



**Registration of a Charge**

Company name: **KNIGHT DRAGON INVESTMENTS LIMITED**

Company number: **06231628**



X836R74Y

Received for Electronic Filing: **11/04/2019**

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**Details of Charge**

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

Charge code: **0623 1628 0020**

Persons entitled: **HOMES AND COMMUNITIES AGENCY**

Brief description:

**Contains fixed charge(s).**

**Contains negative pledge.**

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**Authentication of Form**

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

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**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 0020

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 11th April 2019 .

Given at Companies House, Cardiff on 12th 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

**ASSIGNMENT OF SUBORDINATED LOAN AGREEMENTS**

This Assignment of Subordinated Loan Agreements is subject to the Intercreditor Agreements  
(as defined herein)

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**DATED** 29 March 2019

## **PARTIES**

- (1) **KNIGHT DRAGON INVESTMENTS LIMITED**, (company no 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 arrange the advance or to continue to arrange the advance of monies or otherwise arrange credit or afford other financial facilities to the Borrowers and/or others on the security created by this Deed.
- (B) The Chargor has agreed to charge certain of its assets as security to the Secured Parties 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 dated on or around the date of this Deed entered into by the Security Trustee (1) and the Obligors (2) amending the terms of the facility agreement dated 31 March 2016 made between the Security Trustee (1) and the Obligors (2).

"**Borrowers**" means Knight Dragon Finance Limited (company number: 09961805), Knight Dragon (N0205) Limited (company number: 08087145) and Knight Dragon N0206 Limited (company number: 06423434) and any other company that becomes a Borrower pursuant to the Facility 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.

"**Deed of Subordination**" means the deed of subordination dated 31 March 2016 made between the Security Trustee (1), Knight Dragon Finance Limited, Knight Dragon (N0205) Limited, Knight Dragon N0206 Limited and Knight Dragon Meridian Limited, as obligors (2) and Knight Dragon Finance Limited and the Chargor, as original subordinated creditors (3).

"**Facility Agreement**" means the facility agreement dated 31 March 2016 made between the Security Trustee (1) and the Obligors (2), as amended by the Amendment and Restatement Agreement, and any agreement entered into under or supplemental to it or amending, restating or novating it.

**"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 Facility Agreement provided that references therein to "Transaction Obligor" shall be deemed to be "Chargor" (as such term is defined in this Deed).

**"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.

**"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).

**"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 Facility 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.

**"Subordinated Debt"** means the aggregate of all monies and liabilities of whatever nature (whether actual or contingent, as principal or surety) which are now or may at any future time be outstanding or otherwise due from Design District Limited to the Chargor on any account or in any manner.

**"Subordinated Loan Agreement"** means each loan agreement details of which are specified in Schedule 1 (*Subordinated Loan Agreements*) and any other loan agreement from time to time between the Chargor and Design District Limited.

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

## **1.2 Construction**

1.2.1 Unless the contrary intention is expressed, defined or interpreted all defined terms in the Facility Agreement shall have the same meaning here.

1.2.2 The construction provisions set out at clause 1.2 (Construction) of the Facility Agreement shall apply equally to this Deed.

1.2.3 If any provision of this Deed shall conflict with any term of the Facility Agreement the relevant term of the Facility Agreement shall prevail.

## **2 COVENANT FOR PAYMENT**

### **2.1 Covenant to pay**

Subject to Clause 12.2 (*Limited recourse*) and 12.3 (*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 Subordinated Debt**

The Chargor assigns absolutely by way of security subject to the provisions of Clause 10 (*Discharge*) all of its rights and interests including all rights of enforcement of the same:

- (a) in respect of the Subordinated Debt; and
- (b) under each Subordinated Loan Agreement.

## 4 **PERFECTION OF SECURITY**

### **Further assurance**

The Chargor shall execute and do at its own cost and in such form as is 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 **REPRESENTATIONS AND WARRANTIES**

The Chargor makes the representations and warranties set out in this Clause 5 (*Representations and warranties*) to the Security Trustee.

### 5.1 **Status**

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

### 5.2 **Binding obligations**

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

### 5.3 **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.

### 5.4 **Power and authority**

- 5.4.1 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.



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

**5.5 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,

has been obtained or effected and is in full force and effect, subject to due registration at Companies House where applicable.

**5.6 Governing law and enforcement**

- 5.6.1 The choice of English law will be recognised and enforced in its jurisdiction of incorporation.

- 5.6.2 Any judgment obtained in England in relation to a Finance Document will be recognised and enforced in its jurisdiction of incorporation.

**5.7 No proceedings pending or threatened**

- 5.7.1 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.

**5.8 Solvency**

No Insolvency Event has occurred in relation to it.

**5.9 Legal and beneficial ownership**

The Chargor is the sole legal and beneficial owners of the Charged Assets free from any encumbrance or Security except as created by this Deed or as permitted under the Finance Documents.

**5.10 Subordinated Debt**

- 5.10.1 No payment to it by any other party to a Subordinated Loan Agreement is subject to any right of set-off or similar right.

- 5.10.2 Subject to the Reservations, each Subordinated Loan Agreement to which it is a party is its legally binding, valid, and enforceable obligation.

- 5.10.3 Neither it nor (so far as it is aware) any other party to a Subordinated Loan Agreement is in default of any of its material obligations under that Subordinated Loan Agreement.

- 5.10.4 There is no prohibition on assignment in respect of any of the Subordinated Debt or its rights under any Subordinated Loan Agreement.

**5.11 Repetition of representations**

The representations and warranties set out in this Clause 5 (*Representations and warranties*) are made by the Chargor on the date of this Deed and are deemed to be made by the Chargor by reference to the facts and circumstances then existing on the date of any Request, each Drawdown Date and the first day of each Interest Period.

**6 COVENANTS**

The Chargor gives the undertakings in this Clause 6 (*Covenants*) which remain in force from the date of this Deed until this Deed is discharged.

**6.1 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.

**6.2 Disposals**

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

**6.3 Subordinated Loan Agreements**

- 6.3.1 It shall, subject to the terms of the Deed of Subordination, duly and promptly perform its obligations under each Subordinated Loan Agreement.

- 6.3.2 After the security created by this Deed has become enforceable, the Security Trustee may exercise, without any further consent or authority on the part of the Chargor and irrespective of any direction given by the Chargor, the Chargor's rights under each Subordinated Loan Agreement.

**7 RIGHTS OF ENFORCEMENT**

**7.1 Enforcement**

- 7.1.1 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.

- 7.1.2 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.

- 7.1.3 Clause 7.1.2 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.

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

- 7.1.5 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.

## **7.2 Security Trustee's and Receiver's powers and rights**

- 7.2.1 At any time after the occurrence of an Event of Default which is continuing, the Security Trustee shall have the power 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.

- 7.2.2 At any time after 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); and
- (b) the power and rights specified in Schedule 2 (*Security Trustee's and Receiver's powers*),

and may 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.

## **7.3 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.

## **7.4 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.

## **7.5 Power of attorney**

At any time after the occurrence of 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 but has failed to do that 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.

## 8 APPLICATION OF RECEIPTS

### 8.1 Priority of payment

Subject to sums secured by Security having priority to the Security created by this Deed, 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 8.1(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) **thirdly**, to the Lender for distribution in accordance with the Facility Agreement.

### 8.2 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.

## 9 NOTICES

### 9.1 Giving of notices

9.1.1 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.

9.1.2 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.

### 9.2 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 to this Deed 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.

## 10 **DISCHARGE**

10.1 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.

10.2 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.

## 11 **ASSIGNMENT AND TRANSFER**

### 11.1 **Assignment by the Chargor**

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

### 11.2 **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 Facility Agreement.

## 12 **GENERAL PROVISIONS**

### 12.1 **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.

### 12.2 **Limited recourse**

Notwithstanding any other provision of this Deed and subject to 12.3 (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.

### 12.3 **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 Facility Agreement.

#### **12.4 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 12.4 (*Enforcement*) applies irrespective of any law or any provision of a Finance Document to the contrary.

#### **12.5 Exercise of powers and liability**

12.5.1 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.

12.5.2 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.

12.5.3 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.

#### **12.6 Tacking**

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

#### **12.7 New accounts**

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

- (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.

#### **12.8 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.

#### **12.9 Rights of third parties**

12.9.1 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.

- 12.9.2 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.

**12.10 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.

**12.11 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.

**12.12 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 12.12 (*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 of 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.

### 12.13 **Chargor intent**

Without prejudice to the generality of Clause 12.12 (*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.

### 12.14 **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 the 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.

### 12.15 **Deferral of Chargor's rights**

12.15.1 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.

12.15.2 If the Chargor receives any benefit, payment or distribution in relation to any rights referred to in Clause 12.15.1 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 8 (*Application of receipts*).

### 13 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.

### 14 LAW AND JURISDICTION

#### 14.1 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**  
**Subordinated Loan Agreements**

1. Shareholder loan agreement dated 18 September 2018 made between Knight Dragon Investments Limited and Design District Limited.

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

(b)      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 DONATHAN RANN )  
in the presence of

Director



Name of witness: LOWENA MARSHALL

Signature of witness: 

Address:  Forsters LLP  
31 Hill Street London W1J 5LS

Occupation: Lawyer  
Address:  
Attn:

### Security Trustee

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

Authorised Signatory

Print Name:

Address:  
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 \_\_\_\_\_ )  
in the presence of

Director

Name of witness:

Signature of witness:

Address:

Occupation:

Address:

Attn:

## Security Trustee

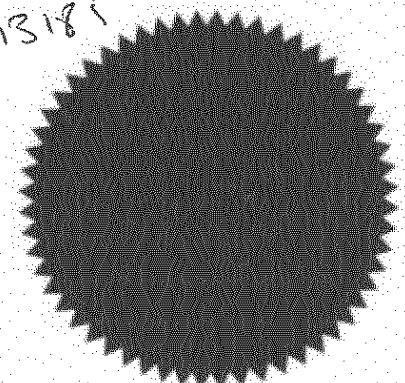
The Common Seal of **HOMES AND** )  
**COMMUNITIES AGENCY** was hereunto )  
affixed in the presence of )

Tim Miles  
Head of Legal Help to Buy

Authorised Signatory



D13185



Print Name:

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

Attn: Head of Portfolio Management