



Registration of a Charge

Company name: **KNIGHT DRAGON INVESTMENTS LIMITED**

Company number: **06231628**



X8340DZS

Received for Electronic Filing: **10/04/2019**

Details of Charge

Date of creation: **29/03/2019**

Charge code: **0623 1628 0019**

Persons entitled: **HOMES AND COMMUNITIES AGENCY**

Brief description:

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: **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: **BRYAN CAVE LEIGHTON PAISNER LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 6231628

Charge code: 0623 1628 0019

The Registrar of Companies for England and Wales hereby certifies that a charge dated 29th March 2019 and created by KNIGHT DRAGON INVESTMENTS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 10th April 2019 .

Given at Companies House, Cardiff on 11th April 2019

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

DATED 29 March 2019

KNIGHT DRAGON INVESTMENTS LIMITED

as Chargor

HOMES AND COMMUNITIES AGENCY (trading as HOMES ENGLAND)

as Security Trustee

SHARE CHARGE

This Share Charge is subject to the Intercreditor Agreements (as defined herein)

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DATED 29 March 2019

PARTIES

- (1) **KNIGHT DRAGON INVESTMENTS LIMITED** (company number 06231628) whose registered office is at Level 9, 6 Mitre Passage, Greenwich Peninsula, London, SE10 0ER (the "**Chargor**")
- (2) **HOMES AND COMMUNITIES AGENCY** (trading as HOMES ENGLAND) as security trustee for the Secured Parties (the "**Security Trustee**")

BACKGROUND

- (A) The Secured Parties have agreed to advance or to continue to advance monies or otherwise arrange credit or afford other financial facilities to the Borrowers on the security created by this Deed.
- (B) The Chargor has agreed to charge certain of its assets as security to the Security Trustee as set out in this Deed.

OPERATIVE PROVISIONS

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed:

"**Act**" means the Law of Property Act 1925.

"**Amendment and Restatement Agreement**" means the amendment and restatement agreement in respect of the Credit Agreement dated on or about the date of this Deed between, amongst others, the Borrowers and the Lender (each as defined therein).

"**Borrowers**" means each of:

- (a) Knight Dragon Finance Limited, a company incorporated in England & Wales with company number 9961805;
- (b) Knight Dragon (N0205) Limited a company incorporated in England & Wales with company number 8087145;
- (c) Knight Dragon N0206 Limited a company incorporated in England & Wales with company number 6423434,

each having their registered offices at Level 9, 6 Mitre Passage, Greenwich Peninsula, London, SE10 0ER; and

- (d) any company that becomes a Borrower under the Credit Agreement after the date of this Deed.

"**Charged Assets**" means each and all of the assets, property, undertaking and other interests from time to time assigned or charged or intended to be assigned or charged by this Deed and the subject matter of each of them.

"Credit Agreement" means a credit agreement dated 31 March 2016 and made between, among others, the Borrowers (1) and the Security Trustee (2), as amended by the Amendment and Restatement Agreement, and any letter, agreement, charge, deed or other instrument entered into under or supplemental to it.

"Existing Share Charge" means a share charge dated 31 March 2016 granted by the Chargor in favour of the Security Trustee.

"Intercreditor Agreements" means:

- (a) an intercreditor agreement dated 25 October 2016 and made between (1) HSBC Bank plc as Senior Agent, (2) HSBC Bank Plc and The Bank of East Asia, Limited, London Branch as Senior Lenders, (3) HSBC Bank Plc and The Bank of East Asia Limited, London Branch as Senior Mandated Lead Arrangers, (4) HSBC Bank plc as Senior Coordinator, (5) HSBC Bank plc as Senior Hedge Counterparty, (6) Homes and Communities Agency as HCA Lender, (7) Knight Dragon (N0205) Limited as the Company, (8) Knight Dragon N0206 Limited and Knight Dragon Investments Limited as Original Chargors, (9) Knight Dragon (N0205) Limited, Knight Dragon Finance Limited and Knight Dragon Meridian Limited as Additional HCA Chargors, (10) Homes and Communities Agency as HCA Security Agent and (11) HSBC Corporate Trustee Company (UK) Limited as Senior Security Agent; and
- (b) an intercreditor agreement dated 30 October 2018 and made between (1) HSBC Bank plc as Senior Agent, (2) HSBC Bank Plc, The Bank of East Asia, Limited, London Branch and Lloyds Bank plc as Senior Lenders, (3) HSBC Bank Plc, The Bank of East Asia Limited, London Branch and Lloyds Bank plc as Senior Mandated Lead Arrangers, (4) HSBC Bank plc as Senior Coordinator, (5) HSBC Bank plc as Senior Hedge Counterparty, (6) Homes and Communities Agency as HCA Lender, (7) Knight Dragon N0206 Limited as the Company, (8) Knight Dragon N0206 Limited and Knight Dragon Investments Limited as Original Chargors, (9) Knight Dragon (N0205) Limited, Knight Dragon Finance Limited and Knight Dragon Meridian Limited as Additional HCA Chargors, (10) Homes and Communities Agency as HCA Security Agent and (11) HSBC Corporate Trustee Company (UK) Limited as Senior Security Agent.

"Investments" means the existing or future interest of the relevant person in the shares listed in Schedule 1 (*Investments*) together with all dividends, interest and other money payable in respect of those shares and all other rights, benefits and proceeds in respect of or derived from those shares (whether by way of redemption, bonus, preference, option, substitution, conversion or otherwise).

"Insolvency Event" means the occurrence of any event or circumstance set out in clause 20.6 (*Insolvency*) or clause 20.7 (*Insolvency proceedings*) of the Credit Agreement provided that references therein to "Transaction Obligor" shall be deemed to be "Obligor" (as such term is defined in this Deed).

"Party" means a party to this Deed.

"Receiver" means any one or more receiver or manager, or receiver and manager, appointed by the Security Trustee under this Deed (whether sole, joint and/or several and including any substitute).

"Regulations" means the Financial Collateral Arrangements (No 2) Regulations 2003 (S.I. 2003/3226) or equivalent legislation in any applicable jurisdiction bringing into effect Directive 2002/47/EC on financial collateral arrangements.

"Secured Liabilities" means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any capacity whatsoever) of each Transaction Obligor to any Secured Party under each Finance Document.

"Secured Party" has the meaning given to it in the Credit Agreement.

"Security" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"Transaction Obligor" has the meaning given to it in the Credit Agreement.

1.2 Construction

- 1.2.1 Unless the contrary intention is expressed, defined or interpreted all defined terms in the Credit Agreement shall have the same meaning here.
- 1.2.2 The construction provisions set out at clause 1.2 (*Construction*) of the Credit Agreement shall apply equally to this Deed.
- 1.2.3 If any provision of this Deed shall conflict with any term of the Credit Agreement then the relevant term of the Credit Agreement shall prevail.

2 COVENANT FOR PAYMENT

2.1 Covenant to pay

Subject to Clause 13.2 (*Limited recourse*) and Clause 13.3 (*Ring-fencing*) the Chargor covenants with the Security Trustee that it will:

- (a) on demand, pay and discharge each and all of the Secured Liabilities when due; and
- (b) indemnify and keep the Lender and the Security Trustee indemnified from and against all actions, charges, claims, costs, damages, proceedings and other liabilities occasioned by any breach of any covenants or other obligations of the Chargor to the Lender and the Security Trustee.

2.2 Survival of obligations

The payment obligations of the Chargor under the Finance Documents shall survive the enforcement of the whole or any part of the Charged Assets.

3 SECURITY

3.1 General

All the security created under this Deed is created in favour of the Security Trustee as continuing security for the payment and discharge of the Secured Liabilities with full title guarantee.

3.2 **Fixed charge**

The Chargor charges the Investments by way of fixed charge including all rights of enforcement of the same.

4 **PERFECTION OF SECURITY**

4.1 **Further assurance**

The Chargor shall execute and do at its own cost and in such form as may be reasonably required by the Security Trustee:

- (a) such further additional mortgages, charges, assignments, transfers and conveyances; and
- (b) such assurances, deeds, documents, acts and things,

as the Security Trustee may reasonably require to perfect or protect the security created or intended to be created by this Deed and/or to facilitate or effect any dealing with the Charged Assets in connection with this Deed.

5 **INVESTMENTS**

5.1 **Investment title documentation**

Upon execution of this Deed (or immediately upon the acquisition of the relevant Investment if that acquisition follows the date of this Deed) and notwithstanding any other term of the Finance Documents, the Chargor will (to the extent not already deposited) deposit with the Security Trustee in respect of each Investment:

- (a) all certificates, warrants or other documents of title;
- (b) duly executed undated blank stock transfer forms; and
- (c) forms of waiver of any pre-emption rights and any other documents, consents and monies necessary to enable such transfers to be registered by the Security Trustee.

5.2 **Voting prior to an Event of Default**

Prior to an Event of Default which is continuing, the Chargor may continue to exercise all voting and other rights (including the right to collect dividends, interest, principal or other payments of money) relating to the Investments provided that such rights are not exercised in a way which (and the Chargor shall not permit anything which):

- (a) jeopardises the security constituted by the Finance Documents;
- (b) varies the rights attaching to the Investments; or
- (c) relates to a participation in a rights issue or to receiving dividends other than in cash or concerns a merger, consolidation, allotment of shares, change to constitutional documents, transfer of ownership (legal or beneficial), liquidation, striking off, insolvency or matters which would otherwise be prohibited by the Finance Documents.

5.3 **Voting after an Event of Default**

- 5.3.1 Following an Event of Default which is continuing, the Security Trustee may (without notice to or consent from the Chargor and in the Chargor's name or otherwise) exercise any rights (including the right to collect dividends, interest, principal or other payments of money but excluding the right to vote) in respect of the Investments and may do anything necessary to complete any transfer form in favour of itself or otherwise.
- 5.3.2 Following an Event of Default which is continuing and the service of notice upon the Chargor, the Security Trustee may (without consent from the Chargor and in the Chargor's name or otherwise) exercise any right to vote in respect of the Investments.

5.4 **Obligations**

The Chargor shall promptly pay all calls, costs and/or other payments in respect of the Investments and shall give to the Security Trustee, at the time of issue, copies of all information, offers, notices or other materials supplied to the members of the issuers of the Investments and shall advise the Security Trustee promptly of any material occurrence affecting the Investments or any other part of the security granted to the Security Trustee and shall give to the Security Trustee such information as they may reasonably require relating to the Investments.

6 **REPRESENTATIONS AND WARRANTIES**

The Chargor makes the representations and warranties set out in this Clause 6 (*Representations and warranties*) to each Secured Party.

6.1 **Status**

- 6.1.1 It is a corporation, duly incorporated and validly existing under the law of its jurisdiction of incorporation.
- 6.1.2 It has the power to own its assets and carry on its business as it is being conducted.

6.2 **Binding obligations**

The obligations expressed to be assumed by it in this Deed are, subject to the Reservations, legal, valid, binding and enforceable obligations.

6.3 **Non-conflict**

The entry into and performance by it of, and the transactions contemplated by, this Deed do not and will not conflict with:

- (a) any law or regulation applicable to it;
- (b) its constitutional documents; or
- (c) any agreement or instrument binding upon it or any of its assets or constitute a default or termination event (however described) under any such agreement or instrument unless the relevant conflict has been previously consented to or waived by the appropriate person or such conflict will not have a Material Adverse Effect.

6.4 Power and authority

6.4.1 It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, this Deed and the transactions contemplated by this Deed.

6.4.2 No limit on its powers will be exceeded as a result of the grant of security contemplated by this Deed.

6.5 Validity and admissibility in evidence

Each authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration required:

- (a) to enable it lawfully to enter into, exercise its rights and comply with its obligations under this Deed; and
- (b) to make this Deed admissible in evidence in its jurisdiction of incorporation and in England and Wales,

has been obtained or effected and is in full force and effect.

6.6 No proceedings pending or threatened

No litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency with an economic value (when aggregated with other litigation, arbitration or administrative proceedings current, pending or threatened) of more than £10,000,000 are current or, to its knowledge, pending or threatened which would reasonably be expected to be adversely determined and, if adversely determined, are reasonably likely to prevent it from accepting and performing any of its obligations under this Deed, have (to the best of its knowledge and belief) been started or threatened against it.

6.7 Solvency

No Insolvency Event has occurred in relation to it.

6.8 Restriction on transfer

The constitutional documents of the companies in respect of which the Investments are issued do not and could not restrict or inhibit (whether absolutely, partly, under a discretionary power or otherwise) the transfer of the Investments in relation to the enforcement of the Security created by or under this Deed.

6.9 Legal and beneficial ownership

It is and will be the sole legal and beneficial owner of the Charged Assets free from any encumbrance or Security except as created by this Deed or as permitted under the Finance Documents.

6.10 Fully paid

Any shares falling within the definition of Investments are fully paid.

6.11 **Repetition of representations**

The representations and warranties set out in this Clause 6 (*Representations and warranties*) are made by the Chargor on the date of this Deed and in addition are deemed to be made by the Chargor by reference to the facts and circumstances then existing on the date of any Request, on each Drawdown Date and on each Interest Payment Date.

7 **COVENANTS**

The Chargor gives the undertakings in this Clause 7 (*Covenants*) which remain in force from the date of this Deed until this Deed is discharged.

7.1 **Negative pledge**

It shall not create or permit to subsist any Security over any of the Charged Assets save for the Security created pursuant to this Deed or as permitted under the Finance Documents.

7.2 **Disposals**

It shall not sell, lease, transfer or otherwise dispose of any Charged Asset except as permitted under the Finance Documents or with the prior written consent of the Security Trustee.

8 **RIGHTS OF ENFORCEMENT**

8.1 **Enforcement**

8.1.1 The Secured Liabilities shall be deemed to have become due for the purposes of section 101 of the Act immediately upon the date of this Deed.

8.1.2 The enforcement powers of the Security Trustee in connection with this Deed shall be immediately exercisable upon the occurrence of an Event of Default which is continuing or, at the Security Trustee's discretion, at the request of the Chargor.

8.1.3 Clause 8.1.2 shall not apply by reason only of a moratorium being obtained, or anything being done with a view to a moratorium being obtained, under section 1A of the Insolvency Act 1986.

8.1.4 The restrictions imposed by section 103 of the Act shall not apply to the security created by this Deed.

8.1.5 In addition to all other protection afforded by statute, every purchaser (as defined by section 205 of the Act) or other party dealing with the Security Trustee or any Receiver shall be entitled to assume without enquiry that an Event of Default has occurred and that the Secured Liabilities are outstanding and have become due.

8.2 **Security Trustee's and Receiver's powers and rights**

8.2.1 Following the occurrence of an Event of Default which is continuing, the Security Trustee shall have the power:

- (a) to appoint a Receiver of the whole or any part of the Charged Assets and (so far as the law allows) to remove and/or substitute any such appointee; and

- (b) to appropriate Charged Assets in accordance with Clause 8.3 (*Right of appropriation*).

8.2.2 Following the occurrence of an Event of Default which is continuing, the Security Trustee (without becoming a mortgagee in possession) and/or any Receiver (without personal liability) shall have the power to:

- (a) exercise all statutory and other powers and rights (including the powers conferred upon an administrative receiver by schedule 1 to the Insolvency Act 1986 whether or not the Security Trustee and/or any Receiver is an administrative receiver);
- (b) the powers and rights specified in the Schedule; and
- (c) exercise them in the name of the Chargor and in such manner and on such terms as the person exercising them shall in its sole absolute discretion consider appropriate.

8.3 **Right of appropriation**

To the extent that any of the Charged Assets constitute "financial collateral" and this Deed and the obligations of the Chargor under it constitute a "security financial collateral arrangement" (in each case as defined in, and for the purposes of, the Regulations), the Security Trustee shall, following the occurrence of an Event of Default which is continuing, have the right to appropriate all or any part of it in or towards discharge of the Secured Liabilities and transfer title in and to it to the Security Trustee. For this purpose, the Parties agree that the value of the financial collateral so appropriated shall be the market price of such financial collateral determined by the Security Trustee by reference to a public index or by such other process as the Security Trustee may select, including independent valuation. The Parties agree that the method of valuation provided for in this Deed shall constitute a commercially reasonable method of valuation for the purposes of the Regulations.

8.4 **Receiver as agent**

So far as the law allows, a Receiver shall be the agent of the Chargor, who shall be solely liable for his acts, defaults and remuneration, but the Security Trustee shall be entitled to agree the fees and expenses of and the mode of payment to the Receiver.

8.5 **Further powers**

If the Chargor defaults in the observance and performance of any obligation to the Security Trustee, the Security Trustee or its agents (without any of them becoming a mortgagee in possession) may at any time (but shall not be obliged to) do such things as it considers necessary to remedy the default.

8.6 **Power of attorney**

Following an Event of Default which is continuing, the Chargor by way of security irrevocably appoints the Security Trustee and every Receiver severally its attorney in its name and on its behalf to execute any documents and do or perfect anything which it is obliged to do under this Deed but has failed to do which the Security Trustee and/or the Receiver shall consider appropriate for perfecting, maintaining, preserving, enhancing or enforcing the security created by this Deed and/or value

of any of the Charged Assets and/or for the purpose of enforcing the performance of the Chargor's obligations in connection with this Deed.

9 APPLICATION OF RECEIPTS

9.1 Priority of payment

Subject to sums secured by Security having priority to the Security created by this Deed and subject to no double counting of amounts recovered under the Existing Share Charge, all monies received by the Security Trustee and/or any Receiver in the enforcement of this Deed shall (subject as follows) be applied in the following order, in payment:

- (a) **firstly**, of all fees, costs, charges, taxes, liabilities and expenses in relation to any enforcement of this Deed (including in relation to any Receiver whether on its own behalf or on behalf of the Chargor or otherwise);
- (b) **secondly**, (insofar as not contemplated by Clause 9.1(a)) of all fees, costs, charges, taxes, liabilities and expenses and other sums of the Security Trustee (in its capacity as trustee) in relation to the Finance Documents; and
- (c) **finally**, to the Lender for distribution in accordance with the Credit Agreement.

9.2 Crediting to suspense account

The Security Trustee or any Receiver may credit any monies received from the enforcement of this Deed to any suspense account in any manner and for such period as the Security Trustee or that Receiver thinks fit.

10 NOTICES

10.1 Giving of notices

10.1.1 All notices or other communications under or in connection with this Deed shall be given in writing or, to the extent agreed by the Parties making and receiving the communication, by e-mail or other electronic communication, and for the purpose of this Deed, an electronic communication will be treated as being in writing. Any such notice will be deemed to be given as follows:

- (a) if in writing, when delivered; and
- (b) if by e-mail or other electronic communication, when received in legible form.

10.1.2 A notice given in accordance with the above but received on a day which is not a Business Day or after business hours in the place of receipt will only be deemed to be given on the next working day in that place.

10.2 Addresses

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

- (a) in the case of a person which is a Party on the date of this Deed, that identified with its name below; or
- (b) in the case where a person becomes a Party after the date of this Deed, that notified in writing to the Security Trustee on or prior to the date on which that person becomes a Party; or

any substitute address or department or officer as the Party may notify the Security Trustee (or the Security Trustee may notify the Chargor if the change is made by the Security Trustee) by not less than five Business Days' notice.

11 DISCHARGE

- 11.1.1 If the Security Trustee is satisfied that the Secured Liabilities have been unconditionally and irrevocably paid, repaid and discharged in full, the Security Trustee will, at the request and cost of the Chargor, discharge this Deed and release and re-assign the Charged Assets.
- 11.1.2 No discharge will be of any effect if any security or payment given or made in respect of the Secured Liabilities is rescinded, avoided, reduced or invalidated whether in respect of any insolvency or otherwise.

12 ASSIGNMENT AND TRANSFER

12.1 Assignment by the Chargor

The Chargor may not assign transfer or otherwise part with its rights or obligations under this Deed.

12.2 Assignment by the Secured Parties

The Secured Parties may each at any time transfer, assign or novate all or any part of their respective rights, benefits or obligations under this Deed in accordance with the provisions of the Credit Agreement.

13 GENERAL PROVISIONS

13.1 Trust provisions

The undertakings and representations made by the Chargor under this Deed are made in favour of the Security Trustee as security trustee for the Secured Parties.

13.2 Limited recourse

Notwithstanding any other provision of this Deed and subject to Clause 13.3 (*Ring-fencing*), the liability of the Chargor to the Security Trustee pursuant to or otherwise in connection with this Deed shall be:

- (a) limited in aggregate to an amount equal to the aggregate amount recovered by the Security Trustee as a result of enforcement of this Deed with respect to the relevant Charged Assets; and
- (b) satisfied only from the proceeds of sale or other disposal or realisation of the relevant Charged Assets pursuant to this Deed.

13.3 **Ring-fencing**

This Deed and the Security Interests created pursuant to it are subject to the provisions of clause 20.22 (*Ring-fencing*) of the Credit Agreement.

13.4 **Enforcement**

It shall not be necessary for the Security Trustee before taking any enforcement under this Deed to enforce or seek to enforce any guarantee or other security or other rights whether from or against the Chargor or any other person. This Clause 13.4 (*Enforcement*) applies irrespective of any law or any provision of a Finance Document to the contrary.

13.5 **Exercise of powers and liability**

13.5.1 This Deed is in addition to and will not merge in or in any way be prejudiced or affected by the holding or release by the Security Trustee of any other security at any time held by the Security Trustee.

13.5.2 The Security Trustee may, at any time after this Deed has become enforceable, redeem or transfer to itself any prior Security against the Charged Assets and may settle and pass the accounts of the prior chargee (which shall be binding on the Chargor). All principal monies, interest, costs, charges and expenses of and incidental to such redemption or transfer shall be paid by the Chargor to the Security Trustee on demand.

13.5.3 None of the provisions of this Deed shall be deemed to impose on the Secured Parties or imply on their part any obligation or other liability in relation to the Charged Assets.

13.6 **Tacking**

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

13.7 **New Accounts**

On receiving notice that the whole or any part of the Charged Assets has been encumbered by any Security (other than the Security created pursuant to this Deed or as permitted under the Finance Documents) or disposed of:

- (a) a Secured Party may close the Chargor's then subsisting account and open a new account with the Chargor, and (unless the relevant Secured Party gives the Chargor written notice otherwise) shall be deemed to have done so;
- (b) all payments made to the relevant Secured Party after that date will be credited (or be treated as having been credited) to the new account; and
- (c) no money credited or treated as credited to the new account shall reduce the Secured Liabilities.

13.8 **Consolidation**

The restriction on the right of consolidating mortgage securities contained in section 93 of the Act shall not apply to the security created by this Deed.

13.9 **Rights of third parties**

13.9.1 Unless the right of enforcement is expressly granted, it is not intended that a third party should have the right to enforce a provision of this Deed pursuant to the Contracts (Rights of Third Parties) Act 1999.

13.9.2 The parties may rescind or vary this Deed without the consent of a third party to whom an express right to enforce any of its terms has been provided.

13.10 **Partial invalidity**

The illegality, invalidity or unenforceability for whatever reason of any provision of this Deed in any jurisdiction, shall not affect the legality, validity or enforceability of that provision in any other jurisdiction or legality, validity or enforceability of the remaining provisions in any jurisdiction.

13.11 **Remedies and waivers**

No failure to exercise, nor any delay in exercising, on the part of any Secured Party, any right or remedy under this Deed shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Deed are cumulative and not exclusive of any right or remedies provided by law.

13.12 **Chargor's obligations**

Neither the Security created under this Deed nor the obligations of the Chargor under this Deed will be affected by any act, omission, matter or thing which, but for this Clause 13.12 (*Chargor's obligations*), would reduce, release or prejudice that Security or any of its obligations under this Deed (without limitation and whether or not known to it or any Secured Party) including:

- (a) any time, waiver or consent granted to, or composition with, any Obligor or other person;
- (b) the release of any Obligor or any other person under the terms of any composition or arrangement with any creditor of any Obligor;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security over assets of any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any Obligor or any other person;
- (e) any amendment, novation, supplement, extension (whether of maturity or otherwise) or restatement (in each case, however fundamental and whether or not more onerous), or replacement, assignment, avoidance or termination of any Finance Document or any other document or Security including any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Finance Document or other document or Security;

- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or Security; or
- (g) any insolvency or similar proceedings.

13.13 **Chargor intent**

Without prejudice to the generality of Clause 13.12 (*Chargor's obligations*), the Chargor expressly confirms that it intends that the Security created by this Deed shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following:

- (a) business acquisitions of any nature;
- (b) increasing working capital;
- (c) enabling investor distributions to be made;
- (d) carrying out restructurings;
- (e) refinancing existing facilities;
- (f) refinancing any other indebtedness;
- (g) making facilities available to new borrowers;
- (h) any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and/or
- (i) any fees, costs and/or expenses associated with any of the foregoing.

13.14 **Appropriations**

Until the Secured Liabilities have been irrevocably paid in full, each Secured Party (or trustee or agent on its behalf) may:

- (a) refrain from applying or enforcing any other monies, security or rights held or received by that Secured Party (or any trustee or agent on its behalf)] in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and the Chargor shall not be entitled to the benefit of the same; and
- (b) hold in an interest-bearing suspense account any monies received from the Chargor or on account of the Chargor's liability under this Deed.

13.15 **Deferral of Chargor's rights**

13.15.1 Until the Secured Liabilities have been irrevocably paid in full and unless the Security Trustee otherwise directs, the Chargor will not exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents or by reason of any amount being payable, or liability arising, under this Deed:

- (a) to be indemnified by any Obligor;

- (b) to claim any contribution from any other guarantor of any Obligor's obligations under the Finance Documents;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Secured Parties under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by any Secured Party;
- (d) to bring legal or other proceedings for an order requiring any Obligor to make any payment, or perform any obligation, in respect of which the Chargor has given a guarantee, undertaking or indemnity under this Deed;
- (e) to exercise any right of set-off against any Obligor; and/or
- (f) to claim or prove as a creditor of any Obligor in competition with any Secured Party.

13.15.2 If the Chargor receives any benefit, payment or distribution in relation to any rights referred to in Clause 13.15.1 it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Secured Parties by the Obligors under or in connection with the Finance Documents to be repaid in full on trust for the Secured Parties and shall promptly pay or transfer the same to the Security Trustee or as the Security Trustee may direct for application in accordance with Clause 9 (*Application of receipts*).

14 **COUNTERPARTS**

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

15 **LAW AND JURISDICTION**

15.1 **Governing Law**

This Deed and any non-contractual obligations arising out of or in relation to this Deed shall be governed by English law.

This Deed has been executed as a Deed and delivered on the date stated at the beginning of this Deed.

Schedule 1
Investments

1. 1 ordinary share of £1 in Knight Dragon Finance Limited (company number 9961805)
2. 1 ordinary share of £1 in Knight Dragon (N0205) Limited (company number 8087145)
3. 1,919,138 ordinary shares of £1 each in Knight Dragon N0206 Limited (company number 6423434)
4. 1 ordinary share of £1 in Design District Limited (company number 10982639)

Schedule 2
Security Trustee's and Receiver's powers

1 CONDUCT OF BUSINESS

(a) Compromise claims

To compromise any claim relating to the Charged Assets.

(b) Borrowing and advancing

To borrow, raise or advance money whether or not in priority to the Secured Liabilities and with or without security.

(c) Employees

To employ solicitors, stockbrokers and others.

2 DEALING WITH THE CHARGOR'S ASSETS

(a) Possession

To take possession of, get in, use and/or collect any Charged Asset.

(b) Payments

To pay any outgoings and payments charged on or otherwise relating to the Charged Assets or their ownership or use.

(c) Receipts

To give receipts and releases for any sums received.

(d) Assumption of rights

To assume, exercise, cancel and/or vary all or any of the powers and rights conferred on the Chargor under any Charged Asset.

(e) Insurance

To effect insurances on such terms as it thinks fit.

3 DISPOSALS

To sell or otherwise realise and deal with, and transfer title to, the Charged Assets, in return for such consideration as it thinks fit and whether or not:

- (i) for immediate or deferred consideration;
- (ii) in return for a single payment or instalments; and
- (iii) for consideration wholly or partly in cash, property or securities in whatever form,

and in all cases the terms of which shall bind any subsequent mortgagee.

4 GENERAL

(a) General powers

To do or abstain from doing all such things as it considers necessary or desirable for perfecting, maintaining preserving or enhancing the value of any of the Charged Assets or for or in connection with the enforcement of the Security created by this Deed or the realisation of any of the Charged Assets, whether or not in accordance with the Credit Agreement, including:

- (i) executing, delivering and completing all or any deeds or other documents;
- (ii) using the name of the Chargor in connection with any of the purposes in this Schedule 2 (*Security Trustee's and Receiver's powers*);

(b) commencing, carrying out and completing any acts, matters or proceedings in relation to any Charged Asset as if it were the sole and absolute beneficial owner of the Charged Assets; and

- (i) obtaining, entering into and maintaining any bonds, covenants, commitments, engagements, guarantees and indemnities or other like arrangements.

(c) General

All its powers and discretions under this Deed shall be:

- (i) exercisable on such terms and conditions and otherwise as it may think fit; and
- (ii) as if it were the absolute and beneficial owner.

EXECUTION PAGE

Chargor

Executed as a deed by **KNIGHT DRAGON INVESTMENTS LIMITED**
acting by a director in the presence of a
witness:


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)
)
)
.....

Signature of witness:

.....

Name: FAVONA MARSHALL

Address:

 Forsters LLP
31 Hill Street London W1J 5LS

Occupation: LAWYER

Address for notices: Level 9
6 Mitre passage, Greenwich Peninsula
London SE10 0ER

Fax:

Email: finance@knightdragon.com

Attn: Favona Harris

Security Trustee

The Common Seal of
HOMES AND COMMUNITIES AGENCY
was hereunto affixed in the presence of

)
)
)

Authorised Signatory

Print Name:

Address for notices:
Arpley House
110 Birchwood Boulevard
Birchwood
Warrington
WA3 7QH

Attn: Head of Portfolio Management

EXECUTION PAGE

Chargor

Executed as a deed by **KNIGHT DRAGON**
INVESTMENTS LIMITED
acting by a director in the presence of a
witness:

)
)
)
)

Signature of witness:

Name:

Address:

Occupation:

Address for notices:

Fax:

Attn:

Security Trustee

The Common Seal of
HOMES AND COMMUNITIES AGENCY
was hereunto affixed in the presence of

)
)
)

D/3186

Tim Miles
Head of Legal Help to Buy

Authorised Signatory



Print Name:

Address for notices:
Arpley House
110 Birchwood Boulevard
Birchwood
Warrington
WA3 7QH

Attn: Head of Portfolio Management

