



Companies House

**MR01**(ef)

**Registration of a Charge**

Company name: **KNIGHT DRAGON N0206 LIMITED**

Company number: **06423434**

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



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**Details of Charge**

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

Charge code: **0642 3434 0006**

Persons entitled: **HOMES AND COMMUNITIES AGENCY**

Brief description: **ALL THAT LAND WITHIN TITLES TGL482764, TGL482759 AND TGL482748**

**Contains fixed charge(s).**

**Contains floating charge(s) (floating charge covers all the property or undertaking of the company).**

**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: 6423434

Charge code: 0642 3434 0006

The Registrar of Companies for England and Wales hereby certifies that a charge dated 29th March 2019 and created by KNIGHT DRAGON N0206 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**

Claim no. 1076 of 2019

**IN THE COUNTY COURT AT CENTRAL LONDON**



**BUSINESS AND PROPERTY WORK**

*Bayane District Judge Hart*

**IN THE MATTER OF KNIGHT DRAGON FINANCE LIMITED**

**AND IN THE MATTER OF KNIGHT DRAGON MERIDIAN LIMITED**

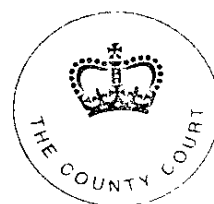
**AND IN THE MATTER OF KNIGHT DRAGON (N0205) LIMITED**

**AND IN THE MATTER OF KNIGHT DRAGON N0206 LIMITED**

**AND IN THE MATTER OF DESIGN DISTRICT LIMITED**

**AND IN THE MATTER OF THE REGISTRAR OF COMPANIES**

**AND IN THE MATTER OF THE COMPANIES ACT 2006**



**HOMES AND COMMUNITIES AGENCY (TRADING AS HOMES ENGLAND)**

**Claimant**

**and**

**THE REGISTRAR OF COMPANIES**

**Defendant**

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**ORDER**

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**UPON THE APPLICATION** by CPR Part 8 Claim Form dated 21 June 2019 of the Claimant whose registered office is situated at Arpley House, 110 Birchwood Boulevard, Birchwood, Warrington, WA3 7QZ

**AND UPON READING** the CPR Part 8 Claim Form, the Witness Statement of Stewart Anderson filed 6 June 2019 and the Exhibit in the Witness Statement referred to (being the Debenture dated 29 March 2019 executed by the Claimant and Knight Dragon Finance Limited, Knight Dragon Meridian Limited, Knight Dragon (N0205) Limited, Knight Dragon N0206 Limited and Design District Limited to secure the amendment and

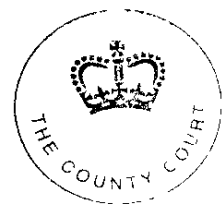
restatement of a credit agreement dated 31 March 2016 for the total advance of £115,000,000, the Certificate of the Registrar of Companies of the registration of such Debenture dated 10 April 2019 and a copy of such Debenture with the requested personal information redacted), being registered at Companies House with the following charge codes:

- 1 In respect of Knight Dragon Finance Limited, 1098 2639 0001;
- 2 In respect of Knight Dragon Meridian Limited, 0059 0768 0011;
- 3 In respect of Knight Dragon (N0205) Limited, 0808 7145 0003;
- 4 In respect of Knight Dragon N0206 Limited, 0642 3434 0006; and
- 5 In respect of Design District Limited, 1098 2639 0001

**AND THE COURT** being satisfied that the Debenture contains material which could have been omitted under section 859G of the Companies Act 2006 **ORDERS** that copy of the Debenture delivered to the Registrar be replaced with the copy included at pages [36] – [65] of Exhibit SA1 which redacts the bank account details and signatures included therein, in respect of each of Knight Dragon Finance Limited, Knight Dragon Meridian Limited, Knight Dragon (N0205) Limited, Knight Dragon N0206 Limited and Design District Limited

**AND IT IS ORDERED** that the Claimant do deliver a sealed copy of this Order to the Registrar of Companies

**Dated:** 21 August 2019



Claim no. 1076 of 2019

**IN THE COUNTY COURT AT CENTRAL LONDON**

**BUSINESS AND PROPERTY WORK**

**IN THE MATTER OF KNIGHT DRAGON FINANCE LIMITED**

**AND IN THE MATTER OF KNIGHT DRAGON MERIDIAN LIMITED**

**AND IN THE MATTER OF KNIGHT DRAGON (N0205) LIMITED**

**AND IN THE MATTER OF KNIGHT DRAGON N0206 LIMITED**

**AND IN THE MATTER OF DESIGN DISTRICT LIMITED**

**AND IN THE MATTER OF THE REGISTRAR OF COMPANIES**

**AND IN THE MATTER OF THE COMPANIES ACT 2006**

**HOMES AND COMMUNITIES AGENCY (TRADING AS HOMES ENGLAND)**

**Claimant**

**and**

**THE REGISTRAR OF COMPANIES**

**Defendant**

---

**ORDER**

---

**Bryan Cave Leighton Paisner LLP**

Adelaide House

London Bridge

London

EC4R 9HA

**Solicitors for the Claimants**

DATED 29 March 2019

**THE ENTITIES LISTED HEREIN**  
as Chargors

**HOMES AND COMMUNITIES AGENCY (trading as HOMES ENGLAND)**  
as Security Trustee

**DEBENTURE**

in respect of certain Infrastructure Works at Upper Riverside and Meridian Quay, Greenwich Peninsula

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

We hereby certify this to be  
a true copy of the original

**Bryan Cave Leighton Paisner LLP**  
Adelaide House  
London Bridge  
London EC4R 9HA

BRYAN  
CAVE  
LEIGHTON  
PAISNER

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**DATED** 29 March 2019

**PARTIES**

- (1) **THE PARTIES** listed in Schedule 1 (*Chargors*) (the "**Chargors**")
- (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 the 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) Each Chargor has agreed to charge its assets as security to the Security Trustee as set out in this Deed to secure the payment and discharge of the Secured Liabilities.

**OPERATIVE PROVISIONS**

**1 DEFINITIONS AND INTERPRETATION**

**1.1 Definitions**

In this Deed:

"**Accounts**" means the accounts details of which are set out in Schedule 2, Part 2 (*The Accounts*).

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

"**Agreement for Lease**" means an agreement to grant an Occupational Lease for all or part of the Property.

"**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).

"**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 (but which shall, for the avoidance of doubt, always exclude the LAA).

"**Charged Property**" means any freehold or leasehold property from time to time charged pursuant to this Deed.

"**Disposal Proceeds**" means the net disposal proceeds derived from any disposal of the Property or the shares in the Chargors.

"**Credit Agreement**" means a credit agreement dated 31 March 2016 and made between amongst others the Security Trustee (1) and the Chargors (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.



**"Existing Debenture"** means the debenture dated 31 March 2016 granted by the Chargors (other than Design District Limited) in favour of the Security Trustee.

**"Finance Document"** shall have the meaning ascribed to it by the Credit Agreement.

**"Finance Party"** shall have the meaning ascribed to it by the Credit Agreement.

**"Hedging Agreement"** means any master agreement, confirmation, transaction, schedule or other agreement entered into or to be entered into by a Chargor for the purpose of hedging under the Credit Agreement.

**"Infrastructure Works Documents"** has the meaning given to it in the Credit Agreement.

**"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 Counterpart, (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.

**"Insurances"** means any policy of insurance in which a Chargor may at any time have an interest relating to any Charged Property.

**"LAA"** means the Restated Land Assembly Agreement dated 23 February 2004 and made between (1) The Urban Regeneration Agency, (2) Quintain Meridian Limited (now known as Knight Dragon Meridian Limited), (3) Quintain Estates and Developments plc and (4) Meridian Delta Limited (now known as Knight Dragon Developments Limited) as varied by the Deed of Variation dated 27 February 2014 between (1) GLA Land and Property Limited, (2) Knight Dragon Meridian Limited and (3) Knight Dragon Developments Limited as the same may be varied and amended from time to time.

**"Lease Document"** means:

- (a) an Agreement for Lease;
- (b) an Occupational Lease; or
- (c) any other document designated as such by the Lender and a Chargor.

**"Occupational Lease"** has the meaning ascribed to it in the Credit Agreement.

**"Party"** means a party to this Deed.

**"Property"** means the property details of which are set out in Schedule 2, Part 1 (*The Property*) including all:

- (a) land, cellars, vaults, underground tunnels, eaves, canopies, structures and the like used or enjoyed in connection with it now or in the future;
- (b) buildings, fixtures (including trade fixtures) and fixed plant and machinery and other structures now or in future on it; and
- (c) easements, access rights, rights of way, wayleaves and rights attaching to it

**"Receiver"** means a receiver, administrator or receiver and manager or administrative receiver 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.

**"Related Rights"** means, in relation to any asset:

- (a) the proceeds of sale of any part of that asset;
- (b) all rights under any licence, agreement for sale or agreement for lease in respect of that asset;
- (c) all rights, powers, benefits, claims, contracts, warranties, remedies, security, guarantees, indemnities or covenants for title in respect of that asset; and
- (d) all monies and proceeds paid or payable in respect of that asset,

both present and future (including all rights against any trustee, nominee, fiduciary or clearing system).

**"Relevant Contracts"** means each and all of the following both present and future (but always excluding the LAA):

- (a) the Infrastructure Works Documents;
- (b) the Building 1 GLA Development Agreement;
- (c) the Building 2 GLA Development Agreement;

- (d) the TFL 205 Bulldozer Agreement;
- (e) Building 1 Plot Option Agreement;
- (f) each contract in respect of any disposal of any Charged Asset;
- (g) each Lease Document;
- (h) any managing agent's agreement; and
- (i) all other agreements in which a Chargor has an interest,

In each case, including any guarantees or sureties entered into in respect of them.

**"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 Transaction Obligor to any Secured Party under each Finance Document.

**"Secured Party"** shall have the meaning ascribed to it by the Credit Agreement.

**"Security Interest"** means any mortgage, pledge, lien, charge, assignment by way of security, hypothecation or security interest or any other agreement or arrangement having a similar effect.

**"Security Period"** means the period beginning on the date of this Deed and ending on the date upon which the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and all commitments of the Lender to the Borrowers have been cancelled or terminated.

**"Transaction Obligor"** shall have the meaning ascribed to it by the Credit Agreement.

**"VAT"** means:

- (a) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and
- (b) any other tax of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraph (a), or imposed elsewhere.

## 1.2 Construction

- 1.2.1 Unless the contrary intention is expressed, all defined terms in the Credit Agreement 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.
- 1.2.4 Each Chargor gives the same representations and undertakings to the Agent as given by each Obligor in clauses 16 (Representations and warranties), clause 17 (Corporate undertakings) (including clause 17.11 (Negative Pledge) and clause 18

(Development and Property undertakings) of the Credit Agreement in each case as if set out in full and as if each reference to an Obligor in those clauses was a reference to that Chargor.

- 1.2.5 Clause 11 (Bank accounts) and clause 29 (Set-off) of the Credit Agreement are incorporated in this Deed in each case as if set out in full and with necessary changes.

**1.3 Disposition of Property**

The terms of any other Finance Document and of any side letters between the Parties are incorporated into each Finance Document to the extent required for the purported disposition of the Property contained in any Finance Document to be a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

**1.4 Joint and several Chargors**

Subject to Clause 10.3 (*Ring-fencing*), where two or more Chargors have an interest in the same Asset then:

- (a) such of them as have a joint interest in the same Asset shall be deemed to have jointly mortgaged, charged and/or assigned, as appropriate, their joint interest in the relevant Asset;
- (b) each such Chargor shall be deemed to have mortgaged, charged and/or assigned, as appropriate, its individual interest (if any) in the relevant Asset;
- (c) each such Chargor shall be deemed to have confirmed the Security granted by the others; and
- (d) the power of attorney granted under Clause 6.6 (*Power of attorney*) in relation to such Asset shall be deemed to have been granted and ratified by such of the Chargors as have a joint interest in such Asset,

and for the purposes of this Clause 1.4 (*Joint and several Chargors*), "Asset" means any asset, property, undertaking or interest.

**2 COVENANT FOR PAYMENT**

**2.1 Covenant to pay**

Subject to Clause 10.3 (*Ring-fencing*), each 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 each Secured Party indemnified from and against all actions, charges, claims, costs, damages, proceedings and other liabilities occasioned by any breach of any covenant or other obligation of any Chargor to that Secured Party.

**2.2 Survival of obligations**

The payment obligations of each 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 Mortgage**

Each Chargor charges by way of legal mortgage:

- (a) the Property described opposite its name in Schedule 2 (*The Property and the Accounts*); and
- (b) any other freehold or leasehold property now vested in that Chargor.

**3.3 Fixed charge**

Each Chargor charges by way of fixed charge each of the following (excluding the LAA) including all rights of enforcement of the same:

- (a) its interest in any freehold or leasehold property acquired after the date of this Deed;
- (b) its interest in the Relevant Contracts;
- (c) all fixtures, fittings, plant, machinery, manuals and other chattels, present and future, in respect of any Charged Property and all guarantees and warranties in respect of any of them;
- (d) all easements, licences and other rights, present and future, relating to any Charged Property in which it has an interest;
- (e) the Accounts and any other accounts of that Chargor present and future and the debts represented by them;
- (f) if applicable its uncalled capital;
- (g) its goodwill;
- (h) all Related Rights in respect of the above and in respect of the properties referred to in Clause 3.2 (*Mortgage*); and
- (i) all of its rights under each agreement or document not capable of assignment under Clause 3.4 (*Assignment*).

**3.4 Assignment**

- 3.4.1 Each Chargor assigns absolutely by way of security, subject to the provisions of Clause 8 (*Discharge*) and Clause 3.4.2 below, each of the following (excluding the LAA) including all rights of enforcement of the same:

- (a) Disposal Proceeds;
- (b) all book debts and other debts, present and future, payable to that Chargor;
- (c) the Accounts and any other accounts of that Chargor present and future not charged by Clause 3.3 (*Fixed charge*) and the debts represented by them;
- (d) all monies payable to it under any Insurances;
- (e) the benefit of the copyright and similar rights vested in it, present and future, in connection with any Charged Property;
- (f) all causes of action and other rights and remedies in which it has an interest at any time;
- (g) all monies payable to it under any Hedging Agreement, present and future;
- (h) the benefit of any monies paid or payable to it from time to time by way of compensation, endowment, gift, grant or otherwise;
- (i) its interest from time to time in any VAT recoveries; and
- (j) all Related Rights in respect of the above.

3.4.2 To the extent that any such right described in Clause 3.4.1 above is not capable of assignment or such assignment is prohibited by the underlying agreement or document, the relevant Chargor charges by way of first fixed charge all of its rights under each agreement or document to which it is a party.

### 3.5 Floating charge

Each Chargor charges by way of floating charge all its assets, property and undertaking both present and future (other than, in the case of Knight Dragon Meridian Limited, the LAA).

### 3.6 Application of charges

The charges created under this Deed expressed to be:

- (a) fixed charges, shall only apply to the extent that they create fixed security; and
- (b) floating charges, shall not apply to any Charged Asset which is the subject of any fixed security under this Deed.

## 4 CRYSTALLISATION OF FLOATING CHARGE

### 4.1 Crystallisation by notice

The Security Trustee may at any time by notice in writing to the Chargors convert the floating charge created by Clause 3.5 (*Floating charge*) with immediate effect into a fixed charge as regards any Charged Assets specified in the notice if:

- (a) an Event of Default is continuing;

- (b) any steps are taken (including the giving of notice, the presentation of a petition, the passing of a resolution or the making of an application) to appoint a liquidator, provisional liquidator, administrator or receiver in respect of any Chargor or over all or any part of its assets, or if such person is appointed; or
- (c) the Security Trustee reasonably considers that any of the Charged Assets may be in jeopardy or in danger of being seized, attached, charged, taken possession of or sold under any form of legal process.

#### 4.2 Automatic crystallisation

Notwithstanding Clause 4.1 (*Crystallisation by notice*) and without prejudice to any law which may have a similar effect, the floating charge created by Clause 3.5 (*Floating charge*) will convert automatically with immediate effect into fixed charges as regards all the assets subject to the floating charge if:

- (a) any Chargor creates or attempts to create any Security over any Charged Asset (other than as permitted by the Finance Documents);
- (b) any meeting of the members of the Chargor is convened to consider a resolution to dissolve or to wind up a Chargor;
- (c) any other floating charge over any of the Charged Assets crystallises; or
- (d) in any other circumstances prescribed by law.

### 5 PERFECTION OF SECURITY

#### 5.1 Insolvency Act

For the purposes of paragraph 43 of schedule A1 to the Insolvency Act 1986 nothing in this Deed shall provide for:

- (a) the obtaining of a moratorium in respect of any Chargor pursuant to section 1A of the Insolvency Act 1986; or
- (b) anything done with a view to obtaining such a moratorium,

to be an event causing the floating charge created by this Deed to crystallise or causing restrictions which would not otherwise apply to being imposed on the disposal of property by that Chargor or a ground for the appointment of a Receiver.

#### 5.2 Further assurance

Each 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 by this Deed and/or to facilitate or effect any dealing with the Charged Assets in connection with this Deed.

### 5.3 Notices

5.3.1 Subject to Clause 5.3.3 below, if the Security Trustee from time to time so requests, each Chargor shall serve a notice substantially in the applicable form as set out in Schedule 4 (*Notices*) to this Deed in respect of:

- (a) each bank or financial institution at which it maintains any of its Accounts
- (b) each Insurer it holds a policy of Insurance with;
- (c) each tenant under a Lease Document; and
- (d) each Professional under an Infrastructure Works Document.

5.3.2 Each Chargor shall use reasonable endeavours to procure that the party to whom a notice served pursuant to Clause 5.3.1 is addressed completes and returns to the Security Trustee an acknowledgement in the form of Part B of the relevant notice.

5.3.3 The Chargors will:

- (a) be required to serve a notice pursuant to Clause 5.3.1 on all Professionals; and
- (b) only be required to serve a notice pursuant to Clause 5.3.1 in respect of the Driving Range Leases, the Events Leases and the Lazarides Lease if an Event of Default has occurred.

### 5.4 Restriction

Each Chargor authorises the Security Trustee to make an application on Form RX1 (or such other form as may be prescribed from time to time) to enter the following restriction against the relevant registered estates:

*"No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered Charge, not being a Charge registered before the entry of this restriction, is to be registered without either:*

- (i) a written consent signed by the proprietor for the time being of the charge dated [•] in favour of [•] referred to in the Charges Register (or its conveyancer); or*
- (ii) a certificate signed by a conveyancer that the provisions of clauses 17.13.1 and 17.13.2 of the Credit Agreement dated [•] between (1) Knight Dragon Finance Limited, Knight Dragon (N0205) Limited, Knight Dragon N0206 Limited, (2) Knight Dragon Meridian Limited and (3) Homes and Communities Agency have been complied with."*

## 6 RIGHTS OF ENFORCEMENT

### 6.1 Enforcement

6.1.1 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.

6.1.2 The enforcement powers of the Security Trustee in connection with this Deed shall be immediately exercisable:



- (a) following the occurrence of an Event of Default which is continuing; or
  - (b) at the Security Trustee's discretion, at the request of the Chargors.
- 6.1.3 The restrictions imposed by section 103 of the Act shall not apply to the security created by this Deed.
- 6.1.4 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.
- 6.2 Security Trustee's and Receiver's powers and rights**
- 6.2.1 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;
  - (b) to appropriate any Charged Assets in accordance with Clause 6.3 (*Right of appropriation*); and
  - (c) to appoint an administrator of any Chargor, and paragraph 14 of schedule B1 of the Insolvency Act 1986 shall apply to this Deed.
- 6.2.2 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 exercise:
- (a) 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 powers and rights specified in Schedule 3 (*Security Trustee's and Receiver's powers*),
- and may exercise them in the name of the relevant Chargor and in such manner and on such terms as the person exercising them shall in its sole absolute discretion consider appropriate.
- 6.3 Right of appropriation**
- 6.3.1 To the extent that any of the Charged Assets constitute "financial collateral" and this Deed and the obligations of any Chargor under it constitute a "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, in the case of cash, the amount standing to the credit of each account, together with any accrued but unpaid interest, at the time the right of appropriation is exercised.

- 6.3.2 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.

**6.4 Receiver as agent**

So far as the law allows, a Receiver shall be the agent of a 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.

**6.5 Further powers**

If a 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.

**6.6 Power of attorney**

- 6.6.1 Following the occurrence of an Event of Default which is continuing, each Chargor by way of security irrevocably appoints the Security Trustee and every Receiver jointly and severally to be its attorney (with full power of substitution) in its name and on its behalf to execute and deliver 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 or enforcing the security created by this Deed and/or the value of any of the Charged Assets and/or for the purpose of enforcing the performance of that Chargor's obligations in connection with this Deed.

- 6.6.2 Each Chargor ratifies and confirms all things done and all documents executed by any attorney in the exercise or purported exercise of all or any of its powers.

**7 APPLICATION OF RECEIPTS**

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 Debenture, all monies received by the Security Trustee and/or any Receiver pursuant to or in the enforcement of this Deed shall be held by the Security Trustee and applied in accordance with the Credit Agreement.

**8 DISCHARGE**

- 8.1 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 Chargors, release and cancel the Security constituted by this Deed and procure the reassignment to the Chargors of the property and assets assigned to the Security Trustee pursuant to this Deed.
- 8.2 No discharge, release or reassignment 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.

**9 NOTICES**

The provisions as to notices set out in the Credit Agreement will apply to this Deed as if set out in full here and as if each reference to the "Borrower" is a reference to the relevant "Chargor".

**10 GENERAL PROVISIONS**

**10.1 Trust provisions**

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

**10.2 Immediate recourse**

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 a Chargor or any other person.

**10.3 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.

**10.4 Exercise of powers and liability**

**10.4.1** 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.

**10.4.2** 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 each Chargor). All principal monies, interest, costs, charges and expenses of and incidental to such redemption or transfer shall be paid by the Chargors to the Security Trustee on demand.

**10.4.3** 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.

**10.5 Tacking**

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

**10.6 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 by the Finance Documents) or disposed of:

- (a) a Finance Party may close the relevant Chargor's then subsisting account and open a new account with that Chargor, and (unless the relevant Finance Party gives that Chargor written notice otherwise) shall be deemed to have done so;

- (b) all payments made to a Finance 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.

**10.7 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.

**10.8 Rights of third parties**

10.8.1 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.

10.8.2 The Parties and any Receiver may rescind, vary, waive, release, assign, novate or otherwise dispose of all or any of their respective rights or obligations under this Deed without the consent of a third party to whom an express right to enforce any of its terms has been provided.

**10.9 Effect as a deed**

This Deed shall take effect as a deed even if it is signed under hand on behalf of the Security Trustee.

**10.10 Counterparts**

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

**11 LAW AND JURISDICTION**

**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  
Chargors**

<b>Chargors</b>			<b>Jurisdiction of incorporation</b>	<b>Registered number</b>
Knight Limited	Dragon	Finance	England and Wales	09961805
Knight Limited	Dragon	Meridian	England and Wales	00590768
Knight Limited	Dragon	(N0205)	England and Wales	08087145
Knight Dragon N0206 Limited			England and Wales	06423434
Design District Limited			England and Wales	10982639

**Schedule 2**  
**The Property and the Accounts**

**Part 1**  
**The Property**

Obligor	Property
Knight Dragon Finance Limited	None
Knight Dragon Meridian Limited	All that land within titles SGL376740, LN42158, SGL230044, SGL155375, TGL190025, SGL426302 and TGL214878.
Knight Dragon (N0205) Limited	All that land within titles TGL425736 and TGL446349
Knight Dragon N0206 Limited	All that land within titles TGL482764, TGL482759 and TGL482748

**Part 2**  
**The Accounts**

Account	Account name	Account number	Sort code
Sales Account (Knight Dragon (N0205) Limited)			
Sales Account (Knight Dragon N0206 Limited)			
Rent Account (Knight Dragon (N0205) Limited)			
Rent Account (Knight Dragon N0206 Limited)			
Design District Limited			
LTV Rectification Account (Knight Dragon Finance Limited)			
Finco Recycling Account (Knight Dragon Finance Limited)			

Schedule 2 : The Property and the Accounts

Account	Account name	Account number	Sort code
Finco Rent Account (Knight Dragon Finance Limited)			
Finco General Account (Knight Dragon Finance Limited)			

**Schedule 3**  
**Security Trustee's and Receiver's powers**

**1 Conduct of business**

**(a) Carry on business**

To carry on, manage, develop, reconstruct, amalgamate, diversify and/or conduct the business of a Chargor in all respects and for such purpose to:

- (i) enter upon and take possession, get in, collect or otherwise assume control in respect of all or any of the Charged Assets; and/or
- (ii) acquire any property, chattels, plant, machinery and materials.

**(b) Formation of companies**

To promote the formation of companies with a view to the same purchasing, leasing, licensing or otherwise acquiring any of the Charged Assets and to arrange for such companies to trade or cease to trade in all cases.

**(c) Compromise claims**

To compromise any claim relating to the Charged Assets.

**(d) Borrowing and advancing**

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

**(e) VAT**

To assume and exercise all or any of the power and rights conferred on a Chargor in respect of its VAT status, liabilities, advantages or arrangements.

**(f) Employees**

To:

- (i) enter into, adopt and/or terminate any contract of employment; and
- (ii) employ solicitors, architects, surveyors, quantity surveyors, estate agents, contractors, builders, workmen, stockbrokers and others.

**2 Dealing with a Chargor's assets**

**(a) Possession**

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

**(b) Payments**

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



(c) Receipts

To give receipts and releases for any sums received.

(d) Carry on works

To undertake any works, demolition, building, reconstruction, improvement, repair or decoration in respect of any of the Charged Assets which consist of property, buildings, structures, plant, machinery or equipment as it thinks fit and whether or not in accordance with any obligations imposed by the Credit Agreement.

(e) Assumption of rights

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

(f) Insurance

To effect insurances on such terms as it thinks fit.

(g) Planning permissions and consents

To obtain all necessary planning permissions, building regulation approvals and other permissions, consents or licences in relation to any development or use of the Charged Assets.

(h) Acquisition of property

To acquire any adjoining property and/or easements, interests or estates in property and to grant easements and rights.

(i) Negotiation

To negotiate and conclude reviews of rent and otherwise deal in relation to the Occupational Leases and the tenants' and guarantors' respective obligations under them.

**3 Disposals**

(a) Selling

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.

(b) Leasing

To grant, create or surrender any lease, tenancy, licence or other agreement relating to the disposal of or other dealing with the Charged Assets on such terms

as it thinks fit and:

- (i) with or without any rent, review of rent, fine or premium; and
- (ii) whether absolutely or for a term,

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 a Chargor in connection with any of the purposes in this Schedule 3 (*Security Trustee's and Receiver's powers*);
- (iii) commencing, carrying out and completing any acts, matters, 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.

**Schedule 4  
Notices<sup>1</sup>**

**Part 1**

**Notice of assignment or charge of contract**

**Part A**

From: [Details of Chargor] (the "Chargor")

To: [Details of party to Contract]

Date: [•]

Dear Sirs

**[Description of Relevant Document] (the "Contract")**

We refer to:

- (a) the Contract; and
- (b) a [debenture] (the "Security Deed") dated [•] made between the Security Trustee (1) and the Chargor (2).

We give you notice that pursuant to the Security Deed, we have [charged/assigned by way of security] all of our present and future right, title, interest and benefit in, under and to the Contract (including all [monies] [rent] payable to us under the Contract) to the Security Trustee.

We irrevocably and unconditionally instruct and authorise you:

- (a) to make all payments in connection with the Contract as the Security Trustee may direct. [Until you are notified otherwise by the Security Trustee, the Security Trustee directs such sums to be paid to [insert Chargor bank details]];
- (b) that all our rights in connection with the Contract are exercisable by (or with the consent of) the Security Trustee. [Until you are notified otherwise by the Security Trustee, the Security Trustee directs that all such rights powers, discretions and remedies shall continue to be exercisable by us]; and
- (c) to disclose any information relating to the Contract which the Security Trustee may from time to time request.

No amendment, waiver or release of any right or obligation in connection with the Contract and no termination or rescission of the Contract by us shall be effective without the prior written consent of the Security Trustee and in any event no such termination or rescission shall be effective unless you have given notice to the Security Trustee.

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<sup>1</sup> To be varied as appropriate for each different type of contract

Notwithstanding anything in this notice or otherwise we (and not the Security Trustee nor its appointees) shall be liable under the Contract to perform all the obligations assumed by us under it.

The instructions and authorisations contained in this letter shall remain in full force and effect until we and the Security Trustee together give you notice in writing revoking them.

This letter shall be governed by and construed in accordance with the laws of England.

Please acknowledge receipt of this notice by signing the acknowledgement on the enclosed copy letter and returning the same to the Security Trustee.

Signed .....  
For and on behalf of the Chargor

**Part B**  
**Receipt of notice of assignment or charge of Contract**

From: *[Details of party to Contract]*

To: *[Security Trustee]*  
*[Address]*

For the attention of [•]

Date: [•]

We acknowledge receipt of the notice in the above terms. We confirm our acceptance of the instructions and authorisations contained in the notice and further confirm that:

- (a) we have not received notice of any previous assignments or charges of or over the Contract; and
- (b) we agree and will comply with the matters set out in that notice.

Signed .....  
For and on behalf of [•]

**Part 2**  
**Notice of assignment or charge of account**

**Part A**

From: [Details of Chargor] [(the "Chargor")]

To: [Details of provider of the relevant Account]

Date: [•]

Dear Sirs

**[Description of relevant Account] (the "Account")**

We refer to the:

- (a) the Account (which expression shall include all monies standing to the credit of such account now or in the future); and
- (b) a [debenture] (the "Security Deed") dated [•] made between [•] the Security Trustee (1) and the Chargor (2).

We give you notice that pursuant to the Security Deed, all of our present and future right, title, interest and benefit in, under and to the Account were [assigned/charged] to the Security Trustee.

We irrevocably and unconditionally instruct and authorise you:

- (a) not to release any monies from the Account (other than the General Account numbered [•]) without the prior written consent of the Security Trustee;
- (b) that all our rights in connection with the Account are exercisable by (or with the consent of) the Security Trustee; and
- (c) to disclose any information relating to the Account which the Security Trustee may from time to time request.

By countersigning this letter you confirm that:

- (a) you do not have, and will not make or exercise, any claims or demands, any rights of counterclaim, rights of deduction, set-off or any other equities against us or the Security Trustee in respect of the Account; and
- (b) no amendment, waiver or release of any right or obligation in connection with the Account and no termination or rescission of the Account by us shall be effective without the prior written consent of the Security Trustee and in any event no such termination or rescission shall be effective unless you have given notice to the Security Trustee.

Notwithstanding anything in this notice or otherwise we (and not the Security Trustee nor its appointees) shall be liable to perform all the obligations assumed by us in respect of the Account.

The instructions and authorisations contained in this letter shall remain in full force and effect until we and the Security Trustee together give you notice in writing revoking them.

*This letter shall be governed by and construed in accordance with the laws of England.*

*Please acknowledge receipt of this notice by signing the acknowledgement on the enclosed copy letter and returning the same to the Security Trustee.*

Signed .....  
For and on behalf of the Chargor

**Part B**  
**Receipt of notice of assignment or charge of account**

From: [Details of provider of the relevant Account]

To: [Security Trustee]  
[Address]

For the attention of [•]

Date: [•]

**[Description of relevant Account]**

We acknowledge receipt of the notice in the above terms. We confirm our acceptance of the instructions and authorisations contained in the notice and confirm that:

- (a) we have not received notice of any previous assignments or charges of or over the Account; and
- (b) we agree and will comply with the matters set out in that notice.

Signed .....  
For and on behalf of [•]



EXECUTION PAGE

Chargors

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

Signature of witness:

Name: **ROWENA MARSHALL**

Address:

Occupation: **LAWYER**

**Forsters LLP**  
31 Hill Street, London W1J 9LS

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

Signature of witness:

Name: **ROWENA MARSHALL**

Address:

Occupation: **LAWYER**

**Forsters LLP**  
31 Hill Street, London W1J 9LS

Executed as a deed by **KNIGHT DRAGON** )  
**(N0205) LIMITED** acting by director in the )  
presence of a witness: )

Signature of witness:

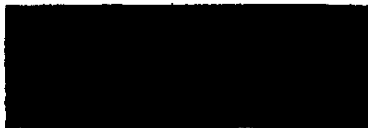
Name: **ROWENA MARSHALL**

Address:

Occupation: **LAWYER**

**Forsters LLP**  
31 Hill Street, London W1J 9LS

Executed as a deed by **KNIGHT DRAGON** )  
**NO206 LIMITED** acting by director in the )  
presence of a witness: )



Signature of witness:



Name: *RAWENA MARSHALL*

Address:  Forsters LLP  
31 Hill Street London W1J 5LS

Occupation: *LAWYER*

Executed as a deed by **DESIGN DISTRICT** )  
**LIMITED** acting by director in the presence )  
of a witness: )



Signature of witness:



Name: *RAWENA MARSHALL*

Address:  Forsters LLP  
31 Hill Street London W1J 5LS

Occupation: *LAWYER*

**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 7QZ

Attn: Head of Portfolio Management

Tim Miles  
Legal Help to Buy

D13121

