



Registration of a Charge

Company name: **SUNDERLAND ASSOCIATION FOOTBALL CLUB,LIMITED(THE)**
Company number: **00049116**



X5DZM25C

Received for Electronic Filing: **23/08/2016**

Details of Charge

Date of creation: **10/08/2016**
Charge code: **0004 9116 0026**
Persons entitled: **STIFEL BANK & TRUST**
Brief description:
Contains fixed charge(s).
Contains floating charge(s) .
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.**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 49116

Charge code: 0004 9116 0026

The Registrar of Companies for England and Wales hereby certifies that a charge dated 10th August 2016 and created by SUNDERLAND ASSOCIATION FOOTBALL CLUB, LIMITED (THE) was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 23rd August 2016 .

Given at Companies House, Cardiff on 24th August 2016

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

I certify that, save for material redacted pursuant to s.859G of the Companies Act 2006, this copy instrument is a correct copy of the original instrument.

Sign & Dated North Rose Fulbrey LLP
23 August 2016 SECURITY AND PLEDGE AGREEMENT

THIS SECURITY AND PLEDGE AGREEMENT (as amended, modified or otherwise supplemented from time to time, the "**Agreement**"), dated as of August 10, 2016, is made by **THE SUNDERLAND ASSOCIATION FOOTBALL CLUB, LIMITED**, a company incorporated under the laws of England and Wales (the "**Pledgor**"), in favor of **STIFEL BANK & TRUST** (the "**Secured Party**"). Capitalized terms used herein that are not defined herein shall have the meaning ascribed thereto in the Reimbursement Agreement referred to below, as applicable.

RECITALS

WHEREAS, the Pledgor and the Secured Party are entering into that certain Standby Letter of Credit Reimbursement Agreement, dated as of the date hereof (as amended, modified or otherwise supplemented from time to time, the "**Reimbursement Agreement**"), in favor of the Secured Party; and

WHEREAS, the Pledgor, the Secured Party and each Person comprising the Securities Intermediary (as defined below) are entering into that certain Pledged Account Control Agreement, dated as of the date hereof (as amended, modified or otherwise supplemented from time to time, the "**Control Agreement**").

NOW, THEREFORE, in consideration of the recitals and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Grant of Security Interest.** The Pledgor hereby pledges, hypothecates, assigns and transfers to the Secured Party as security, and grants to the Secured Party a continuing security interest in, and lien on, all of the Pledgor's right, title and interest in and to all of the following now existing or hereafter acquired tangible and intangible assets and properties, (collectively, the "**Pledged Collateral**"):

- (i) the securities account(s) maintained by the Pledgor with Stifel, Nicolaus & Company, Incorporated (together with any other securities intermediary acceptable to the Secured Party in its sole and absolute discretion the "**Securities Intermediary**") as set forth on Schedule A attached hereto and any account(s) subsequently identified as a Pledged Account by the Pledgor in writing from time to time (together with each successor or replacement account, each a "**Pledged Account**" and collectively, the "**Pledged Accounts**"), together with all securities, securities entitlements, rights, financial assets, shares of stock, instruments, partnership interests or units, limited liability company membership interests, cash, cash equivalents, and all other property contained, credited, deposited, held or otherwise added to any Pledged Account;
- (ii) all other "investment property" (as defined in the New York Uniform Commercial Code (the "**UCC**")) held in, deposited in or credited to the Pledged Accounts;

- (iii) all certificates and instruments evidencing any securities or other Pledged Collateral subject to this Agreement from time to time, and all interest, dividends, distributions, cash, instruments, securities, shares of stock, and other amounts and property from time to time received, receivable, paid or payable or otherwise distributed from time to time in respect of, in exchange or substitution for, or as an addition to any of the Pledged Collateral;
- (iv) with respect to the Pledged Collateral, all rights or claims of indemnification, reimbursement or recovery, letter of credit rights, support obligations, chattel paper (whether tangible, intangible or electronic), leases, instruments (including promissory notes), and rights to receive payments;
- (v) such other property and assets as may be specified on Schedule A attached hereto;
- (vi) all other payments, returns of capital and redemptions of whatever kind or character at any time made, owing or payable to the Pledgor in respect of or on account of any Pledged Collateral, whether now due or to become due, whether in cash or other property, and whether representing income, profits, distributions pursuant to complete or partial liquidation or dissolution of any Pledged Collateral, repayment of capital contributions, loans, advances or other extensions of credit by the Pledgor with respect to the Pledged Collateral, and the right to receive, receipt for, use and enjoy all such payments and distributions;
- (vii) all right, title, interest, benefits and privileges arising under or in connection with any partnership agreement, limited liability agreement or other constitutive document subscribing to, governing or evidencing any Pledged Collateral;
- (viii) all "security entitlements" (as defined in the UCC) in respect of or related to the Pledged Accounts and the other Pledged Collateral;
- (ix) all books, files, records (including, computer software and all other media forms) relating to the Pledged Collateral; and
- (x) all accessions and additions to the foregoing, substitutions therefor, and replacements, products and Proceeds (as defined below) thereof.

As used above, "**Proceeds**" means whatever is receivable or received from or upon the sale, lease, license, collection, use, exchange or other disposition, whether voluntary or involuntary, of any Pledged Collateral, including "proceeds" as such term is defined in the UCC, and, to the extent not included in such definition, shall include any and all proceeds of any insurance, indemnity, warranty, guaranty or letter of credit payable to or for the account of the Pledgor from time to time with respect to any of the Pledged Collateral, any and all payments (in any form whatsoever) made or due and payable to the Pledgor from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Pledged Collateral by any Governmental Authority (or any Person acting under color of Governmental Authority), any and all other amounts from time to time paid or payable under or in connection with any of the Pledged Collateral or for or on account of any damage or injury to or conversion of any Pledged Collateral by any Person, any and all other tangible or intangible

property received upon the sale or disposition of Pledged Collateral, and all proceeds of Proceeds.

2. **Secured Obligations.** The foregoing pledge and security interest is granted to secure the payment and performance from time to time of (i) all Obligations (under and as defined in the Reimbursement Agreement (the "*Reimbursement Agreement Obligations*")) or any other amounts payable by the Pledgor and/or any other Obligor (under and as defined in the Reimbursement Agreement) to the Secured Party, whether now or hereafter existing, due or to become due, direct or indirect, absolute or contingent, arising under, out of, or pursuant to the any LOC Document and (ii) all costs, expenses and charges, including court costs and the Secured Party's attorneys' fees, reasonably incurred by the Secured Party in collecting any of such indebtedness, Reimbursement Agreement Obligations or liabilities. All such indebtedness, Reimbursement Agreement Obligations, liabilities, costs, expenses and charges referred to in numeral (i) and (ii) above are herein collectively referred to as the "*Secured Obligations*".

3. **Pledgor Remains Liable.** Anything herein to the contrary notwithstanding,

(a) The Pledgor shall remain liable under all contracts and agreements included in the Pledged Collateral, and shall perform all of its duties and obligations under such contracts and agreements to the same extent as if this Agreement had not been executed, and the Secured Party shall have no obligation in respect of any such matters;

(b) The Pledgor will comply in all material respects with all laws, rules and regulations relating to the ownership, operation and taxation of the Pledged Collateral, including, without limitation, all registration requirements under applicable laws, and shall pay when due all taxes, fees and assessments imposed on or with respect to the Pledged Collateral, except to the extent the validity of any such taxes, fees or assessments is being contested in good faith by appropriate proceedings and for which adequate reserves in accordance with United States generally accepted accounting principles have been set aside and are being maintained by the Pledgor.

4. **Representations, Warranties and Covenants.** The Pledgor represents, warrants and covenants to the Secured Party that:

(a) the Pledgor has the full right, power and authority to make, execute, deliver and perform its obligations under this Agreement and to grant to the Secured Party a first priority security interest in the Pledged Collateral. This Agreement, each other LOC Document to which the Pledgor is party, constitute the legal, valid and binding obligations of the Pledgor, enforceable in accordance with its terms, subject, however, to bankruptcy, insolvency and other similar laws affecting the enforcement of rights of creditors generally;

(b) at all times while any Secured Obligations remain outstanding, (i) Pledgor shall not take any action to terminate the Control Agreement, (ii) the Pledgor is and will be the legal and beneficial owner of the Pledged Collateral, free and clear of any liens, claims, charges, security interests, encumbrances or contractual rights of any kind, whether senior or subordinate to the security interest herein granted, except for the liens in favor of the Secured Party, and (iii) there are no and shall at no time be any restrictions on the sale of any Pledged Collateral. No

financing statement (other than any which may be filed on behalf of the Secured Party in connection herewith) covering any of the Pledgor's interest in the Pledged Collateral is or shall be on file in any public office. The Secured Party has and at all times shall continue to have a fully perfected first priority security interest in each item of Pledged Collateral;

(c) this Agreement and security interest granted hereby does not and will not violate or constitute a default under any subscription, constitutive or governing document related to the Pledged Collateral, any agreement or contract to which the Pledgor is a party or by which any of its assets are bound, or any applicable law or order, judgment, ruling or decree of any court or other Governmental Authority having jurisdiction over the Pledgor or any of its properties or assets to the extent that it is reasonably likely to have a Material Adverse Effect;

(d) the Pledged Collateral (A) is fully paid and non-assessable, (B) may be effectively pledged and collaterally assigned to the Secured Party pursuant to the terms hereof, (C) is not subject to any direct or indirect restriction or limitation on the pledge or resale by the Secured Party, and (D) the Secured Party may freely sell all or any portion of such Pledged Collateral pursuant to the terms of this Agreement;

(e) the Pledgor has not been known by any legal name different from the one set forth on the signature page hereto, and the Pledgor's registered office and jurisdiction of incorporation are as set forth on the signature page hereto;

(f) none of the actions contemplated by this Agreement and no enforcement by the Secured Party of its rights hereunder are or will be in violation of or restricted by any restrictive agreement, stop transfer order, any legend appearing on the certificates evidencing any of the Pledged Collateral, the Securities Act of 1933 (as amended), the Securities Exchange Act of 1934 (as amended), any state blue-sky or securities law, any Canadian federal or provincial blue-sky or securities law, or any rule, or regulation issued under the foregoing acts and laws;

(g) the Secured Party shall at all times be deemed to be in "control" (as referred to in the UCC) of the Pledged Accounts (and all assets therein) and all other Pledged Collateral in which a security interest may be perfected by "control;"

(h) the Pledgor is solvent, is able to pay its Debts as they become due and will not be rendered insolvent, or be left with insufficient capital, or be unable to pay its Debts as they mature, by the execution, delivery and performance of this Agreement, any other LOC Document to which the Pledgor is a party, or by the transactions contemplated hereunder or thereunder; and

(i) the Pledgor is not in default under any agreement to which it is a party or by which it or its assets may be bound to the extent that it is reasonably likely to have a Material Adverse Effect.

5. Withdrawals or Trading By Pledgor.

(a) Without the Secured Party's prior written consent, the Pledgor may not at any time trade, substitute, modify, assign or transfer any Pledged Collateral, nor make withdrawals from the Pledged Accounts, nor receive redemptions, dividends and distributions or withdraw

any capital in respect thereof and, in furtherance of the foregoing, any instruction to be given to the Securities Intermediary must contain the Secured Party's approval or consent, which consent shall be in the Secured Party's sole discretion and may, in the Secured Party's sole discretion, be provided by Electronic Transmission.

(b) The Pledgor hereby agrees that, after the occurrence and during the continuance of an Event of Default, the Secured Party may give and deliver orders and other instructions to the Securities Intermediary, may take exclusive control of the Pledged Accounts, may cause the liquidation or redemption of all or any portion of the Pledged Collateral and any Pledged Account or re-registration of the Pledged Accounts and/or the Pledged Collateral into the name of the Secured Party, and may effect payment to Secured Party of all proceeds.

(c) All dividends, payments, distributions, redemptions, income, interest, cash and other amounts or property from time to time distributed or paid from profits with respect to any Pledged Collateral or dividends, payments and distributions on account of any stock or other securities or interests which constitute a return of capital, equity or liquidation proceeds, whether in cash or in the form of instruments, certificates or securities, shall be deemed an increment to the securities or other investment property related thereto and all Proceeds of the Pledged Collateral subject to the first priority lien of this Agreement and, if not received directly by the Secured Party, shall be delivered as soon as reasonably practicable to (x) the Pledged Account specified by the Secured Party (prior to the occurrence and continuance of an Event of Default) or (y) the Secured Party or as directed by the Secured Party (after the occurrence and during the continuance of an Event of Default).

(d) Any certificates, instruments or shares of any security received in exchange or substitution for Pledged Collateral (whether in connection with a stock split, or recapitalization or otherwise) shall be promptly delivered to Secured Party (in form satisfactory to Secured Party) with appropriate endorsements, assignments or stock powers endorsed in blank.

(e) So long as no Event of Default shall have occurred and is continuing, the Pledgor shall be entitled to exercise all voting and other consensual rights pertaining to the Pledged Collateral for such purposes that are not inconsistent with the terms of this Agreement, any other LOC Document; provided, however, that the Pledgor shall not exercise nor refrain from exercising any such right if such action could reasonably be expected to materially impair the value of the Pledged Collateral or any part thereof or the Secured Party's rights hereunder, under any other LOC Document. At any time and from time to time after the occurrence and during the continuance of an Event of Default, the Pledgor shall, upon request of the Secured Party, execute and deliver to the Secured Party any proxies, stock powers or assignments with respect to the Pledged Collateral or endorse any instruments, certificates or chattel paper with respect to the Pledged Accounts and/or the Pledged Collateral as so requested by the Secured Party.

6. **Further Covenants and Agreements of the Pledgor.** The Pledgor covenants and agrees as follows:

(a) To execute such other documents and instruments (and pay the cost of filing and recording the same in all public offices deemed necessary by the Secured Party) and do such other acts and things (or to refrain from doing such other acts or things), and to provide

instructions to the Securities Intermediary to do such other acts and things (or to refrain from doing such other things), all as the Secured Party, acting reasonably, may from time to time deem necessary or appropriate to establish and maintain a valid first and prior security interest in the Pledged Collateral (free of any other liens, claims, charges, security interests, encumbrances and contractual interests of any kind whatsoever, whether senior, subordinate or pari passu to the security interest herein granted). The Pledgor authorizes the Secured Party to file financing statements in such jurisdictions as it deems necessary or appropriate to perfect the security interest in the Pledged Collateral, such financing statements naming the Pledgor (as debtor) and the Secured Party (as secured party), and any amendments and continuation statements in connection therewith;

(b) To notify the Secured Party at least thirty (30) days prior to the relocation of its registered office from the address set forth on the signature page hereto;

(c) To not directly or indirectly make or submit to the Securities Intermediary any instructions with respect to the purchase or sale of any assets in or for the Pledged Account without the prior written consent of the Secured Party in the Secured Party's sole discretion;

(d) To not amend the terms of any Pledged Account, close any Pledged Account or make withdrawals from any Pledged Account not permitted by this Agreement and the Control Agreement, without the prior written consent of the Secured Party in the Secured Party's sole discretion;

(e) Without the prior written consent of the Secured Party in the Secured Party's sole discretion, the Pledgor shall not sell, assign, deliver, convey or otherwise dispose of or transfer, or create, grant, incur or permit to exist any pledge, mortgage, lien, security interest, charge or other encumbrance whatsoever, or any other type of preferential arrangement (whether senior, subordinate or pari passu), with respect to any Pledged Collateral, except in favor of the Secured Party or as otherwise expressly provided by this Agreement;

(f) To furnish the Secured Party with all such information concerning the Pledged Collateral as the Secured Party may from time to time request;

(g) To reimburse the Secured Party for all costs, expenses and charges, including court costs and attorneys' fees, reasonably incurred by the Secured Party in seeking to collect the Secured Obligations or in realizing upon, protecting or preserving any rights with respect to the Pledged Collateral;

(h) To promptly perform all of the Pledgor's obligations under all contracts and agreements in respect of the Pledged Collateral; and in the event the Pledgor fails to pay or perform any such obligation, the Secured Party may, but need not, pay or perform such obligations, at the sole expense and for the account of the Pledgor, and all sums so expended for such purposes shall constitute an addition to and part of the Secured Obligations, which Pledgor promises to pay to the Secured Party together with interest thereon at the applicable rate, including any overdue rate, provided for under the Reimbursement Agreement from the date of payment or incurrence;

(i) Until such time as the Secured Obligations shall be indefeasibly paid and satisfied in full, the Pledgor will not create or suffer to exist any lien, security interest or other charge or encumbrance, or any other type of preferential arrangement (whether senior, subordinate or pari passu), upon or with respect to any Pledged Collateral, except liens in favor of the Secured Party; and

(j) To notify the Secured Party in writing promptly, and in any event within two (2) Business Days, of obtaining any knowledge that any Person has or intends to assert or claim any direct or indirect lien, charge, encumbrance or right of setoff with respect to or against all or any portion of the Pledged Collateral.

7. Remedies.

(a) Upon demand by the Secured Party for the payment of the Secured Obligations or any portion thereof following the occurrence of an Event of Default that is continuing, which is not paid upon such demand, the Secured Party may, in addition to exercising, invoking or enforcing any other rights, powers, authorities or remedies granted under the other LOC Documents or otherwise under applicable law, do or cause to be done any or all of the following, concurrently or successively:

- (i) Exercise, invoke or enforce from time to time any rights, powers, authorities or remedies available to it as a secured party under the UCC or the Uniform Commercial Code in any other relevant jurisdiction;
- (ii) Without demand of performance or other demand, advertisement or notice of any kind (except to the extent required by law) to or upon the Pledgor or any other Person (all and each of which demands, advertisements and/or notices is hereby expressly waived to the extent permitted by applicable law), without obligation to resort to other security, and in addition to and not in limitation of any and all other remedies reserved to the Secured Party hereunder or at law or in equity, collect, receive, appropriate and realize upon the Pledged Collateral, or any part thereof, and/or sell, assign, give an option or options to purchase, contract to sell or otherwise dispose of and deliver the Pledged Collateral, or any part thereof, in one or more parcels at public or private sale or sales, at any exchange, broker's board or elsewhere upon such terms and conditions as it may reasonably deem advisable and at such prices as it may deem best with respect to its own interests, for cash or on credit or for future delivery without assumption of any credit risk, with the right to the Secured Party upon any such sale or sales, public or private, to purchase the whole or any part of the Pledged Collateral so sold;
- (iii) Exercise, invoke or enforce such other rights or remedies as the Secured Party may have hereunder, under the related documents, at law or equity, including the right to redeem or purchase all or any portion of the Pledged Collateral and pay the proceeds thereof, including proceeds in the capital account related thereto, to Secured Party;

- (iv) Exercise, invoke or enforce any rights of setoff against some or all of the Pledged Accounts, or any assets therein, including, without limitation, exercising the rights of setoff provided in the Reimbursement Agreement; and/or
- (v) Exercise, invoke or take action from time to time under the Control Agreement.

(b) Upon the occurrence of an Event of Default that is continuing, any notification of intended disposition of any Pledged Collateral required by law shall be deemed reasonably and properly given if mailed or telefaxed at least two (2) days before such disposition to the last address of the Pledgor on Secured Party's records; provided that the Pledgor acknowledges and agrees that the assets held in the Pledged Accounts are of a type of asset that is customarily sold on a recognized market and that could threaten to decline speedily in value and that the liquidation, sale or other disposition of such Pledged Collateral may be made without any notice to the Pledgor or any other Person. The Pledgor agrees that in any sale of any interest in the Pledged Collateral after a demand for payment (where such Pledged Collateral may be deemed to constitute a security), the Secured Party is hereby authorized and is instructed to comply with any limitation or restriction in connection with such sale as it may be advised by counsel is necessary in order to avoid any violation of applicable law or in order to obtain any required approval of the purchaser by any governmental authority or officer, and the Pledgor further agrees that such compliance shall not result in such sale being considered or deemed not to have been made in a commercially reasonable manner. Any proceeds of any disposition by the Secured Party of any interest in the Pledged Collateral may be applied by the Secured Party to the payment of expenses of the Secured Party in connection with realizing upon the security interest in the Pledged Collateral, including attorneys' fees and sale expenses, and any balance of such proceeds may be applied by the Secured Party toward the payment of such of the Secured Obligations, in such order of application, as the Secured Party may elect.

(c) Upon the occurrence of an Event of Default that is continuing, the Secured Party shall have the right to enforce one or more remedies hereunder, successively or concurrently, and such action shall not operate to estop or prevent the Secured Party from pursuing any further remedy which it may have, and any repossession or retaking or sale of the Pledged Collateral pursuant to the terms hereof shall not operate to release the Pledgor until full payment of any deficiency has been made in cash.

(d) **UPON THE OCCURRENCE OF AN EVENT OF DEFAULT THAT IS CONTINUING, THE PLEDGOR ACKNOWLEDGES THAT THE SECURED PARTY MAY BE UNABLE TO EFFECT A PUBLIC SALE OF ALL OR PORTIONS OF THE PLEDGED COLLATERAL AND MAY BE COMPELLED TO RESORT TO ONE OR MORE PRIVATE SALES (IF PERMISSIBLE UNDER APPLICABLE LAW) TO A RESTRICTED GROUP OF PURCHASERS WHO WILL BE OBLIGATED TO AGREE, AMONG OTHER THINGS, TO ACQUIRE THE PLEDGED COLLATERAL FOR THEIR OWN ACCOUNT, FOR INVESTMENT AND NOT WITH A VIEW TO THE DISTRIBUTION OR RESALE THEREOF. THE PLEDGOR FURTHER ACKNOWLEDGES THAT ANY SUCH PRIVATE SALES MAY BE AT PRICES AND ON TERMS LESS FAVORABLE THAN THOSE OF PUBLIC SALES, AND AGREES THAT SUCH PRIVATE SALES CONDUCTED BY THE SECURED PARTY USING COMMERCIALY REASONABLE PROCEDURES SHALL BE DEEMED TO HAVE**

BEEN MADE IN A COMMERCIALLY REASONABLE MANNER AND THAT THE SECURED PARTY HAS NO OBLIGATION TO DELAY SALE OF ANY PLEDGED COLLATERAL TO PERMIT THE ISSUER THEREOF TO REGISTER IT FOR PUBLIC SALE UNDER THE SECURITIES ACT OF 1933. THE PLEDGOR AGREES THAT THE SECURED PARTY SHALL BE PERMITTED TO TAKE SUCH ACTIONS AS THE SECURED PARTY DEEMS REASONABLY NECESSARY IN DISPOSING OF THE PLEDGED COLLATERAL TO THE EXTENT NECESSARY TO AVOID CONDUCTING A PUBLIC DISTRIBUTION OF SECURITIES IN VIOLATION OF THE SECURITIES ACT OF 1933 OR THE SECURITIES LAWS OF ANY STATE, AS NOW ENACTED OR AS THE SAME MAY IN THE FUTURE BE AMENDED, AND ACKNOWLEDGES THAT ANY SUCH ACTIONS SHALL BE COMMERCIALY REASONABLE. IN ADDITION, THE PLEDGOR AGREES TO EXECUTE, FROM TIME TO TIME (INCLUDING PRIOR TO THE OCCURRENCE OF AN EVENT OF DEFAULT), ANY AMENDMENT TO THIS AGREEMENT OR OTHER LOC DOCUMENTS AS THE SECURED PARTY MAY REASONABLY REQUIRE TO EVIDENCE THE ACKNOWLEDGMENTS AND CONSENTS OF THE PLEDGOR SET FORTH IN THIS SECTION 7.

(e) Upon the occurrence of an Event of Default that is continuing, The Secured Party may, at its option and without obligation to do so, transfer to or register in its name, or the name of its nominee(s), including any "clearing corporation" or other "custodian" as defined in the UCC and any nominee(s) thereof, all or any part of the Pledged Collateral, and it may do so before or after the maturity of any of the Obligations and without prior notice to the Pledgor. Additionally, in order to facilitate the sale or disposition of the Pledged Collateral hereunder, the Secured Party is hereby authorized to exercise its rights hereunder, or take title to the Pledged Collateral, in the name of an affiliated entity or other nominee.

8. Agreement for Pledged Collateral Purposes. This Agreement is executed and delivered to the Secured Party for collateral purposes, and constitutes an agreement only of the rights of the Pledgor with respect to the Pledged Collateral and does not constitute a delegation of any duties, obligations or liabilities of the Pledgor with respect thereto. The Secured Party does not, by its acceptance of this Agreement undertake to perform or discharge and shall not be responsible or liable for the performance or discharge of any duties or responsibilities with respect to any of the Pledged Collateral, and any such assumption or undertaking is hereby expressly disclaimed. The Secured Party shall exercise reasonable care in the actual custody of any property at any time(s) in its possession or control hereunder, or otherwise subject to the terms and provisions hereof, but shall be deemed to have exercised reasonable care if such property is accorded treatment substantially equal to that which the Secured Party accords its own property (it being understood that the Secured Party shall have no responsibility for ascertaining or taking action with respect to calls, conversions, exchanges, maturities, redemption, tenders or other matters relative to any property and whether or not the Secured Party has or is deemed to have knowledge of such matters). If the Secured Party takes such action with respect to the property as the Pledgor shall reasonably request in writing and to which the Secured Party consents, no failure to comply with any such request nor any omission to do any such act requested by the Pledgor shall be deemed a failure to exercise reasonable care, nor shall any failure of the Secured Party to take necessary steps to preserve rights against any

parties with respect to any property in its possession or control, or otherwise subject to the terms and provisions hereof, be deemed a failure to exercise reasonable care.

9. Notice. All notices made by the parties hereto shall be deemed to have been delivered when personally delivered or when deposited in the United States mail, certified or registered mail, postage prepaid, addressed to the Pledgor at the address specified in the signature area, below; and if to the Secured Party, Stifel Bank & Trust, 12655 Olive Boulevard, Suite 250, St. Louis, Missouri 63141 Attention: Loan Operations Department telephone: 1-314-317-6900; telefax: 1-314-453-0476.

10. Power of Attorney; UCC Filing Authorization.

(a) THE SECURED PARTY IS HEREBY IRREVOCABLY APPOINTED THE ATTORNEY-IN-FACT OF THE PLEDGOR WITH FULL AUTHORITY IN THE PLACE AND STEAD OF THE PLEDGOR AND IN THE NAME OF THE PLEDGOR, IN THE SECURED PARTY'S NAME OR OTHERWISE, FROM TIME TO TIME IN THE SECURED PARTY'S DISCRETION, TO TAKE ANY ACTION AND TO EXECUTE AND/OR FILE ANY INSTRUMENT, DOCUMENT, AGREEMENT OR CERTIFICATE (INCLUDING, WITHOUT LIMITATION, STOCK POWERS, FINANCING STATEMENTS, AMENDMENTS THERETO, CONTINUATION STATEMENTS) WHICH THE SECURED PARTY MAY DEEM REASONABLY NECESSARY OR ADVISABLE TO ACCOMPLISH THE PURPOSES OF THIS AGREEMENT (I) TO PERFECT, PRESERVE AND PROTECT THE SECURITY INTEREST GRANTED OR PURPORTED TO BE GRANTED HEREUNDER, (II) AFTER THE OCCURRENCE OF AN EVENT OF DEFAULT, (A) TO ASK, DEMAND, COLLECT, RECEIVE, RECEIPT FOR, SUE FOR, COMPOUND AND GIVE ACQUITTANCE FOR ANY AND ALL PAYMENTS, DISTRIBUTIONS OR PROPERTIES WHICH MAY BE OR BECOME DUE, PAYABLE OR DISTRIBUTABLE TO OR IN RESPECT TO THE PLEDGED COLLATERAL OR WHICH CONSTITUTE A PART THEREOF, INCLUDING, WITHOUT LIMITATION, ANY SALE OR REDEMPTION INSTRUCTIONS, WITH FULL POWER TO SETTLE, ADJUST OR COMPROMISE ANY CLAIM THEREUNDER OR THEREFOR AS FULLY AS THE PLEDGOR COULD ITSELF DO, (B) TO ENDORSE OR SIGN THE NAME OF THE PLEDGOR ON ALL COMMERCIAL PAPER GIVEN IN PAYMENT OR IN PART PAYMENT THEREOF, AND ALL DOCUMENTS OF SATISFACTION, DISCHARGE OR RECEIPT REQUIRED OR REQUESTED IN CONNECTION THEREWITH, AND (C) TO FILE ANY CLAIM OR TAKE ANY OTHER ACTION OR PROCEEDING, EITHER IN ITS OWN NAME OR IN THE NAME OF THE PLEDGOR, OR OTHERWISE, WHICH THE SECURED PARTY MAY DEEM NECESSARY OR APPROPRIATE TO COLLECT OR OTHERWISE REALIZE UPON ANY AND ALL OF THE PLEDGED COLLATERAL, OR AFFECT A TRANSFER THEREOF, OR WHICH MAY BE NECESSARY OR APPROPRIATE TO PROTECT AND PRESERVE THE RIGHT, TITLE AND INTEREST OF THE SECURED PARTY IN AND TO THE PLEDGED COLLATERAL AND THE SECURITY INTENDED TO BE AFFORDED HEREBY OR WHEN ANY SPECIFIC RIGHT OF ACTION IS GIVEN TO SECURED PARTY. THE PLEDGOR AGREES TO PAY THE SECURED PARTY ON DEMAND ALL REASONABLE COSTS AND EXPENSES WITH RESPECT TO ANY OF THE FOREGOING MATTERS. THE PLEDGOR HEREBY IRREVOCABLY AUTHORIZES ALL THIRD PARTIES TO RELY UPON AND COMPLY WITH ANY NOTICE OR DEMAND WHICH

MAY BE GIVEN BY SECURED PARTY WITHOUT ANY REQUIREMENT TO GIVE NOTICE OF ANY KIND OR CHARACTER AND WITHOUT LIABILITY ON THE PART OF SUCH THIRD PARTY FOR DETERMINING THE VALIDITY OR PROPRIETY OF SECURED PARTY'S NOTICE OR DEMAND, AND NOTWITHSTANDING ANY CLAIM BY THE PLEDGOR THAT SUCH NOTICE OR DEMAND IS INVALID, IMPROPER OR INSUFFICIENT. THE PLEDGOR SHALL HAVE NO CLAIM AGAINST ANY THIRD PARTY FOR ITS RELIANCE UPON ANY DEMAND, ORDER OR INSTRUCTION OF THE SECURED PARTY IN CONNECTION WITH ANY OF THE FOREGOING MATTERS.

(b) The Secured Party is fully authorized, at its option, to file financing statement(s), and amendments and continuation statement(s) thereto with respect to any of the Pledged Collateral and to execute and deliver any instruments, endorsements and documents necessary to perfect and protect the Secured Party's interests hereunder; the Pledgor agrees to pay the cost of any such filing or writing, and to sign, upon request, any instruments, endorsements, documents or other papers which the Secured Party may reasonably require to perfect and protect its security interest therein.

11. **Certain Additional Disclosure Matters.** *The Pledgor acknowledges and agrees that the Secured Party has advised and/or disclosed to the Pledgor that:*

(a) *The Pledgor's use of securities (or other investment property) as Pledged Collateral involves a high degree of risk. Securities-based financing is not for everyone. If it is not suitable for the Pledgor, the Pledgor should not enter into this Agreement. The Pledgor should examine the Pledgor's investment objectives, financial resources and risk tolerance to determine whether securities-based financing is suitable for the Pledgor subject to the provisions of this Agreement. Subject to the terms and provisions of this Agreement, the Secured Party may take action with respect to the Pledged Accounts and/or the Pledged Collateral, without prior notice to the Pledgor, such as requiring repayment of Secured Obligations, issuing a Pledged Collateral call or selling the Pledged Collateral in the Pledged Accounts to maintain the required value in the Pledged Accounts. This may occur if there is a decline in the value of the Pledged Collateral in the Pledged Accounts. The Secured Party reserves the right to disapprove of any Pledged Collateral and to require additional Pledged Collateral to be deposited into the Pledged Accounts at any time (and from time to time) in the amount requested by the Secured Party or substitution of new or additional Pledged Collateral for any Pledged Collateral that has previously been deposited in a Pledged Account;*

(b) *While the Secured Party may attempt to notify the Pledgor regarding a deficiency with respect to the Pledged Collateral in the Pledged Accounts, the Secured Party does not undertake and is not obligated to do so. The Secured Party may in its sole discretion, liquidate securities and other Pledged Collateral to satisfy margin or borrowing base requirements for the Secured Obligations, without notice to the Pledgor and without requesting additional Pledged Collateral. These sales may cause the Pledgor to recognize taxable income or to report losses for tax purposes. The Secured Party may perform such transactions without prior notice or advertisement on the market where such business is usually transacted, at a public auction or in a private sale, including transactions with the Secured Party, the Securities Intermediary or any of their respective affiliates for their own account. The Pledgor waives any right of redeeming the proceeds of such transactions*

without the Secured Party's consent and agrees not to hold the Secured Party, the Securities Intermediary or any of their respective affiliates liable in any manner for taking such actions. Without limiting the foregoing, the Pledgor waives any right to the notice of sale of Pledged Collateral, advertisement of such sale and any related provisions of applicable law;

(c) Actions taken by the Secured Party or the Securities Intermediary, acting in their respective capacities, may be directly contrary to the Pledgor's interests as owner of Pledged Accounts (or the Pledged Collateral) and their actions, including selling securities or other assets in the Pledged Accounts or requesting that additional Pledged Collateral be deposited in the Pledged Accounts, may directly or indirectly have adverse or negative consequences for the Pledgor, including realizing taxable gains as a result of any such sale and affecting the Pledgor's asset allocation, cash flow, trading activity and investment strategy;

(d) After considering the benefits and risks of the use of securities (or other investment property) as Pledged Collateral for the Secured Obligations, the Pledgor has determined that it is appropriate based on the Pledgor's financial situation and investment objectives;

(e) Notwithstanding any advisory or fiduciary relationship that the Pledgor may have with the Securities Intermediary, the Pledgor will not have an advisory or fiduciary relationship with the Securities Intermediary or the Secured Party with respect to the loan or the Pledgor's decision to use the Pledged Accounts as Pledged Collateral for the Secured Obligations. Neither the Securities Intermediary nor the Pledgor's Investment Representatives are acting as an investment advisor or fiduciary in connection with the Pledgor's decision to pledge the Pledged Accounts and the Pledged Collateral to secure the Secured Obligations and the Pledgor shall be at all times solely responsible for the decision to enter into this Agreement and to pledge assets in the Pledged Accounts; and

(f) The Pledgor has obtained such independent financial, structuring and tax advice from Pledgor's own professionals as the Pledgor has decreed necessary, and neither the Secured nor the Securities Intermediary have offered any such advice.

(g) The total interest, fees and other charges and amounts in respect of the Secured Obligations may exceed the investment performance or returns of the Pledged Collateral.

12. **No Waiver.** No delay on the part of the Secured Party in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by the Secured Party of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy.

13. **Duration of Agreement; No Subrogation.** The satisfaction or discharge of less than all of the Secured Obligations shall not in any way satisfy or discharge this Agreement, it being understood, that this Agreement shall remain in full force and effect until the indefeasible payment in full of the Secured Obligations. No application of any sums received by Secured Party in respect of the Pledged Collateral or any disposition thereof to the reduction of the Secured Obligations or any part thereof shall in any manner entitle the Pledgor to any right, title

or interest in or to the Secured Obligations or any Pledged Collateral security therefor, whether by subrogation or otherwise, unless and until all Secured Obligations have been fully and indefeasibly paid and satisfied. Upon the indefeasible payment and satisfaction in full of the Secured Obligations, the Secured Party, at the Pledgor's sole cost and expense, shall execute and deliver such instruments as are necessary to terminate the Security interest of the Secured Party in the Pledged Collateral.

14. **Security Interest Unimpaired by Acts or Omissions of the Secured Party.** The Pledgor acknowledges and agrees that the security interest and assignment herein provided for shall be absolute and unconditional and shall not in any manner be affected or impaired by any acts or omissions whatsoever, and, without limiting the generality of the foregoing, shall not be impaired by any acceptance by the Secured Party of any other security for or guarantees upon any of the Secured Obligations, or by any failure or neglect or omission on the part of the Secured Party to realize upon, collect or protect the Secured Obligations or any part thereof or any collateral security therefor. The security interest and assignment herein provided for shall not in any manner be affected or impaired by (and the Secured Party, without notice to anyone is hereby authorized to make from time to time) any sale, pledge, surrender, compromise, settlement, release, renewal, extension, indulgence, alteration, substitution, exchange, change in, modification or disposition of any of the Secured Obligations or of any of the other collateral security therefor, if any, or of any guaranty thereof. In order to sell, dispose or otherwise realize upon the security interest and assignment herein granted and provided for, and exercise the rights granted Secured Party hereunder and under applicable law, there shall be no obligation on the part of Secured Party at any time to first resort for payment to any obligor on any of the Secured Obligations or to any guaranty of the Secured Obligations or any part thereof or to resort to any collateral security, property, liens or other rights or remedies whatsoever, and the Secured Party shall have the right to enforce the security interest and Agreement herein granted and provided for irrespective of whether or not other proceedings or steps are pending seeking resort to or realization upon or from any of the foregoing.

15. **Binding on Successors.** This Agreement shall be binding upon the Pledgor and its successors and assigns and shall inure to the benefit of the Secured Party and its successors, nominees and assigns. The Pledgor may not assign any of its obligations or rights hereunder without the prior written consent of the Secured Party, and any such purported assignment shall be null and void in all respects.

16. **Governing Law; Severability.** This Agreement shall be construed in accordance with and governed by the internal laws of the State of New York without regard to the provisions thereof respecting the conflict of laws. Whenever possible each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law. However, all provisions hereof are severable, and if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

17. **SUBMISSION TO JURISDICTION; CERTAIN WAIVERS.** (a) THE PLEDGOR HEREBY IRREVOCABLY CONSENTS THAT ANY SUIT, LEGAL ACTION OR PROCEEDING AGAINST THE PLEDGOR OR ANY OF ITS PROPERTIES WITH RESPECT

TO ANY OF THE RIGHTS OR OBLIGATIONS ARISING DIRECTLY OR INDIRECTLY UNDER OR RELATING TO THIS AGREEMENT MAY BE BROUGHT IN ANY JURISDICTION, INCLUDING, WITHOUT LIMITATION, ANY NEW YORK STATE OR UNITED STATES FEDERAL COURT LOCATED IN THE SOUTHERN DISTRICT OF NEW YORK, AS THE SECURED PARTY MAY ELECT, AND BY EXECUTION AND DELIVERY OF THIS AGREEMENT, THE PLEDGOR HEREBY IRREVOCABLY SUBMITS TO AND ACCEPTS WITH REGARD TO ANY SUCH SUIT, LEGAL ACTION OR PROCEEDING, FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE JURISDICTION OF THE AFORESAID COURTS. THE PLEDGOR HEREBY IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS IN ANY SUCH SUIT, LEGAL ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, RETURN RECEIPT REQUESTED, TO THE PLEDGOR AT ITS ADDRESS SET FORTH HEREIN. THE FOREGOING SHALL NOT LIMIT THE RIGHT OF THE SECURED PARTY TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO BRING ANY SUIT, LEGAL ACTION OR PROCEEDING OR TO OBTAIN EXECUTION OF JUDGMENT IN ANY OTHER JURISDICTION.

(b) THE PLEDGOR HEREBY IRREVOCABLY WAIVES ANY OBJECTION WHICH PLEDGOR MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUIT, LEGAL ACTION OR PROCEEDING ARISING DIRECTLY OR INDIRECTLY UNDER OR RELATING TO THIS AGREEMENT IN ANY STATE OR FEDERAL COURT LOCATED IN ANY JURISDICTION, INCLUDING WITHOUT LIMITATION, ANY STATE OR FEDERAL COURT LOCATED IN THE SOUTHERN DISTRICT OF NEW YORK CHOSEN BY THE SECURED PARTY IN ACCORDANCE WITH THIS SECTION 17 AND HEREBY FURTHER IRREVOCABLY WAIVES ANY CLAIM THAT A COURT LOCATED IN THE SOUTHERN DISTRICT OF NEW YORK IS NOT A CONVENIENT FORUM FOR ANY SUCH SUIT, LEGAL ACTION OR PROCEEDING.

(c) THE PLEDGOR HEREBY IRREVOCABLY AGREES THAT ANY SUIT, LEGAL ACTION OR PROCEEDING COMMENCED BY THE PLEDGOR WITH RESPECT TO ANY RIGHTS OR OBLIGATIONS ARISING DIRECTLY OR INDIRECTLY UNDER OR RELATING TO THIS AGREEMENT, THE REIMBURSEMENT AGREEMENT OR ANY OTHER RELATED DOCUMENT (EXCEPT AS EXPRESSLY SET FORTH THEREIN TO THE CONTRARY) SHALL BE BROUGHT EXCLUSIVELY IN ANY NEW YORK STATE OR UNITED STATES FEDERAL COURT LOCATED IN THE SOUTHERN DISTRICT OF NEW YORK.

(d) THE PLEDGOR HEREBY WAIVES ANY DEFENSE OR CLAIM BASED ON MARSHALING OF ASSETS OR ELECTION OR REMEDIES OR GUARANTIES.

18. JURY TRIAL WAIVER. BOTH THE PLEDGOR AND THE SECURED PARTY (BY ITS RECEIPT OF THIS AGREEMENT) HEREBY IRREVOCABLY WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO ANY OBLIGATION OF THE PLEDGOR OR THIS AGREEMENT TO THE FULLEST EXTENT PERMITTED UNDER APPLICABLE LAW.


19. **Indemnification.** Pledgor hereby agrees to indemnify, defend and hold the Secured Party, its successors and assigns harmless from and against any and all damages, losses, claims, costs or expenses (including, without limitation, attorneys' fees and disbursements) and any other liabilities whatsoever the Secured Party or its successors or assigns may reasonably incur by reason of this Agreement or by reason of any assignment of Pledgor's right, title and interest in and to any or all of the Pledged Collateral or otherwise in connection with the enforcement of the Secured Party's rights and remedies hereunder, including, without limitation, with respect to the Control Agreement; provided, however, that the Pledgor shall have no obligation to an indemnitee hereunder with respect to indemnified matters directly caused by or resulting from the willful misconduct or gross negligence of such indemnitee as finally determined by a court of competent jurisdiction.

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IN WITNESS WHEREOF, this Security and Pledge Agreement has been duly executed and delivered as of the day and year first above written.

Pledgor:

THE SUNDERLAND ASSOCIATION
FOOTBALL CLUB, LIMITED

By: 
Name: Per-Magnus Andersson
Title: Director

Address:

Sunderland Association Football Club Ltd
Sunderland, The Stadium of Light,
Sunderland, SR5 1SU
Telephone: 0871 911 1217
Telefax: 0191 551 5069

Secured Party:

STIFEL BANK & TRUST

By: _____
Name:
Title:

*Signature Page to
Security and Pledge
Agreement*

IN WITNESS WHEREOF, this Security and Pledge Agreement has been duly executed and delivered as of the day and year first above written.

Pledgor:

**THE SUNDERLAND ASSOCIATION
FOOTBALL CLUB, LIMITED**

By: _____
Name: Per-Magnus Andersson
Title: Director

Address:
Sunderland Association Football Club, Limited
Sunderland, The Stadium of Light,
Sunderland, SR5 1SU
Telephone: _____
Telefax: _____

Secured Party:

STIFEL BANK & TRUST

By: _____
Name: JOHN D. HAFENREFFEN
Title: PRESIDENT

*Signature Page to
Security and Pledge
Agreement*

Schedule A

Securities Account(s):

• [REDACTED]
• [REDACTED]

Additional Property and Assets:

None.