



Registration of a Charge

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

Company number: **04305508**

Received for Electronic Filing: **20/12/2020**



Details of Charge

Date of creation: **14/12/2020**

Charge code: **0430 5508 0004**

Persons entitled: **SWANSEA FOOTBALL LLC**

Brief description:

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

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:

GARETH DAVIES



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 4305508

Charge code: 0430 5508 0004

The Registrar of Companies for England and Wales hereby certifies that a charge dated 14th December 2020 and created by SWANSEA CITY FOOTBALL 2002 LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 20th December 2020 .

Given at Companies House, Cardiff on 21st December 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

NEITHER THIS CONVERTIBLE SECURED PROMISSORY NOTE ("NOTE") NOR THE SHARES (AS DEFINED BELOW) ISSUABLE UPON CONVERSION OF THIS NOTE HAVE BEEN REGISTERED UNDER EITHER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD, OFFERED FOR SALE, TRANSFERRED, ASSIGNED, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY (AS DEFINED BELOW) THAT SUCH REGISTRATION IS NOT REQUIRED. THE SHARES ISSUABLE UPON CONVERSION OF THIS NOTE ARE SUBJECT TO TRANSFER RESTRICTIONS CONTAINED IN THE ARTICLES OF ASSOCIATION (AS DEFINED BELOW).

SWANSEA CITY FOOTBALL 2002 LIMITED

£5,000,000 CONVERTIBLE SECURED PROMISSORY NOTE DATED 14 DECEMBER 2020

14 December 2020

Swansea, Wales, United Kingdom

Swansea City Football 2002 Limited, a private company incorporated in England and Wales with registered number 04305508 (the "Company"), promises to pay to Swansea Football, LLC, a Delaware limited liability company (the "Holder"), the principal sum of Five Million British Pounds Sterling (£5,000,000), together with all interest accrued from the date hereof on the unpaid principal balance at the rate provided for in Section 5. Unless this Note has previously been converted, all unpaid principal, together with any then unpaid and accrued interest, shall be due and payable on the fifth (5th) anniversary of the Completion Date, provided that if such date is not a Business Day, then such amount shall be due and payable on the next succeeding Business Day (the "Maturity Date"). Notwithstanding the foregoing, Holder shall have the right to increase the principal amount of this Note by Five Hundred Thousand British Pounds Sterling (£500,000) to a total of Five Million Five Hundred Thousand British Pounds Sterling (£5,500,000) prior to the Maturity Date by delivery of written notice to the Company and the funding of such additional amount to the Company's Bank Account.

The following is a statement of the rights of Holder and the terms and conditions to which this Note is subject, and to which Holder, by the acceptance of this Note, agrees:

1. Definitions. As used in this Note, the following capitalized terms have the following meanings:

(a) "Affiliate" of any Person means any other Person directly or indirectly Controlling or Controlled by, or under direct or indirect common Control with, such Person.

(b) "Articles of Association" means the Articles of Association of the Company adopted by special resolution passed on July 21, 2016, as amended to date.

(c) "Board" means the board of directors of the Company.

(d) "Business Day" means a day, other than a Saturday, Sunday or other day on which commercial banks in London, United Kingdom or New York, New York, United States of America are authorized or required by law to remain closed.

(e) "Championship" means the second-tier English professional football league currently named "*English Football League Championship*".

(f) "Club" means Swansea City Association Football Club Limited (THE) a company registered in England and Wales with registration number 00123414.

(g) "Company's Bank Account" means the bank account of the Company with the details: Account Name: Swansea City Football 2002 Limited, Account Number: 73121879, Sort Code: 20-83-91, IBAN: GB11BARC20839173121879, SWIFT: BARCGB22 or such other account as is notified by the Company in writing to the Holder provided that such notice is given to the Holder two (2) Business Days prior to Completion.

(h) "Completion Date" has the meaning ascribed to such term in that certain Convertible Secured Promissory Note dated August 7, 2020, as amended and restated on September 9, 2020 between the Company and Stormlight Elyrch LLC, a Texas limited liability company.

(i) "Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person (including the ability to appoint a majority of the members of the governing body of such Person), whether through ownership of voting securities, by agreement or otherwise. The terms "controls," "controlled" and "controlling" shall have corresponding meanings.

(j) "Conversion Number" means an amount equal to CN (rounded up to the nearest whole Share) where $CN = A/B$ where: A = the principal amount of the Note outstanding as at the date of the Conversion Notice and B = the Conversion Price.

(k) "Conversion Price" means an amount equal to CP (rounded down to the nearest six decimal places) where $CP = C/D$ where: C = Thirty Million British Pounds Sterling (£30,000,000) and D = the number of Shares in issue and allotted as at the date of the Conversion Notice.

(l) "Debenture" means the debenture made between the Company, as chargor, and Stormlight Elyrch LLC, a Texas limited liability company.

(m) "Debenture Supplement" means the supplement to the Debenture contemplated by Section 4(d) of the Debenture replacing the bilateral security arrangement contained in the Debenture with a multilateral security arrangement.

(n) "EFL" means the English Football League.

(o) "EFL Rules" means the Rules of the EFL.

(p) "Event of Default" has the meaning given to that term in Section 6.

(q) "Football Authority" means the EFL and any other relevant regulatory authority responsible for the regulation and governance of Swansea Association Football Club (or its successors in title) and the leagues and competitions in which Swansea Association Football Club (or its successors in title) participates in from time to time.

- (r) "Governmental Authority" means any nation or government, any political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, arbitrator, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, any securities exchange and any self-regulatory organization.
- (s) "Group" means the Company and any of its subsidiaries from time to time.
- (t) "Group Company" means any member of the Group.
- (u) "HMRC" means HM Revenue & Customs.
- (v) "Parties" means the Company and the Holder.
- (w) "Person" shall mean and include an individual, a partnership, a corporation (including a business trust), a joint stock company, a limited liability company, an unincorporated association, a joint venture or other entity of whatever nature.
- (x) "Premier League" means the first tier English professional football league currently named "*English Premier League*".
- (y) "Premier League Rules" means the Rules of the Premier League.
- (z) "Security" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.
- (aa) "Shareholders' Agreement" means the agreement dated July 21, 2016 among the Holder, Brian Leonard Katzen, Martin Wyn Morgan, Louisa Morgan, Huw Jenkins, Bulk Vending Systems Limited and the Company.
- (bb) "Shares" means the ordinary shares with a nominal value of one British Pound Sterling (£1.00) each in the issued capital of the Company.
- (cc) "Tax" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).
- (dd) "Transaction Document" means this Note, the Debenture Supplement together with any other ancillary agreements relating to the transactions contemplated by this Note.
2. Completion. Concurrently with the execution and delivery of this Note, the Holder shall pay five million British Pounds Sterling (£5,000,000) to the Company's Bank Account.
3. Payments. All payments made on this Note shall be made by means of a wire transfer of immediately available funds denominated in British Pounds Sterling to such account as is notified by the Holder to the Company. All payments received by the Holder from the Company under this Note shall be applied first, to the payment of interest accrued and unpaid on this Note and second, to the payment of principal outstanding under this Note on the date of such repayment.
4. Maturity Date; Prepayment. Unless this Note shall have been (i) prepaid in full in accordance with this Section 4 or (ii) converted in accordance with Section 8, the entire principal balance outstanding under

this Note, together with all accrued and unpaid interest thereon, shall become due and payable on the Maturity Date. The Company may, subject to providing fifteen (15) Business Days' prior written notice to the Holder (a "Repayment Notice"), prepay the outstanding balance, including all accrued and unpaid interest thereon, of this Note in whole or in part without penalty. If any portion of the principal amount of this Note is prepaid prior to the Maturity Date, then the accrued and unpaid interest on the principal amount so prepaid shall be payable on the date of such prepayment. If following the date of a Repayment Notice the Holder elects to give a Conversion Notice, the Company shall not be entitled to prepay any amount of this Note.

5. Interest.

(a) Interest on the unpaid, non-overdue principal amount hereof shall accrue from and including the date hereof, to but excluding the date of payment, at the rate per annum equal to five percent (5.00%) on the basis of the actual number of days elapsed from the date hereof based on a year of three hundred sixty-five (365) days.

(b) Subject to (i) conversion in accordance with Section 8 or (ii) any prepayment of this Note, all accrued but unpaid interest on this Note shall be due and payable by the Company to the Holder in a lump sum amount on the Maturity Date.

6. Events of Default. The occurrence of any of the following shall constitute an "Event of Default" under this Note:

(a) Failure to Pay. The Company does not pay when due any amount payable under this on the applicable due date, unless waived or extended by the Holder in writing;

(b) Breach of Obligations. The Company fails to observe or perform any obligation or agreement contained in any Transaction Document (other than a failure to pay as specified in Section 6(a));

(c) Breach of Representations and Warranties. Any representation or warranty made by the Company to the Holder in any Transaction Document shall prove to be false or incorrect in any material respect;

(d) Unlawfulness. It is or it becomes unlawful for the Company to perform any of its obligations under any of the Transaction Documents;

(e) Effectiveness of the Transaction Documents. Any Transaction Document is not in full force and effect, does not create valid, binding and enforceable obligations of the Company or in the case of the Debenture Supplement, does not create in favor of the Holder the Security which it is expressed to create with the ranking and priority it is expressed to create;

(f) Repudiation. The Company repudiates a Transaction Document or evidences an intention to repudiate a Transaction Document;

(g) Involuntary Bankruptcy or Insolvency Proceedings. An involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of any Group Company or its debts or of a substantial part of any of its assets, under any applicable bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of an administrator (including filing documents with the court for the appointment of an administrator, or notice is given of an intention to appoint an administrator by any Group Company or by the respective directors or by a qualifying floating charge holder (as defined in paragraph 14 of Schedule B1 of the Insolvency Act 1986) of

any Group Company), receiver, trustee, custodian, sequestrator, conservator or similar official for any Group Company;

(h) Voluntary Bankruptcy or Insolvency Proceedings. The Company shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any applicable bankruptcy, insolvency, receivership or similar law now or hereafter in effect; (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in Section 6(g); (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Company or for a substantial part of its assets in any applicable jurisdiction; (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding described in clause (i); or (iv) make a general assignment for the benefit of creditors.

7. Rights of Holder upon Default. Without prejudice to the rights and remedies of the Holder under the Debenture Supplement, upon the occurrence of any Event of Default (other than an Event of Default referred to in Section 6(g) or Section 6(h)) and at any time thereafter during the continuance of such Event of Default, the Holder may deliver a written notice to the Company declaring all outstanding obligations payable by the Company hereunder to be immediately due and payable without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived, anything contained herein to the contrary notwithstanding. Upon the occurrence or existence of any Event of Default described in Section 6(g) or Section 6(h)), immediately and without notice, all outstanding obligations payable by the Company hereunder shall automatically become immediately due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived, anything contained herein to the contrary notwithstanding.

8. Conversion.

(a) General. At the Holder's option by delivery of written notice (the "Conversion Notice") to the Company, the Holder shall be entitled to convert all, but not less than all, of the principal amount of this Note then outstanding into Shares.

(b) Share Issuance and Ownership of Shares. No later than three (3) Business Days ("Conversion Date") following the Company's receipt of the Conversion Notice, the Company shall allot (the "Share Issuance") to the Holder the number of Shares equal to the Conversion Number ("Conversion Shares"), and the Board shall procure that the Company causes the register of members and allotments of the Company to be written up to reflect that the Holder is the sole legal and beneficial owner of the number of Conversion Shares. Within one (1) Business Day of the Conversion Date, the Company shall make all necessary filings at Companies House and shall procure all relevant resolutions are passed in respect of the Conversion Shares, and provide to the Holder a certificate representing the number of Shares that the Holder holds in the capital of the Company and a copy (having been certified as true and accurate by a director of the Company) of the register of members and allotments of the Company. The Shares issuable upon conversion of this Note shall be duly authorized, fully paid and non-assessable. The Holder shall execute a Deed of Adherence (as defined in the Shareholders' Agreement) prior to the date of the Share Issuance.

(c) Termination of Rights. Subject to the completion of the Share Issuance and any approval required by a Football Authority in connection thereto, all rights with respect to this Note shall terminate (i) following the Share Issuance and (ii) the satisfaction of the Company's and Board's obligations under Section 8(b) and Section 8(e), whether or not this Note has been surrendered. Notwithstanding the foregoing, the Holder shall surrender this Note to the Company for cancellation as soon as practicable following the conversion of this Note.

(d) Specific Performance. The Company hereby acknowledges and confirms that the Holder's remedies at law for the breach or threatened breach of the Holder's conversion rights under this Section 8 would be inadequate. The Company hereby further acknowledges and confirms that, in the event of a breach or threatened breach by the Company of such conversion rights, in addition to any remedies at law, the Holder, without posting any bond or other security, and without submission of proof of actual damages, shall be entitled to obtain equitable relief in the form of specific performance, a temporary restraining order, a temporary or permanent injunction, or any other equitable remedy then available.

(e) Football League Approvals. The rights of the Holder under this Section 8 are subject to, and conditioned upon, the receipt of any and all approvals and consents required by a Football Authority. The Group undertakes to the Holder that the Group shall use their best endeavors to obtain any approval or consent required from any Football Authority in relation to the Share Issuance prior to the date of the Share Issuance (to the extent required). Within five (5) Business Days of the Share Issuance, the Company shall make any and all necessary filings as may be required by a Football Authority in connection with the Share Issuance.

9. Representations and Warranties. The Company makes the representations and warranties set forth below to the Holder.

(a) Organization: Power and Authority. The Company is a private company incorporated and registered in England and Wales and has all requisite corporate power and authority to make the borrowing evidenced by this Note.

(b) Authorization: Enforceability. This Note has been duly authorized by all necessary company action on the part of the Company and constitutes a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms and conditions, except as such enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(c) Compliance with Laws: Other Agreements. The execution, delivery and performance by the Company of this Note will not (i) contravene, result in any breach of, or constitute a default under, or result in the creation of any lien in respect of any property of the Company under, any indenture, mortgage, deed of trust, loan, credit agreement, organizational document or other material agreement to which the Company is bound or by which any of the Company's assets or properties may be bound or affected; (ii) conflict with or result in a breach of any of the terms, conditions or provisions of any order, judgment, decree, or ruling of any court, arbitrator or Governmental Authority applicable to the Company; or (iii) violate any provision of any statute or other rule or regulation of any Governmental Authority applicable to the Company. Each Group Company has at all times, in all material respects, conducted their business in accordance with, and have acted in compliance with all applicable laws and regulations of any relevant jurisdiction. Without limitation, the Club is in compliance with the EFL Rules.

(d) Governmental Authorizations. No consent, approval or authorization of, or registration, filing or declaration with, any Governmental Authority is required in connection with the execution, delivery or performance by the Company of this Note.

(e) Shares Upon Conversion. The Conversion Shares issuable upon conversion of this Note shall be duly authorized, fully paid and non-assessable.

(f) Authorization to issue Conversion Shares. The allotment and issue of the Conversion Shares will not infringe any limits, powers or restrictions to which the Company is subject or the terms of any

contract, obligation or commitment of the Group and all necessary corporate authorities have been obtained to enable the Conversion Shares to be issued pursuant to the terms of this Note.

(g) Litigation. No Group Company or any of their respective shareholders, directors, officers, employees or any persons for whom it is vicariously liable (i) is or has been involved as a party in any litigation, proceedings, arbitration or dispute resolution process or (ii) is or has been the subject of any investigation, inquiry or enforcement proceedings by any governmental or regulatory authority, and no such proceedings as set out in (i) or (ii) of are pending or have been threatened in writing by or against any such person. There is no material unsatisfied judgment or court order outstanding against any Group Company.

10. Covenants

(a) No Other Indebtedness. During the period that this Note is outstanding, the Company shall procure that the Group does not incur any indebtedness that ranks senior to, or pari passu with, the indebtedness represented by this Note.

(b) Club as a Direct Subsidiary. During the period that this Note is outstanding, the Club shall at all times remain a direct subsidiary of the Company.

(c) Disposals. During the period that this Note is outstanding, the Company shall procure that each member of the Group does not sell, assign, transfer, lease out, lend or otherwise dispose of any asset other than on arm's length terms.

(d) Non-trading Holding Company. During the period that this Note is outstanding, the Company shall not carry on any business and shall at all times remain a non-trading holding company.

(e) EFL Rules. For the purposes of this Section 10(e), the term "Football Creditor" shall, wherever it appears in this Section 10(e), have the meaning given to it in the EFL Rules. During the period that this Note is outstanding, the Company shall:

(i) procure that the Club will promptly and diligently perform and observe the Club's obligations and commitments to the EFL and comply at all times with the EFL Rules;

(ii) notify the Holder, as soon as the Company becomes aware of the same, of:

(1) any act, omission, event or other matter which would (or would, with the passage of time) entitle the EFL to suspend the Club in accordance with the EFL Rules;

(2) any failure by the Club to pay a Football Creditor or HMRC the full amount payable to such Football Creditor or HMRC on the due date for payment or failure to make any payment in accordance with the EFL Rules (unless such payment is being contested in good faith); and

(iii) procure that the Club does not do or permit any act or thing whereby the payment of amounts under or in connection with any player transfer agreement would or might reasonably be expected (in the Holder's opinion) to be delayed, prevented or impeded.

(f) Premier League Rules. For the purposes of this Section 10(f), the term "Football Creditor" shall, wherever it appears in this Section 10(f), have the meaning given to it in the Premier League Rules. If the Club is promoted from the Championship (being a league under the control of the EFL), during the period that this Note is outstanding, the Company shall:

- (i) procure that the Club will promptly and diligently perform and observe the Club's obligations and commitments to the Premier League and comply at all times with the Premier League Rules;
- (ii) notify the Holder, as soon as the Company becomes aware of the same, of:
 - (1) any act, omission, event or other matter which would (or would, with the passage of time) entitle the Premier League to suspend the Club;
 - (2) any failure by the Club to pay a Football Creditor or HMRC the full amount payable to such Football Creditor or HMRC on the due date for payment or failure to make any payment in accordance with the Premier League Rules (unless such payment is being contested in good faith); and
- (iii) procure that the Club does not do or permit any act or thing whereby the payment of amounts under or in connection with any player transfer agreement would or might reasonably be expected (in the Holder's opinion) to be delayed, prevented or impeded.

11. Transfers. This Note may only be transferred by the Holder to an Affiliate in compliance with applicable securities laws and the Articles of Association, and surrender of the original of this Note for registration of transfer, duly endorsed, or accompanied by a duly executed written instrument of transfer in form reasonably satisfactory to the Company. Thereupon, a new promissory note for like principal amount (or a portion thereof) and interest will be issued to, and registered in the name of, the transferee. Unless the Holder shall otherwise agree in writing, the Company shall have no right to assign any of its rights or delegate its obligations hereunder to any other Person. Subject to the foregoing, this Note shall inure to the benefit of and be binding upon the successors and permitted transferees and assigns of the Company and the Holder.

12. Notification of Significant Events. During the period that this Note remains outstanding, if (i) any Group Company proposes to declare a dividend (or any other distribution in whatever form); (ii) any Group Company shall authorize the granting of any rights or warrants to subscribe for or purchase any shares of capital, stock or loan capital of any class; (iii) any Group Company proposes to issue any share capital or loan capital (iv) the approval of any shareholder of any Group Company shall be required in connection with a proposal to reclassify any share capital or loan capital (including a proposal to vary any right attaching to any share capital or loan capital) of any Group Company; (v) any consolidation or merger to which any Group Company is to be a party is proposed; (vi) any sale or transfer of all or substantially all of the assets of any Group Company is proposed; (vii) any transfer of any share capital or loan capital of any Group Company is proposed (viii) any compulsory share exchange whereby any share of any Group Company is converted into other securities, cash or property is proposed; (ix) any resolution is proposed to amend the articles of association of any Group Company or any proposal to amend, vary or waive any provision of the Shareholders' Agreement (each of (i) to (ix)) being a "Corporate Action") the Company shall, or shall procure the relevant Group Company shall, provide written notice to the Holder specifying details of the Corporate Action "Corporate Action Notice" at

least twenty (20) calendar days prior to the proposed applicable effective date of the applicable Corporate Action. If a Conversion Notice is given by the Holder to the Company as a result of a Corporate Action Notice, the Company undertakes to the Holder that it shall not, and shall procure no Group Company shall, complete a Corporate Action until such time as the Share Issuance has been completed. The notice provisions set forth in this Section 12 may be shortened or waived prospectively or retrospectively by the consent of the Holder.

13. **Withholding.** All payments or conversions into Shares under this Note shall be made free from any set-off, counterclaim or other deduction or withholding of any nature whatsoever (including any deduction or withholding for or on account of Tax), except for deductions or withholdings required to be made by law. If the Company is required by law to make a deduction or withholding for, or on account of, Tax from any payment or conversion into Shares under this Note, the Company shall provide such evidence of the relevant withholding as the Holder may reasonably require and shall pay to the Holder such sum (or issue such additional Shares on conversion) as will, after the deduction or withholding has been made, leave the Holder with the same amount as the Holder would have received had no deduction or withholding been required to be made.

14. **Confidentiality and Announcements**

(a) Each Party undertakes that it shall not at any time following the date of this Note, divulge or communicate to any Person (except to its professional representatives or advisers or as may be required by law or any legal or regulatory authority (including a Football Authority)) any confidential information concerning the terms of this Note, the business or affairs of the Holder or any Group Company which may have (or may in future) come to its knowledge, and each of Party shall use its reasonable endeavours to prevent the publication or disclosure of any confidential information concerning such matters.

(b) If by reason of any legal requirement or requirement of any court or tribunal of a competent jurisdiction or any regulation of any Government Authority (including without limitation taxation authorities), listing authority or regulatory body, any Party is required to disclose any information that is required to be kept confidential under Section 14(a), such Party shall be entitled to do so but only to the extent required and (if the circumstances permit) that Party notifies the other Party to whom the information relates and/or belongs of such requirement and of the nature, timing and content of such disclosure.

(c) For the purposes of this Section 14, confidential information does not include information which (i) is or becomes generally available to the public other than as a result of disclosure contrary to any obligation of confidentiality; or (ii) is or becomes available from a third party and free of any restriction as to its use or disclosure.

(d) Subject to Section 14(e), the Parties shall not make any public announcement or issue a press release or respond to any enquiry from the press or other media concerning or relating to the existence or any of the terms of this Note or its subject matter, unless required by law or by a competent regulatory authority.

(e) Notwithstanding any provisions to the contrary, nothing in this Note shall prohibit or restrict (i) the Parties from making a joint announcement provided such announcement is agreed between the Parties prior to such announcement (ii) announcements in the ordinary course of the business relating to the operation of a professional football club.

15. **Costs.** Each Party shall bear its own costs arising out of or in connection with the preparation, negotiation and implementation of this Note, provided that the Company shall, within three (3) Business Days of demand, indemnify the Holder against any cost, loss, liability or expenses (including legal fees) incurred by the Holder (acting reasonably) as a result of or in connection with (i) the occurrence of an Event of Default; (ii)

a failure by the Company to pay any amount due under this Note on its due date; or (iii) the enforcement of, or the preservation of any rights under any Transaction Document including, but not limited to, taking, holding, protecting or enforcing any Security expressed to be created pursuant to the Debenture Supplement (including, without limitation, any stamp, transfer, registration or other taxes or fees).

16. Rights of Third Parties.

(a) A person who is not a Party shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of the terms of this Note.

(b) Each Party represents to the other that their respective rights to terminate, rescind or agree any amendment, variation, waiver or settlement under this Note are not subject to the consent of any person that is not a Party.

17. Amendment. Any amendment hereto or waiver of any provision hereof may be made only by means of a written agreement executed by the Parties.

18. Governing Law. This Note and all actions arising out of or in connection with this Note shall be governed by and construed and enforced in accordance with the laws of England and Wales.

19. Jurisdiction. Each Party hereby acknowledges and confirms that any legal action, suit or proceeding against it arising out of or in connection with this Note or the transactions contemplated hereby or disputes relating hereto (whether for breach of contract, tortious conduct or otherwise) shall be brought in the courts of England and Wales and such courts shall have exclusive jurisdiction to settle any disputes, and waive any objection to proceedings before such court on the grounds of venue or on the grounds that such proceedings have been brought in an inappropriate forum.

20. Notices. All notices, requests, claims, consents, demands and other communications hereunder (each a "Notice") must be in writing and addressed to the recipient (as provided below) and shall be deemed given on the date of delivery, if transmitted by a reputable international courier service, by e-mail so as to be received between 9:00 AM and 6:00 PM, Monday through Friday (London time) with actual receipt acknowledged or by personal delivery with actual receipt acknowledged, so as to be received between 9:00 AM and 6:00 PM, Monday through Friday (London time).

To the Company, to:

Swansea City Football 2002 Limited
Liberty Stadium
Landore, Swansea SA1 2FA
United Kingdom
Attn: Samuel Porter and Gareth Davies
E-mail: Samuelporter@gmail.com and garethdavies@swanseacity.com

To the Holder, to:

Swansea Football, LLC
c/o D.C. United
100 Potomac Avenue, SW
Washington, D.C. 20024
United States of America
Attn: Samuel Porter

E-mail: SamuelImporter@gmail.com

with copy which shall not constitute Notice to:

Herrick, Feinstein LLP
2 Park Avenue
New York, New York 10016
Attention: Daniel A. Etna
E-mail: detna@herick.com

21. **Headings.** The headings contained in this Note are inserted only as a matter of convenience and in no way define, limit or extend the scope or intent of this Note or any provision hereof.

22. **No Strict Construction.** The Parties have participated jointly in the negotiation and drafting of this Note. In the event an ambiguity or question of intent or interpretation arises, this Note shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favoring or disfavoring either Party by virtue of the authorship of any of the provisions of this Note.

23. **Usury Savings Clause.** The Parties intend to comply at all times with applicable usury laws. If at any time such laws would render usurious any amounts due under this Note under applicable law, then it is each Party's express intention that the Company not be required to pay interest on this Note at a rate in excess of the maximum lawful rate, that the provisions of this Section 23 shall control over all other provisions of this Note which may be in apparent conflict hereunder, that such excess amount shall be immediately credited to the principal balance of this Note, and the provisions hereof shall immediately be reformed and the amounts thereafter decreased, so as to comply with the then applicable usury law, but so as to permit the recovery of the fullest amount otherwise due under this Note.

24. **Counterparts; Electronic Delivery.** This Note may be executed by the Parties in counterparts, both of which counterparts taken together shall be deemed to constitute one and the same agreement. Delivery of an executed signature page of this Note by facsimile or electronic mail transmission shall be effective as delivery of a manually executed counterpart hereof.

25. **Entire Agreement.** The Transaction Documents, the Shareholders' Agreement and the Articles of Association embody the complete agreement and understanding between the Parties with respect to the subject matter hereof and supersede and preempt any prior understandings, agreements or representations by the Parties, written or oral, which may have related to the subject matter hereof in any way. The Parties may not rescind this Note following the date hereof.

26. **Further Assurance.** The Company shall and shall procure that each member of the Group shall, at its own cost, promptly execute and deliver all such documents and do all such things and provide all such information and assistance, as the Holder may from time to time reasonably require for the purpose of giving full effect to the provisions of the Transaction Documents (including the Share Issuance) and to secure for the Holder the full benefit of the rights, powers and remedies conferred upon it under the Transaction Documents.

[Remainder of page intentionally left blank.
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IN WITNESS WHEREOF, the Company and the Holder have caused this Note to be executed and delivered on the date first written above.

EXECUTED ON BEHALF OF SWANSEA CITY FOOTBALL 2002 LIMITED

REDACTED

By: _____
Name: Samuel Porter v
Title: _____

REDACTED

By: _____
Name: Nathan Warner
Title: Director

EXECUTED BY SWANSEA FOOTBALL, LLC

REDACTED

By: _____
Name: Jason M. Levien
Title: Authorized Signatory

(SIGNATURE PAGE TO CONVERTIBLE NOTE)