

## EFP DEBT FINANCE SUMMATIVE ASSESSMENT

### ADVANCE RELEASE MATERIAL

**From:** Thomas Weinhart <thomasweinhart@brierley.com>

**To:** Trainee

**Subject:** Citywide Bank Plc

Hi,

I am currently working on a matter for a long-standing client of the firm, Citywide Bank Plc ('**Citywide**'), which I would like you to assist with.

Citywide is an active participant in the syndicated loan market and has contacted us to discuss their role in a proposed loan to be made to Dribblrz Limited ('**Dribblrz**'). Dribblrz is a provider of sporting facilities across England and Wales and is looking to raise money to fund the purchase and development of a state-of-the-art multi-sport training facility near Birmingham, as well as to upgrade several of its existing facilities.

Following its own due diligence, Citywide has agreed to act as arranger in setting up a syndicate to raise the £200,000,000 which Dribblrz needs for its expansion and upgrade plans (the '**Citywide Loan**'). An extract from the term sheet setting out the key terms for the Citywide Loan is attached for your information.

Dribblrz is a wholly-owned subsidiary of SportMane Plc ('**SportMane**'). SportMane is the holding company for several subsidiaries (of various sizes) all of which operate in the sporting and wellness industry.

Dribblrz has an existing secured £20,000,000 term loan with Premier Bank Plc, which has been fully drawn and is due to mature in 2027 (the '**Premier Loan**'). The Premier Loan is secured over all Dribblrz assets, both current and future, and is guaranteed by SportMane. The loan agreement for the Premier Loan is based on the LMA Agreement (the '**Premier Loan Agreement**').

Our contact at Citywide is Gemma Crawley ('**Gemma**'). I am due to speak with Gemma in a few days to get further information about the Citywide Loan and I will let you know of any further details on this matter.

Kind regards

Thomas

## Extract from Term Sheet

**Note:** parts of the term sheet have been deliberately omitted for the purpose of this assessment.

### Term Sheet: £170,000,000 Term Loan Facility and £30,000,000 Revolving Credit Facility

<b>Lenders:</b>	A syndicate of financial institutions to be selected by the Arranger in consultation with the Borrower.
<b>Underwriters:</b>	Citwide Bank Plc and [insert names of other underwriters].
<b>Arranger:</b>	Citwide Bank Plc.
<b>Agent:</b>	Citwide Bank Plc.
<b>Security Trustee:</b>	Citwide Bank Plc.
<b>Borrower:</b>	Dribblrz Limited.
<b>Guarantor:</b>	SportMane Plc.
<b>Facilities:</b>	The facilities will be made available in two facilities. Facility A shall be a £170,000,000 term loan facility. Facility B shall be a £30,000,000 revolving credit facility. The facilities shall be underwritten in full by the Underwriters in the proportion of their commitment.
<b>Total Facilities Amount:</b>	£200,000,000
<b>Purpose:</b>	Facility A will be used for the acquisition and development of a multi-sport training facility near Birmingham (the ' <b>Training Facility</b> ').  Facility B will be used to finance the ongoing upgrade of the Borrower's existing facilities, and for general corporate purposes.
<b>Availability Period:</b>	Facility A: until the date falling one month after execution of the Facilities Agreement.  Facility B: Utilisation Requests can be submitted up until one month before the Repayment Date.
<b>Utilisation:</b>	Facility A: one Utilisation.  Facility B: each Utilisation in a minimum amount of £500,000.
<b>Repayment Date:</b>	The facilities will be repaid in full on the fifth anniversary of the date of the Facilities Agreement.
.....	
<b>Interest Rate:</b>	Facility A: the sum of: (a) SONIA and (b) a margin of 1.75%

Facility B: the sum of: (a) SONIA and (b) a margin of 2.20%

.....

**Guarantees:** The facilities shall benefit from a joint and several guarantee from the Guarantor.

**Security:** The Lenders will be granted:

- (a) Charge by way of legal mortgage over the Training Facility;
- (b) Fixed and floating charges over all current and future assets of the Borrower way of a debenture; and
- (c) Fixed charge over the shares held by SportMane Plc in the Borrower.

.....

**Representations and Warranties:** Usual and customary for facilities of this type.

**Undertakings:** Usual and customary for facilities of this type.

.....

**Events of Default:** Usual and customary for facilities of this type.

.....

**Majority Lenders:** 66⅔ % of the Total Commitments.

**Assignment:** Any Lender may transfer or assign all or part of the Facilities to another syndicate lender or an affiliate of a syndicate lender without the Borrower's consent.

**End of Term Sheet**