and not as having been applied in reduction of the Secured Liabilities.

## **23. REDEMPTION OF PRIOR CHARGES**

The Holder may, at any time after an Event of Default has occurred, redeem any prior Security Interest on or relating to any of the Charged Property or procure the transfer of that Security Interest to itself, and may settle and pass the accounts of any person entitled to that prior Security Interest. Any account so settled and passed shall (subject to any manifest error) be conclusive and binding on the Chargor. The Chargor will on demand pay to the Holder all principal monies and interest and all losses incidental to any such redemption or transfer.

## **24. NOTICES**

### **24.1 Communications in writing**

Any communication to be made under or in connection with this Debenture shall be made in writing and, unless otherwise stated, may be made by fax or letter.

### **24.2 Addresses**

The address (and the department or officer, if any, for whose attention the communication is to be made) of each party to this Debenture for any communication or document to be made or delivered under or in connection with this Debenture is:

- (a) as shown immediately after its name on the execution pages of this Debenture (in the case of any person who is a party as at the date of this Debenture); or

- (b) in the case of any person who becomes a party after the date of this Debenture, notified in writing to the Holder on or prior to the date on which it becomes a party,

or any substitute address as the party may notify to the Holder (or the Holder may notify to the other Parties, if a change is made by the Holder) by not less than five Business Days' notice.

### **24.3 Delivery**

Any communication or document made or delivered by one person to another under or in connection with this Debenture will only be effective if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post with the postage prepaid in an envelope addressed to it at that address, and, if a particular department or officer is specified as part of its address details provided under Clause 24.2, if addressed to that department or officer.

## **25. CHANGES TO PARTIES**

### **25.1 Assignment by the Holder**

The Holder may at any time assign or otherwise transfer all or any part of its rights under this Debenture in accordance with the Transaction Documents.

### **25.2 Changes to Parties**

The Chargor authorises and agrees to transfers of the Note under Section 12 (*Transfers*) of the Convertible Note and authorises the Holder to execute on its behalf any document required to effect the necessary transfer of rights or obligations contemplated by those provisions.

## **26. MISCELLANEOUS**

### **26.1 Certificates Conclusive**

A certificate or determination of the Holder as to any amount payable under this Debenture will be conclusive and binding on the Chargor, except in the case of manifest error.

### **26.2 Counterparts**

This Debenture may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Debenture.

### **26.3 Invalidity of any Provision**

If any provision of this Debenture is or becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not be affected or impaired in any way.

## **27. GOVERNING LAW AND JURISDICTION**

- (a) This Debenture and any non-contractual claims arising out of or in connection with it shall be governed by and construed in accordance with English law.
- (b) Subject to Clause 27(c), below, the Parties agree that the courts of England shall have exclusive jurisdiction to settle any dispute arising out of or in connection with this Debenture, whether contractual or non-contractual (including a dispute regarding the existence, validity or termination of this Debenture) (a "**Dispute**"). The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no party will argue to the contrary.



- (c) The Parties agree that, for the benefit of the Secured Parties only, nothing in this Debenture shall limit the right of the Secured Parties to bring any legal action against any of the Chargor in any other court of competent jurisdiction.

**IN WITNESS** whereof this Debenture has been duly executed as a deed and is delivered on the date first above written.

## **SCHEDULE 1**

### **SHARES**

<b>Name of company issuing shares</b>	<b>Number and class of shares</b>
Swansea City Association Football Club Limited (The), a company registered in England and Wales with registration number 00123414	9,399,978 Ordinary shares of £0.50 each
Swansea City Football Club Limited, a company registered in England and Wales with registration number 04056708	46,717,420 Ordinary shares of £0.01 each

**SCHEDULE 2**  
**BANK ACCOUNTS**

<b>Name and address of institution at which account is held</b>	<b>Account Number</b>	<b>Sort Code</b>
Barclays Bank PLC W Glamorgan Swansea 9 Branch Leicester LE87 2BB	REDACTED	REDACTED

**SCHEDULE 3**  
**FORMS OF NOTICES**

**Part I**  
**Form of Counterparty Notice**

To: [insert name and address of counterparty]

Dated: [●]

Dear Sirs

**Re: [here identify the relevant Intra-Group Debt Document] (the "Agreement")**

We notify you that, SWANSEA CITY FOOTBALL 2002 LIMITED (the "**Chargor**") has assigned to STORMLIGHT ELYRCH LLC (the "**Holder**") all its right, title and interest in the Agreement as security for certain obligations owed by the Chargor to the Holder by way of a debenture dated [●].

We further notify you that:

1. the Chargor may not agree to amend or terminate the Agreement without the prior written consent of the Holder;
2. you may continue to deal with the Chargor in relation to the Agreement until you receive written notice to the contrary from the Holder. Thereafter the Chargor will cease to have any right to deal with you in relation to the Agreement and therefore from that time you should deal only with the Holder;
3. you are authorised to disclose information in relation to the Agreement to the Holder on request;
4. after receipt of written notice in accordance with paragraph 2 above, you must pay all monies to which the Chargor is entitled under the Agreement direct to the Holder (and not to the Chargor) unless the Holder otherwise agrees in writing; and
5. the provisions of this notice may only be revoked with the written consent of the Holder.

Please sign and return the enclosed copy of this notice to the Holder (with a copy to the Chargor) by way of confirmation that:

- (a) you agree to the terms set out in this notice and to act in accordance with its provisions;
- (b) you have not received notice that the Chargor has assigned its rights under the agreement to a third party or created any other interest (whether by way of security or otherwise) in the agreement in favour of a third party; and
- (c) you have not claimed or exercised, nor do you have any outstanding right to claim or exercise against the Chargor any right of set-off, counter-claim or other right relating to the Agreement.

The provisions of this notice are governed by English law.

Yours faithfully

.....  
for and on behalf of  
SWANSEA CITY FOOTBALL 2002 LIMITED

*[On acknowledgement copy]*

To: STORMLIGHT ELYRCH LLC

Copy to: SWANSEA CITY FOOTBALL 2002 LIMITED

We acknowledge receipt of the above notice and confirm the matters set out in paragraphs (a) to (c) above.

.....  
for and on behalf of  
*[insert name of Counterparty]*

Dated:

## Part II

### Form of Account Notice

To: [insert name and address of Account Bank] (the "Account Bank")

Dated: [•]

Dear Sirs

**Re: SWANSEA CITY FOOTBALL 2002 LIMITED - Security over Bank Accounts**

We notify you that SWANSEA CITY FOOTBALL 2002 LIMITED (the "Chargor") charged to STORMLIGHT ELYRCH LLC (the "Holder") all its right, title and interest in and to the monies from time to time standing to the credit of the accounts identified in the schedule to this notice and to any other accounts from time to time maintained with you by the Chargor (the "Charged Accounts") and to all interest (if any) accruing on the Charged Accounts by way of a debenture dated [•].

1. We irrevocably authorise and instruct you:
  - (a) to hold all monies from time to time standing to the credit of the Charged Accounts to the order of the Holder and to pay all or any part of those monies to the Holder (or as it may direct) promptly following receipt of written instructions from the Holder to that effect; and
  - (b) to disclose to the Holder any information relating to the Chargor and the Charged Accounts which the Holder may from time to time request you to provide.
2. We also advise you that:
  - (a) by counter-signing this notice the Holder confirms that the Chargor may make withdrawals from the Charged Accounts designated as "Not blocked" in the schedule below until such time as the Holder shall notify you (with a copy to the Chargor) in writing that their permission is withdrawn. That permission may be withdrawn or modified by the Holder in its absolute discretion at any time; and
  - (b) the provisions of this notice may only be revoked or varied with the prior written consent of the Holder.
3. Please sign and return the enclosed copy of this notice to the Holder (with a copy to the Chargor) by way of your confirmation that:
  - (a) you agree to act in accordance with the provisions of this notice;
  - (b) you have not received notice that the Chargor has assigned its rights to the monies standing to the credit of the Charged Accounts or otherwise granted any security or other interest over those monies in favour of any third party;
  - (c) you will not exercise any right to combine accounts or any rights of set-off or lien or any similar rights in relation to the monies standing to the credit of the Charged Accounts, except for the netting of credit and debit balances pursuant to current account netting arrangements previously approved in writing by the Holder; and

- (d) you have not claimed or exercised, nor do you have outstanding any right to claim or exercise against the Chargor, any right of set-off, counter-claim or other right relating to the Charged Accounts.

The provisions of this notice are governed by English law.

**Schedule**

<b>Account Number</b>	<b>Sort Code</b>	<b>Status</b>
[*]	[*]	[Not blocked]

Yours faithfully,

.....  
for and on behalf of  
SWANSEA CITY FOOTBALL 2002 LIMITED

*[On acknowledgement copy]*

To: STORMLIGHT ELYRCH LLC

Copy to: SWANSEA CITY FOOTBALL 2002 LIMITED

We acknowledge receipt of the above notice and confirm the matters set out in paragraphs (a) to (d) above.

.....  
for and on behalf of  
*[Insert name of Account Bank]*

Dated: [●]



Yours faithfully,

.....  
for and on behalf of  
SWANSEA CITY FOOTBALL 2002 LIMITED

*[On acknowledgement copy]*

To: STORMLIGHT ELYRCH LLC

Copy to: SWANSEA CITY FOOTBALL 2002 LIMITED

We acknowledge receipt of the above notice and confirm the matters set out in paragraphs (a) to (d) above.

.....  
for and on behalf of  
*[Insert name of Account Bank]*

Dated: [●]

**SIGNATORIES TO DEBENTURE**

**THE CHARGOR**

**EXECUTED as a DEED by**  
**SWANSEA CITY FOOTBALL 2002 LIMITED**  
acting by two directors:

**REDACTED**

**Y REDACTED**

**Name: STEVE KAPLAN**

**Title: Director**

**Name: JASON LEVISON**

**Title: Director**

**Notice Details**

**Swansea City Football 2002 Limited**

**Liberty Stadium**

**Landore, Swansea SA1 2FA**

**United Kingdom**

**Attn: Samuel Porter and Gareth Davies**

**E-mail: REDACTED and [garethdavies@swanseacity.com](mailto:garethdavies@swanseacity.com)**

THE HOLDER

EXECUTED by

EXECUTED as a DEED by  
SILVERSTEIN FAMILY, LLC AS MANAGE  
PARTNERSHIP REPRESENTATIVE OF ST  
ELYRCH, LLC

REDACTED

DocuSigned by:  
[REDACTED]  
358C0678F911433...

Name: Jake Silverstein

Title: Manager

#### Notice Details

Stormlight Elyrch LLC

2321 NW Thurman St,

Portland Oregon 97210

United States of America

Attn: Jake Silverstein

E-mail: REDACTED

with copy which shall not constitute Notice to:

Latham & Watkins LLP

10250 Constellation Blvd., Suite 1100, Los Angeles, CA 90067

Attention: Adam Sullins and Ed Barnett

E-mail: Adam.Sullins@lw.com and Edward.Barnett@lw.com