



Registration of a Charge

LLP name: **SUNDERLAND FC DEVELOPMENT LLP**

LLP number: **OC375782**



X77YURBT

Received for Electronic Filing: **12/06/2018**

Details of Charge

Date of creation: **11/06/2018**

Charge code: **OC37 5782 0001**

Persons entitled: **SECURITY BENEFIT CORPORATION**

Brief description: **THE LEASEHOLD LAND ON THE WEST SIDE OF STADIUM WAY,
SUNDERLAND, BEING THE HILTON GARDEN INN SUNDERLAND WITH
TITLE NUMBER TY524215**

Contains fixed 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: **EXCEPT FOR MATERIAL REDACTED PURSUANT TO S.859G OF
THE COMPANIES ACT 2006, I CERTIFY THAT THE ELECTRONIC
COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION
FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL
INSTRUMENT.**

Certified by:

ALLEN & OVERY LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

LLP number: OC375782

Charge code: OC37 5782 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 11th June 2018 and created by SUNDERLAND FC DEVELOPMENT LLP was delivered pursuant to Part 25 of the Companies Act 2006 as applied by The Limited Liability Partnerships (Application of Companies Act 2006) (Amendment) Regulations 2013 on 12th June 2018 .

Given at Companies House, Cardiff on 14th June 2018

The above information was communicated by electronic means and authenticated
by the Registrar of Companies under the Limited Liability Partnership
(Application of the Companies Act 2006) Regulations 2009 SI 2009/1804



Companies House



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

SECURITY AGREEMENT

DATED 11 JUNE 2018

BETWEEN

SUNDERLAND FC DEVELOPMENT LLP

SUNDERLAND FC HOTELS LIMITED

- and -

SECURITY BENEFIT CORPORATION

ALLEN & OVERY

Allen & Overy LLP

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THIS DEED is dated 11 June 2018 and made

BETWEEN:

- (1) **THE COMPANIES** listed in Schedule 1 as chargors (each a **Chargor**); and
- (2) **SECURITY BENEFIT CORPORATION** as agent and trustee for the Finance Parties (as defined in the Facilities Agreement defined below) (the **Facility Agent**).

BACKGROUND:

- (A) Each Chargor enters into this Deed in connection with the Facilities Agreement (as defined below).
- (B) It is intended that this document takes effect as a deed notwithstanding the fact that a party may only execute this document under hand.

IT IS AGREED as follows:

1. INTERPRETATION

1.1 Definitions

In this Deed:

Act means the Law of Property Act 1925.

Declared Default has the meaning given to that term in the Facilities Agreement.

FA means the Football Association Limited, a company incorporated in England and Wales with registered number 00077797.

Facilities Agreement means the £25,000,000 facilities agreement dated 22 May 2018 between (among others) the Chargors and the Facility Agent.

Party means a party to this Deed.

Receiver means an administrative receiver, receiver and manager or a receiver, in each case, appointed under this Deed.

Secured Liabilities means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Chargor to any Finance Party under each Finance Document to which a Chargor is a party, except for any obligation which, if it were so included, would result in this Deed contravening section 678 or 679 of the Companies Act 2006.

Security Assets means all assets of each Chargor the subject of any security created by this Deed.

Security Period means the period beginning on the date of this Deed and ending on the date on which all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full.

1.2 Construction

- (a) Capitalised terms defined in the Facilities Agreement have, unless expressly defined in this Deed, the same meaning in this Deed.
- (b) The provisions of clause 1.2 (Construction) and clause 1.6 (Jersey Terms) of the Facilities Agreement apply to this Deed as though they were set out in full in this Deed, except that references to the Facilities Agreement will be construed as references to this Deed.
- (c)
 - (i) A **Finance Document** or any other agreement or instrument includes (without prejudice to any prohibition on amendments) any amendment to that Finance Document or other agreement or instrument from time to time with the agreement of the relevant parties, including any change in the purpose of, any extension of or any increase in the amount of a facility or any additional facility;
 - (ii) the term **this Security** means any security created by this Deed; and
 - (iii) **assets** includes present and future properties, revenues and rights of every description.
- (d) Any covenant of a Chargor under this Deed (other than a payment obligation) remains in force during the Security Period unless otherwise agreed with the Facility Agent in accordance with the terms of the Facilities Agreement.
- (e) The terms of the other Finance Documents and of any side letters between any Parties in relation to any Finance Document are incorporated in this Deed to the extent required to ensure that any purported disposition of any freehold or leasehold property contained in this Deed is a valid disposition in accordance with Section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
- (f) If the Facility Agent reasonably considers that an amount paid to a Finance Party under a Finance Document is capable of being avoided or otherwise set aside on the liquidation or administration of the payer or otherwise, then that amount will not be considered to have been irrevocably paid for the purposes of this Deed.
- (g) Unless the context otherwise requires, a reference to a Security Asset includes the proceeds of sale of that Security Asset.

2. CREATION OF SECURITY

2.1 General

- (a) All the security created under this Deed:
 - (i) is created in favour of the Facility Agent;
 - (ii) is created over present and future assets of each Chargor;
 - (iii) is security for the payment of all the Secured Liabilities; and
 - (iv) is made (when combining the interests of both Chargors) with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.

- (b) If the rights of a Chargor under a document cannot be secured by any of the fixed charges or assignments created under Clauses 2.2 (*Land*) to 2.5 (Other contracts) (inclusive) without the consent of a party to that document:
 - (i) that Chargor must notify the Facility Agent promptly upon becoming aware of the relevant prohibition or restriction;
 - (ii) this Security will secure all amounts which that Chargor may receive, or has received, under that document but exclude the document itself; and
 - (iii) unless the Facility Agent otherwise requires, that Chargor must use reasonable endeavours to obtain the consent of the relevant party to that document being secured under this Deed.
- (c) The Facility Agent holds the benefit of this Deed on trust for the Finance Parties

2.2 Land

- (a) Each Chargor charges:
 - (i) by way of a first legal mortgage all its interests in the property described in Schedule 2 (Security Assets) underneath the heading “Real Property” together with the proceeds of sale of the whole or any part of such property; and
 - (ii) (to the extent that they are not the subject of a mortgage under sub-paragraph (i) above) by way of first fixed charge all its estates or interests in any such property.
- (b) A reference in this Clause to a mortgage or charge of any freehold or leasehold property includes:
 - (i) all buildings, fixtures, fittings and fixed plant and machinery on that property owned by the relevant Chargor; and
 - (ii) the benefit of any covenants for title given or entered into by any predecessor in title of a Chargor in respect of that property to the extent held by such Chargor or any moneys paid or payable to such Chargor in respect of those covenants.

2.3 Plant and machinery

Each Chargor charges by way of a first fixed charge all material plant and machinery owned by it and its interest in any material plant or machinery in its possession.

2.4 Insurances

Each Chargor assigns absolutely, subject to a proviso for re-assignment on redemption, all of its rights in respect of any contract or policy of insurance taken out by it or on its behalf or in which it has an interest other than any policy taken out by it for the benefit of third parties.

2.5 Other contracts

- (a) Subject to paragraph (b) below, each Chargor assigns absolutely, subject to a proviso for re-assignment on redemption, all of its rights in respect of the agreements (if any) specified in Schedule 2 (Security Assets) under its name under the heading “Relevant Contracts”.
- (b) To the extent that any right of a Chargor described in paragraph (a) above:

- (i) is not effectively assigned under paragraph (a) above; or
- (ii) may not be the subject of the assignment by that Chargor under paragraph (a) above without breaching a prohibition or restriction on assignment contained in the contract under which such right arises,

such right is not assigned under paragraph (a) above and that Chargor charges by way of a first fixed charge such right except to the extent that such right is subject to a first legal mortgage or first fixed charge created under any other subclause of this Clause 2 (Creation of Security).

3. REPRESENTATIONS - GENERAL

3.1 Nature of security

Each Chargor represents and warrants to each Finance Party that this Deed creates those Security Interests it purports to create and is not liable to be avoided or otherwise set aside on its liquidation or administration or otherwise.

3.2 Times for making representations

- (a) The representations and warranties set out in this Deed (including in this Clause) are made on the date of this Deed by reference to the facts and circumstances existing on the date of this Deed.
- (b) Unless a representation and warranty is expressed to be given at a specific date, each representation and warranty under this Deed is deemed to be repeated by each Chargor on each date on which any of the representations and warranties set out in clause 18 (Representations) of the Facilities Agreement are repeated by reference to the facts and circumstances then existing.

4. RESTRICTIONS ON DEALINGS

4.1 Security

No Chargor may:

- (a) create or permit to subsist any Security Interest on any Security Asset; or
 - (b) sell, transfer, licence, lease or otherwise dispose of any Security Asset,
- except as expressly allowed under the Finance Documents.

5. LAND

5.1 General

In this Clause:

Fixtures means all material fixtures and fittings and fixed plant and machinery on the Mortgaged Property.

Insured Property Assets means the Premises and all a Chargor's other assets of an insurable nature in the Premises.

Mortgaged Property means all freehold or leasehold property included in the definition of **Security Assets**.

Premises means all buildings and erections included in the definition of **Security Assets**.

5.2 Title

Each Chargor represents to the Facility Agent that:

- (a) it and the other Chargor are together the legal and beneficial owners of the Mortgaged Property;
- (b) no breach of any law or regulation is outstanding which affects or might affect materially the value of its Mortgaged Property;
- (c) there are no covenants, agreements, stipulations, reservations, conditions, interest, rights or other matters affecting its Mortgaged Property in any material respect;
- (d) nothing material has arisen or has been created or is subsisting which would be an overriding interest, or an unregistered interest which overrides first registration or registered dispositions, over its Mortgaged Property;
- (e) no facilities necessary for the enjoyment and use of its Mortgaged Property are enjoyed by that Mortgaged Property on terms entitling any person to terminate or curtail its use;
- (f) it has received no notice of any adverse claims by any person in respect of the ownership of its Mortgaged Property or any interest in it, nor has any acknowledgement been given to any person in respect of its Mortgaged Property;
- (g) its Mortgaged Property is held by it free from any Security Interest which has taken effect as at the date of this Deed or any tenancies or licences;
- (h) it has all third party consents required to register the first fixed charge at H.M. Land Registry on the Register of Title to the Mortgaged Property; and
- (i) nothing will prevent the registration of the first fixed charge at H.M. Land Registry on the Register of Title to the Mortgaged Property.

5.3 Repair

Each Chargor must during the Security Period keep its Premises in good and substantial repair and condition and its Fixtures and all plant, machinery, implements and other effects owned by it and which are in or on its Premises or elsewhere in a good state of repair and in good working order and condition.

5.4 Insurance

- (a) All moneys received under any insurance in respect of the Insured Property Assets must be applied:
 - (i) in replacing, restoring or reinstating the Insured Property Assets destroyed or damaged; or

- (ii) at any time a Declared Default has occurred and is continuing, if the Facility Agent so directs and the terms of the relevant insurances allow, in or towards satisfaction of the Secured Liabilities.
- (b) Each Chargor must promptly upon request by the Facility Agent procure that a note of the Facility Agent's interest is endorsed upon all policies of insurance maintained by that Chargor or any person on its behalf in respect of the Insured Property Assets.
- (c) No Chargor may do or permit anything to be done which may make void or voidable any policy of insurance in connection with any Insured Property Asset.
- (d) Each Chargor must promptly pay all premiums and do all other things necessary to keep each policy of insurance in respect of its Insured Property Assets in force.
- (e) Each Chargor must, within 5 Business Days of demand by the Facility Agent, produce to the Facility Agent a copy of the policy, certificate or cover note relating to any insurance policy and the receipt for the payment of any premium for any insurance policy as the Facility Agent may request.

5.5 Compliance with leases

Each Chargor must during the Security Period:

- (a) perform all the terms on its part contained in any lease comprised in the Mortgaged Property where failure to do so could be reasonably expected to have a Material Adverse Effect; and
- (b) not do or allow to be done any act as a result of which any lease comprised in its Mortgaged Property may become liable to forfeiture or otherwise be terminated (other than termination at the option of or with the consent of the relevant Chargor at any time no Event of Default is continuing).

5.6 Notices

Each Chargor must, within 14 days after the receipt by it of any material application, requirement, order or notice served or given by any public or local or any other authority with respect to the Mortgaged Property (or any part of it):

- (a) deliver a copy to the Facility Agent; and
- (b) inform the Facility Agent of the steps taken or proposed to be taken to comply with the relevant requirement.

5.7 Leases

- (a) No Chargor may, during the Security Period, other than a Permitted Disposal, grant or agree to grant (whether in exercise or independently of any statutory power) any lease or tenancy of the Mortgaged Property or any part of it or accept a surrender of any lease or tenancy or confer upon any person any contractual licence or right to occupy the Mortgaged Property without the prior consent of the Facility Agent (acting reasonably).
- (b) Paragraph (a) above does not apply to the granting of any short term lease, tenancy or hire of the Mortgaged Property for the purposes of hosting concerts, shows or similar public entertainment events or attractions.

5.8 H.M. Land Registry

Each Chargor consents to a restriction in the following terms being entered into on the Register of Title relating to any Mortgaged Property registered at H.M. Land Registry:

"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the security agreement dated [] in favour of [] referred to in the charges register or their conveyancer. (Standard Form P)"

5.9 Deposit of title deeds

Each Chargor must deposit with the Facility Agent all deeds and documents of title relating to its Mortgaged Property and all local land charges, land charges and Land Registry search certificates and similar documents received by it or on its behalf.

5.10 Access

At any time when an Event of Default is continuing, each Chargor must permit the Facility Agent and any person nominated by it at all reasonable times to enter any part of its Mortgaged Property and view the state of it.

5.11 Investigation of title

At any time when an Event of Default is continuing, each Chargor must grant the Facility Agent or its lawyers on reasonable request all facilities within the power of that Chargor to enable the Facility Agent or its lawyers (at the reasonable expense of that Chargor) to:

- (a) carry out investigations of title to the Mortgaged Property; and
- (b) make such enquiries in relation to any part of the Mortgaged Property as a prudent mortgagee might carry out.

5.12 Power to remedy

If a Chargor fails to perform any term of this Deed affecting its Mortgaged Property, that Chargor must allow the Facility Agent or its agents and contractors (on reasonable notice and subject to the terms of any occupational leases or licences affecting that Mortgaged Property):

- (a) to enter any part of its Mortgaged Property;
- (b) to comply with or object to any notice served on that Chargor in respect of its Mortgaged Property; and
- (c) to take any action as the Facility Agent may reasonably consider necessary to prevent or remedy any breach of any such term or to comply with or object to any such notice.

That Chargor must promptly on request by the Facility Agent pay the costs and expenses of the Facility Agent or its agents and contractors incurred in connection with any action taken by it under this Clause.

6. RELEVANT CONTRACTS

6.1 General

In this Clause:

Relevant Contract means:

- (a) an agreement specified in Schedule 2 (Security Assets) under the heading **Relevant Contracts**; and
- (b) any other agreement to which a Chargor is a party and which the Facility Agent and the relevant Chargor have designated a Relevant Contract.

6.2 Representations

Each Chargor represents to each Finance Party that:

- (a) all payments to it by any other party to a Relevant Contract to which it is a party are not subject to any right of set-off or similar right;
- (b) each such Relevant Contract is its legal, valid, binding and enforceable obligation;
- (c) it is not in default of any of its material obligations under any such Relevant Contract;
- (d) there is no prohibition on assignment in any such Relevant Contract; and
- (e) its entry into and performance of this Deed will not conflict with any material term of any such Relevant Contract or, where it does conflict, the appropriate consent has been obtained.

6.3 Preservation

No Chargor may, without the prior consent of the Facility Agent (acting reasonably):

- (a) amend or waive any term of, or terminate, any Relevant Contract to which it is a party in any way which could reasonably be expected to be adverse to the interests of the Lenders under the Finance Documents or diminish the value of the Security over the Relevant Contract; or
- (b) take any action which might jeopardise the existence or enforceability of any such Relevant Contract.

6.4 Other undertaking

Each Chargor must:

- (a) duly and promptly perform its obligations, and diligently pursue its rights, under each Relevant Contract to which it is a party; and
- (b) within 5 Business Days of demand, supply the Facility Agent and any Receiver with copies of each such Relevant Contract and any information and documentation relating to any such Relevant Contract reasonably requested by the Facility Agent or any Receiver.

6.5 Notices of assignment

The Company must on behalf of each Chargor or must procure that each Chargor:

- (a) Immediately, serve a notice of assignment, substantially in the form of Part 1 of Schedule 4 (Forms of letter for Relevant Contracts), on each counterparty to a Relevant Contract to which it is a party; and
- (b) use its reasonable endeavours to procure that each such party acknowledges that notice, substantially in the form of Part 2 of Schedule 4 (Forms of letter for Relevant Contracts).

7. WHEN SECURITY BECOMES ENFORCEABLE

7.1 Event of Default

This Security will become immediately enforceable if a Declared Default is continuing and the Facility Agent gives written notice to each Chargor that this Security is enforceable.

7.2 Discretion

After this Security has become enforceable, the Facility Agent may in its absolute discretion enforce all or any part of this Security in any manner it sees fit, or as the Majority Lenders direct.

7.3 Power of sale

The power of sale and other powers conferred by Section 101 of the Act, as amended by this Deed, will be immediately exercisable at any time after this Security has become enforceable.

8. ENFORCEMENT OF SECURITY

8.1 General

- (a) For the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due and payable on the date of this Deed.
- (b) Section 103 of the Act (restricting the power of sale) and Section 93 of the Act (restricting the right of consolidation) do not apply to this Security.
- (c) The statutory powers of leasing conferred on the Facility Agent are extended so as to authorise the Facility Agent to lease, make agreements for leases, accept surrenders of leases and grant options as the Facility Agent may think fit and without the need to comply with any provision of section 99 or 100 of the Act.

8.2 No liability as mortgagee in possession

Neither the Facility Agent nor any Receiver will be liable, by reason of entering into possession of a Security Asset, to account as mortgagee in possession or for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable.

8.3 Privileges

Each Receiver and the Facility Agent is entitled to all the rights, powers, privileges and immunities conferred by the Act on mortgagees and receivers duly appointed under the Act, except that Section 103 of the Act does not apply.

8.4 Protection of third parties

No person (including a purchaser) dealing with the Facility Agent or a Receiver or its or his agents will be concerned to enquire:

- (a) whether the Secured Liabilities have become payable;
- (b) whether any power which the Facility Agent or a Receiver is purporting to exercise has become exercisable or is being properly exercised;
- (c) whether any money remains due under the Finance Documents; or
- (d) how any money paid to the Facility Agent or to that Receiver is to be applied.

8.5 Redemption of prior mortgages

- (a) At any time after this Security has become enforceable, the Facility Agent may:
 - (i) redeem any prior Security Interest against any Security Asset; and/or
 - (ii) procure the transfer of that Security Interest to itself; and/or
 - (iii) settle and pass the accounts of the prior mortgagee, chargee or encumbrancer; any accounts so settled and passed will be, in the absence of manifest error, conclusive and binding on each Chargor.
- (b) Each Chargor must pay to the Facility Agent, immediately on demand, the costs and expenses incurred by the Facility Agent in connection with any such redemption and/or transfer, including the payment of any principal or interest.

8.6 Contingencies

If this Security is enforced at a time when no amount is due under the Finance Documents but at a time when amounts may or will become due, the Facility Agent (or the Receiver) may pay the proceeds of any recoveries effected by it into a suspense account.

9. RECEIVER

9.1 Appointment of Receiver

- (a) Except as provided below, the Facility Agent may appoint any one or more persons to be a Receiver of all or any part of the Security Assets if:
 - (i) this Security has become enforceable; or
 - (ii) a Chargor so requests the Facility Agent in writing at any time.
- (b) Any appointment under paragraph (a) above may be by deed, under seal or in writing under its hand.

- (c) Except as provided below, any restriction imposed by law on the right of a mortgagee to appoint a Receiver (including under section 109(1) of the Act) does not apply to this Deed.
- (d) The Facility Agent is not entitled to appoint a Receiver solely as a result of the obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under section 1A of the Insolvency Act 1986.
- (e) The Facility Agent may not appoint an administrative receiver (as defined in section 29(2) of the Insolvency Act 1986) over the Security Assets if the Facility Agent is prohibited from so doing by section 72A of the Insolvency Act 1986 and no exception to the prohibition on appointing an administrative receiver applies.

9.2 Removal

The Facility Agent may by writing under its hand (subject to any requirement for an order of the court in the case of an administrative receiver) remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

9.3 Remuneration

The Facility Agent may fix the remuneration of any Receiver appointed by it and the maximum rate specified in Section 109(6) of the Act will not apply.

9.4 Agent of each Chargor

- (a) A Receiver will be deemed to be the agent of each Chargor for all purposes and accordingly will be deemed to be in the same position as a Receiver duly appointed by a mortgagee under the Act. Each Chargor is responsible for the contracts, engagements, acts, omissions, defaults and losses of a Receiver other than defaults arising as a consequence of the gross negligence or wilful default of a Receiver and for liabilities reasonably incurred by a Receiver.
- (b) No Finance Party will incur any liability (either to a Chargor or to any other person) by reason of the appointment of a Receiver or for any other reason.

9.5 Relationship with Facility Agent

To the fullest extent allowed by law, any right, power or discretion conferred by this Deed (either expressly or impliedly) or by law on a Receiver may after this Security becomes enforceable be exercised by the Facility Agent in relation to any Security Asset without first appointing a Receiver and notwithstanding the appointment of a Receiver.

10. POWERS OF RECEIVER

10.1 General

- (a) A Receiver has all of the rights, powers and discretions set out below in this Clause in addition to those conferred on it by any law; this includes:
 - (i) in the case of an administrative receiver, all the rights, powers and discretions conferred on an administrative receiver under the Insolvency Act, 1986; and
 - (ii) otherwise, all the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the Act and the Insolvency Act, 1986.

- (b) If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver.

10.2 Possession

A Receiver may take immediate possession of, get in and collect any Security Asset.

10.3 Carry on business

A Receiver may carry on any business of any Chargor in any manner he thinks fit.

10.4 Employees

- (a) A Receiver may appoint and discharge managers, officers, agents, accountants, servants, workmen and others for the purposes of this Deed upon such terms as to remuneration or otherwise as he thinks fit.
- (b) A Receiver may discharge any person appointed by any Chargor.

10.5 Borrow money

A Receiver may raise and borrow money either unsecured or on the security of any Security Asset either in priority to this Security or otherwise and generally on any terms and for whatever purpose which he thinks fit.

10.6 Sale of assets

- (a) A Receiver may sell, exchange, convert into money and realise any Security Asset by public auction or private contract and generally in any manner and on any terms which he thinks fit.
- (b) The consideration for any such transaction may consist of cash, debentures or other obligations, shares, stock or other valuable consideration and any such consideration may be payable in a lump sum or by instalments spread over any period which he thinks fit.
- (c) Fixtures, other than landlord's fixtures, may be severed and sold separately from the property containing them without the consent of the relevant Chargor.

10.7 Leases

A Receiver may let any Security Asset for any term and at any rent (with or without a premium) which he thinks fit and may accept a surrender of any lease or tenancy of any Security Asset on any terms which he thinks fit (including the payment of money to a lessee or tenant on a surrender).

10.8 Compromise

A Receiver may settle, adjust, refer to arbitration, compromise and arrange any claim, account, dispute, question or demand with or by any person who is or claims to be a creditor of any Chargor or relating in any way to any Security Asset.

10.9 Legal actions

A Receiver may bring, prosecute, enforce, defend and abandon any action, suit or proceedings in relation to any Security Asset which he thinks fit.

10.10 Receipts

A Receiver may give a valid receipt for any moneys and execute any assurance or thing which may be proper or desirable for realising any Security Asset.

10.11 Subsidiaries

A Receiver may form a Subsidiary of any Chargor and transfer to that Subsidiary any Security Asset.

10.12 Delegation

A Receiver may delegate his powers in accordance with this Deed.

10.13 Lending

A Receiver may lend money or advance credit to any customer of any Chargor.

10.14 Protection of assets

A Receiver may:

- (a) effect any repair or insurance and do any other act which any Chargor might do in the ordinary conduct of its business to protect or improve any Security Asset;
- (b) commence and/or complete any building operation; and
- (c) apply for and maintain any planning permission, building regulation approval or any other Authorisation,

in each case as he thinks fit.

10.15 Other powers

A Receiver may:

- (a) do all other acts and things which he may consider necessary for realising any Security Asset or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Deed or law;
- (b) exercise in relation to any Security Asset all the powers, authorities and things which he would be capable of exercising if he were the absolute beneficial owner of that Security Asset; and
- (c) use the name of any Chargor for any of the above purposes.

11. APPLICATION OF PROCEEDS

Any moneys received by the Facility Agent or any Receiver after this Security has become enforceable must be applied in the following order of priority:

- (a) in or towards payment of or provision for all costs and expenses incurred by the Facility Agent or any Receiver under or in connection with this Deed and of all remuneration due to any Receiver under or in connection with this Deed;

- (b) in or towards payment of or provision for the Secured Liabilities in accordance with the terms of the Finance Documents; and
- (c) in payment of the surplus (if any) to any Chargor or other person entitled to it.

This Clause is subject to the payment of any claims having priority over this Security. This Clause does not prejudice the right of any Finance Party to recover any shortfall from any Chargor.

12. EXPENSES AND INDEMNITY

Each Chargor must:

- (a) within 5 Business Days of demand pay all costs and expenses (including legal fees) incurred in connection with this Deed by the Facility Agent, any Receiver, attorney, manager, agent or other person appointed by the Facility Agent under this Deed including any arising from any actual or alleged breach by any person of any law or regulation, whether relating to the environment or otherwise; and
- (b) keep each of them indemnified against any failure or delay in paying those costs or expenses.

13. DELEGATION

13.1 Power of Attorney

The Facility Agent or any Receiver may delegate by power of attorney or in any other manner to any person any right, power or discretion exercisable by it under this Deed.

13.2 Terms

Any such delegation may be made upon any terms (including power to sub-delegate) which the Facility Agent or any Receiver may think fit.

13.3 Liability

Neither the Facility Agent nor any Receiver will be in any way liable or responsible to any Chargor for any loss or liability arising from any act, default, omission or misconduct on the part of any delegate or sub-delegate provided that such loss or liability did not arise as a consequence of the gross negligence or wilful default of any such person.

14. FURTHER ASSURANCES

Each Chargor must, at its own reasonable expense, take whatever action the Facility Agent or a Receiver may require for:

- (a) creating, perfecting or protecting any security intended to be created by this Deed; or
- (b) facilitating the realisation of any Security Asset, or the exercise of any right, power or discretion exercisable, by the Facility Agent or any Receiver or any of its delegates or sub-delegates in respect of any Security Asset.

This includes:

- (i) the execution of any transfer, conveyance, assignment or assurance of any property, whether to the Facility Agent or to its nominee; or
- (ii) the giving of any notice, order or direction and the making of any registration,

which, in any such case, the Facility Agent may (acting reasonably) think expedient.

15. POWER OF ATTORNEY

Each Chargor, by way of security, irrevocably and severally appoints the Facility Agent, each Receiver and any of its delegates or sub-delegates to be its attorney to take any action which that Chargor is obliged to take under this Deed and has failed to take. Each Chargor ratifies and confirms whatever any attorney lawfully does or purports to do under its appointment under this Clause provided that such acts were not carried out with gross negligence or in default of the provisions of this Deed.

16. MISCELLANEOUS

16.1 Covenant to pay

Each Chargor must pay or discharge the Secured Liabilities in the manner provided for in the Finance Documents.

16.2 Tacking

Each Lender must perform its obligations under the Facilities Agreement (including any obligation to make available further advances).

16.3 New Accounts

- (a) If any subsequent charge or other interest affects any Security Asset, the Finance Party may open a new account with a Chargor.
- (b) If the Finance Party does not open a new account, it will nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice of that charge or other interest.
- (c) As from that time all payments made to the Finance Party will be credited or be treated as having been credited to the new account and will not operate to reduce any Secured Liability.

16.4 Time deposits

Without prejudice to any right of set-off any Finance Party may have under any other Finance Document or otherwise, if any time deposit matures on any account a Chargor has with any Finance Party within the Security Period when:

- (a) this Security has become enforceable; and
- (b) no Secured Liability is due and payable,

that time deposit will automatically be renewed for any further maturity which that Finance Party considers appropriate.

16.5 Notice of assignment

This Deed constitutes notice in writing to each Chargor of any charge or assignment of a debt owed by that Chargor to any other Chargor and contained in any other Security Document.

17. RELEASE

At the end of the Security Period (or, in respect of any disposal of a Security Asset permitted in accordance with clause 18.6 of the Facilities Agreement (the "**Disposed Security Asset**"), at the time of such disposal), the Facility Agent must promptly following the request of and at the cost of a Chargor, take whatever action is necessary to release its Security Assets (or as applicable, the Disposed Security Asset) from this Security, re-assign any rights assigned under this Deed, return all deeds and documents of title delivered to the Facility Agent under this Deed, and execute and deliver such further deeds or documents as the Chargor may reasonably require in order to give effect to this Clause (including, without limitation, any filings required to be made in order to remove the restriction referred to at Clause 5.8 (H.M. Land Registry)).

18. GOVERNING LAW

This Deed and any non-contractual obligations arising out of or in connection with it are governed by English law.

THIS DEED has been entered into as a deed on the date stated at the beginning of this Deed.

SCHEDULE 1

CHARGORS

Name of Chargor	Registered number
SUNDERLAND FC DEVELOPMENT LLP	OC375782
SUNDERLAND FC HOTELS LIMITED	08787108

SCHEDULE 2

SECURITY ASSETS

REAL PROPERTY

The leasehold land on the West Side of Stadium Way, Sunderland, being the Hilton Garden Inn
Sunderland with title number TY524215

SHARES

None

RELEVANT CONTRACTS

None

SCHEDULE 3
FORMS OF LETTER FOR RELEVANT CONTRACTS

PART 1

NOTICE TO COUNTERPARTY

To: [Contract party]

[Date]

Dear Sirs,

Security Agreement dated [] May 2018 between []
and [] (the Security Agreement)

This letter constitutes notice to you that under the Security Agreement we have assigned by way of security to [] (the **Facility Agent**) all our rights in respect of the following contracts:

[insert details of Contract]

(together, the **Contracts**).

We confirm that:

- (a) we will remain liable under the Contracts to perform all the obligations assumed by us under the Contracts; and
- (b) none of the Facility Agent, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of the Contracts.

We hereby irrevocably authorise and instruct you to pay all monies whatsoever (excluding VAT) now or at any time hereafter due or owing to us under or by virtue of the Contracts to [State Street Bank and Trust Company, London Branch, address: 20 Churchill Place, Canary Wharf, London E14 5HJ, United Kingdom; sort code: [] account number [] BP01; account name: [] XXX, State Street Bank & Trust Boston] (whose receipt shall be a full and sufficient discharge of such payment) or to such account of the Facility Agent as the Facility Agent may notify you in writing from time to time.

Subject to the other provisions of this notice, we will also remain entitled to exercise all our rights, powers and discretions under the Contracts, and you should continue to give notices under the Contracts to us, unless and until you receive notice from the Facility Agent to the contrary stating that the security has become enforceable. In this event, all the rights, powers and discretions will be exercisable by, and notices must be given to, the Facility Agent or as it directs.

Please note that we have agreed that we will not amend or waive any provision of or terminate the Contracts without the prior consent of the Facility Agent.

This letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

Please acknowledge receipt of this letter by sending the attached acknowledgement to the Facility Agent at [ADDRESS], with a copy to ourselves.

Yours faithfully,

.....

[Chargor]

(Authorised signatory)

PART 2

ACKNOWLEDGEMENT OF COUNTERPARTY

To: [Facility Agent]

Copy: [Chargor]

[Date]

Dear Sirs,

We confirm receipt from [] (the **Chargor**) of a notice dated [] of an assignment on the terms of the Security Agreement dated [] of all the Chargor's rights in respect of the following contracts:

[insert details of the Contract]

(together, the **Contracts**).

We confirm that we will pay all sums due under the Contracts to [State Street Bank and Trust Company, London Branch, address: 20 Churchill Place, Canary Wharf, London E14 5HJ, United Kingdom; sort code: []; account number [] BP01; account name: [] XXX, State Street Bank & Trust Boston] (or to such account as you may notify us in writing from time to time).

We confirm that we will give notices under the Contracts as directed in that notice.

This letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

Yours faithfully,

.....

(Authorised signatory)

[Counterparty]

SIGNATORIES

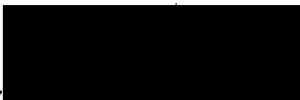
EXECUTED AS A DEED by
SUNDERLAND FC
DEVELOPMENT LLP
acting by

)
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Director

In the presence of:



Witness's signature: ..

Name: Rachel Keatinge

Address: 

EXECUTED AS A DEED by
SUNDERLAND FC HOTELS LIMITED
acting by

)
)
)



Director

In the presence of:



Witness's signature:

Name:

Rachel Keatinge

Address



Facility Agent

SECURITY BENEFIT CORPORATION

By:



Douglas B. Schnalder
Investment