



Registration of a Charge

Company name: **KINGSFORD ESTATES LIMITED**

Company number: **SC230124**



X794K0HK

Received for Electronic Filing: **29/06/2018**

Details of Charge

Date of creation: **22/06/2018**

Charge code: **SC23 0124 0019**

Persons entitled: **ALDERMORE BANK PLC**

Brief description:

Contains fixed charge(s).

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 SAVE FOR MATERIAL REDACTED PURSUANT TO S.859G OF THE COMPANIES ACT 2006 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **DAVID HARRIS**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 230124

Charge code: SC23 0124 0019

The Registrar of Companies for Scotland hereby certifies that a charge dated 22nd June 2018 and created by KINGSFORD ESTATES LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 29th June 2018 .

Given at Companies House, Edinburgh on 29th June 2018

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**

~~Burness Paull~~

DELIVERED ON 22 JUNE 2018

KINGSFORD ESTATES LIMITED
as the Chargor

in favour of

ALDERMORE BANK PLC
as the Lender

DEED OF PLEDGE
of shares in the capital of Kingsford Residential Limited

I certify that save for material redacted pursuant
to s.859G of the Companies Act 2006, this copy
instrument is a correct copy of the original instrument

Paul M. Hunt

TABLE OF CONTENTS

Clause		Page No.
1	DEFINITIONS AND INTERPRETATION	1
2	COVENANT TO PAY	3
3	PLEDGE	4
4	THE SHARES	5
5	UNDERTAKINGS, REPRESENTATIONS AND WARRANTIES	7
6	LIABILITY OF THE LENDER	8
7	PROTECTION OF THIRD PARTIES	9
8	ENFORCEMENT	9
9	APPLICATION OF ENFORCEMENT PROCEEDS	10
10	PROTECTION OF SECURITY	11
11	FURTHER ASSURANCE	12
12	MANDATE AND ATTORNEY	12
13	EXPENSES	13
14	INDEMNITY	13
15	AVOIDANCE OF PAYMENTS	13
16	NOTICES	14
17	COUNTERPARTS AND DELIVERY	15
18	GOVERNING LAW AND JURISDICTION	15
19	CONSENT TO REGISTRATION	16
	SCHEDULE	18
	SHARES IN THE CAPITAL OF THE COMPANY	18

LIMITED RECOURSE DEED OF PLEDGE

by

- (1) **KINGSFORD ESTATES LIMITED**, a company incorporated under the Companies Acts with registered number SC230124 and having its registered office at 14 Albany Street, Edinburgh, EH1 3QB (the “**Chargor**”)

in favour of

- (2) **ALDERMORE BANK PLC**, a company incorporated under the Companies Acts with registered number 00947662 and having its registered office at 1st Floor, Block B, Western House Lynch Wood, Peterborough, PE2 6FZ (the “**Lender**”)

CONSIDERING THAT:

- (A) the Lender has agreed or will agree to make the certain loan facilities available to the Company; and
- (B) one of the conditions precedent to the availability of such loan agreements referred to in paragraph (i) above is that the Chargor grants to the Lender this limited recourse deed of pledge.

NOW IT IS HEREBY AGREED AND DECLARED as follows:

I DEFINITIONS AND INTERPRETATION

I.1 In this Deed:

“**Business Day**” means a day (other than a Saturday or Sunday) on which banks are open for general business in London;

“**Charge**” means the Security created or expressed to be created by or pursuant to this Deed;

“**Company**” means Kingsford Residential Limited, a company incorporated under the Companies Acts with registered number SC588775 and having its registered office at 14 Albany Street, Edinburgh, United Kingdom, EH1 3QB;

“**Conditions**” means the Aldermore Bank plc commercial mortgage conditions (Scotland) 2014 dated 19 March 2014 and registered in the Books of Council and Session on 25 March 2014;

“**Enforcement Notice**” means a notice in writing by the Lender to the Chargor specifying that (i) an Event of Default has occurred and is continuing and (ii) it has elected to exercise the voting rights and other rights and powers in respect of the Shares;

"Event of Default" means the occurrence of any of the events described in clause 29 of the Conditions;

"Existing Shares" means the shares in the capital of the Company described in the Schedule;

"Facility Agreements" means (i) the facility agreement dated on or around the date of this Deed in terms of which the Lender has agreed to make a term loan facility £180,000.00 available to the Company; and (ii) the facility agreement dated on or around the date of this Deed in terms of which the Lender has agreed to make a term loan facility of £416,500.00 available to the Company;

"Financial Collateral" shall have the meaning given to it in the Financial Collateral Regulations;

"Financial Collateral Regulations" means the Financial Collateral Arrangements (No.2) Regulations 2003 (S.I.2003 No. 3226);

"Further Shares" means any shares in the capital of the Company (other than the Existing Shares) at any time and from time to time held by the Chargor;

"Pensions Notice" means a contribution notice or a financial support direction issued by the Pensions Regulator under the Pensions Act 2004;

"Related Rights" means any dividend or interest paid or payable in relation to any of the Shares and any rights, money or property accruing or offered at any time in relation to any of the Shares by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise;

"Secured Assets" means the Existing Shares, the Further Shares and the Related Rights;

"Secured Liabilities" means all present and future obligations and liabilities of the Company to the Lender, whether actual, contingent, sole, joint and/or several or otherwise, including, without prejudice to the foregoing generality, all obligations to indemnify the Lender;

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

"Security Financial Collateral Arrangements" shall have the meaning given to that expression in the Financial Collateral Regulations;

"Shares" means the Existing Shares and the Further Shares; and

the **"Winding-up"** of a person also includes the amalgamation, reconstruction, reorganisation, dissolution, administration, liquidation, merger or consolidation of that person, and any equivalent or analogous procedure under the law of any jurisdiction to which the person is subject (and references to the commencement of any of the foregoing include a

reference to the presentation of a petition to a court of competent jurisdiction or the passing of a valid resolution for or with a view to any of the foregoing).

1.2 Unless a contrary indication appears, any reference in this Deed to:

1.2.1 “**Chargor**” and “**Lender**” shall be construed so as to include their respective successors in title, permitted assignees and permitted transferees; and

1.2.2 a “**person**” includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality).

1.3 Unless any provision of this Deed or the context otherwise requires, any reference in this Deed to a provision of law is a reference to that provision as amended or re-enacted.

1.4 In this Deed the singular includes the plural and vice versa. Clause headings are for ease of reference only and a reference to a Clause or Schedule is to be construed as a reference to a clause of or the schedule to this Deed.

1.5 Any reference to, or to any specified provision of, this Deed or any other document shall be construed as reference to, or to such specified provision of, this Deed or such other document as in force for the time being and as amended, novated, supplemented, extended or restated in each case in accordance with the terms thereof or, as the case may be, with the agreement of the relevant parties and (where any consents required to be obtained as a condition to such amendment, novation, supplement, extension or restatement being permitted) with the requisite consents.

1.6 The provisions of this Deed shall continue notwithstanding the earlier termination of the Facility Agreements or the Facility Agreements being declared void. If the Facility Agreements are terminated or declared void, any reference in this Deed to the Facility Agreements (or a provision thereof) shall be construed as a reference to the Facility Agreements or that provision in its form as at the date of the Chargor's execution of this Deed as subsequently amended, supplemented, varied or replaced by the parties thereto and for these purposes the provisions of the Facility Agreements shall be deemed to be valid and binding and this Deed shall not in any way be affected or impaired if any provisions of the Facility Agreements are or become invalid, illegal or unenforceable.

1.7 If there is a conflict between any of the terms of this Deed and the terms of the Facility Agreements, the terms of the Facility Agreements shall prevail.

2 COVENANT TO PAY

2.1 Subject to Clause 2.2, the Chargor undertakes to the Lender that it will pay or discharge to the Lender all the Secured Liabilities on demand in writing when the Secured Liabilities become due for payment or discharge (whether by acceleration or otherwise).

- 2.2 Notwithstanding any other provision of this Deed, the Lender hereby acknowledges and agrees with the Chargor that the only recourse that the Lender shall have against the Chargor in respect of the Secured Liabilities pursuant to the undertaking contained in Clause 2.1 will be against the Secured Assets and/or any proceeds of sale or other realisation thereof (except in the case of any breach of Clause 5 (Undertakings, Representations and Warranties)). Save to the extent that the Secured Liabilities are satisfied by the application of monies received by the Lender pursuant thereto, the Chargor will have no liability to the Company and/or the Lender or any other person for any of the Secured Liabilities.

3 PLEDGE

3.1 Security

The Chargor, by way of continuing security for the payment and discharge of the Secured Liabilities:

- 3.1.1 hereby pledges and charges to and in favour of the Lender the Existing Shares and any Related Rights to which it is entitled at the date of its execution of this Deed; and
- 3.1.2 irrevocably and unconditionally binds and obliges itself to pledge and charge to and in favour of the Lender and in accordance with the remaining provisions of this Clause 3, any Further Shares and any Related Rights to which it becomes entitled after the date of its execution of this Deed.

3.2 Delivery of Documents

The Chargor shall:

- 3.2.1 immediately after execution and delivery of this Deed, deliver or cause to be delivered to the Lender, certificates and other documents of title or evidence of ownership in the name of the Lender or (if specified by the Lender) its nominee in respect of the Existing Shares and Related Rights; and
- 3.2.2 on each future occasion on which the Chargor becomes entitled to any Further Shares or Related Rights (whether by purchase, subscription or otherwise), deliver or cause to be delivered to the Lender, certificates and other documents of title or evidence of ownership in the name of the Lender or (if specified by the Lender) its nominee in respect of such Further Shares and Related Rights.

3.3 Share Transfers

The Chargor shall:

- 3.3.1 immediately after execution and delivery of this Deed, deliver or cause to be delivered to the Lender evidence that the board of directors of the Company has

approved the transfer of the Existing Shares for registration in accordance with the Articles of Association of the Company and that the name of the Lender or (as the case may be) its nominee has been entered in the register of members of the Company in respect of the Existing Shares; and

- 3.3.2 on each future occasion on which the Chargor becomes entitled to any Further Shares, deliver or cause to be delivered to the Lender evidence that the board of directors of the Company has approved the transfer of such Further Shares for registration in accordance with the Articles of Association of the Company and that the name of the Lender or (as the case may be) its nominee has been entered in the register of members of the Company in respect of such Further Shares.

4 THE SHARES

4.1 Voting rights

- 4.1.1 Subject to Clauses 4.1.3 and 4.1.6, until the Lender issues an Enforcement Notice, the voting and the other rights and powers attached to the Shares shall be exercised by the Lender or its nominee (as the case may be) in such manner as the Chargor shall from time to time direct by notice in writing to the Lender and the Lender or its nominee will, subject to receiving reasonable prior notice in writing from the Chargor, procure the appointment of such proxy or corporate representative as the Chargor may require to attend general meetings of the Company and vote in accordance with the Chargor's instructions in respect of the Shares.
- 4.1.2 Subject to Clauses 4.1.3 and 4.1.6, with effect from the date of the delivery of an Enforcement Notice, the Lender may at its discretion, in the name of the Chargor or otherwise and without any further consent or authority from the Chargor, exercise (or refrain from exercising) or direct the exercise of the voting and other rights and powers attached to the Shares in such manner as it sees fit.
- 4.1.3 The Chargor shall not, without the previous consent in writing of the Lender, exercise or allow to be exercised the voting or other rights attached to any of the Shares in favour of resolutions having any of the following effects, namely:
- (a) any alteration to the Articles of Association of the Company;
 - (b) the grant of any Security by the Company in favour of any person other than the Lender;
 - (c) the Winding-up of the Company or the making of any administration order in respect of the Company;
 - (d) any reduction in the share capital of the Company or any purchase or redemption by it of its own shares;

- (e) any authorisation under Section 550 or 551 of the Companies Act 2006 or authorisation or special resolution as is referred to in Sections 569, 570 or 571 of the Companies Act 2006;
- (f) any other matter (without limitation) which in the opinion of the Lender might prejudice this Charge or impair the value of the Secured Assets and which opinion has been notified in writing to the Chargor.

4.1.4 The Lender may, in its absolute discretion and without any consent or authority from the Chargor, by notice to the Chargor (which notice shall be irrevocable) elect to give up the right to exercise (or refrain from exercising) all voting rights in respect of all or any of the Shares conferred or to be conferred on the Lender pursuant to Clause 4.1.2.

4.1.5 Once a notice has been issued by the Lender under Clause 4.1.4, on and from the date of such notice the Lender shall cease to have the rights to exercise or refrain from exercising voting rights in respect of the Shares conferred or to be conferred on it pursuant to Clause 4.1.2 or any other provision of this Deed and all such rights will be exercisable by the Chargor. The Chargor shall be entitled on and from the date of such notice, to exercise all voting rights in relation to the relevant Shares subject only to the provisions of Clause 4.1.3.

4.1.6 If any meeting of the holders of any of the Secured Assets is called for the purposes of passing a resolution relating to any of the matters referred to in Clause 4.1.3, the Lender may vote or procure its nominee (or any proxy or corporate representative) to vote in respect of the Secured Assets in such manner as the Lender shall consider to be in its interests.

4.1.7 For the avoidance of doubt, and without prejudice to the rights of the Lender under the Facility Agreements, nothing shall oblige the Lender, either before or after the occurrence of an Event of Default, to exercise voting rights or rights to receive dividends in respect of the Shares.

4.2 Receipts

Until an Event of Default occurs, all monies (including dividends) paid in respect of the Secured Assets and received by the Lender or its nominee shall be for the account of the Chargor and the Lender or its nominee shall account to the Chargor for those monies. After the occurrence of an Event of Default, the Lender may apply all monies (including dividends) in respect of the Secured Assets received by the Lender or its nominee as though they were proceeds of sale of the Secured Assets and if the Chargor or any person on its behalf receives or obtains the benefit of any monies paid in respect of any Secured Assets it shall account to the Lender for those monies. If the Chargor (or any person on its behalf) receives any cheque, warranty or other monetary instrument in respect of any monies for which it would on receipt be obliged to account pursuant to this Clause 4.2, it shall immediately pay those monies or procure the transfer of such instrument to the Lender.

4.3 Other rights

Except as otherwise provided in Clauses 4.1 and 4.2, the Chargor shall ensure that all rights from time to time attaching to or connected with any of the Secured Assets are exercised in accordance with the instructions of the Lender.

4.4 Calls etc.

4.4.1 The Chargor shall perform all of the obligations attached to the Secured Assets and the Lender shall not be under any obligation or liability by reason of or arising out of this Deed, nor shall it be required to perform or fulfil any obligations of the Chargor in respect of the Secured Assets or to make any payment or to make any enquiry as to the nature or sufficiency of any payment received by it, or to present or file any claim or take any other action to collect or enforce the payment of any amount to which it may be or may have been or is entitled under this Deed at any time or times.

4.4.2 In particular, if any of the Shares are at any time partly paid and a call is made by the Company for any amount unpaid in respect of such Shares, the Chargor shall pay to the Company the amount payable in respect of such Shares and shall indemnify the Lender for all and any losses it incurs or sustains in connection with any failure by the Chargor to meet such call.

5 UNDERTAKINGS, REPRESENTATIONS AND WARRANTIES

5.1 The Chargor undertakes, represents and warrants to the Lender that:

5.1.1 the Shares set out opposite its name in the Schedule are owned by it absolutely and are not subject to any Security or other third party right except pursuant to this Deed and that such Shares are fully paid up;

5.1.2 it has not sold (or agreed to sell) or otherwise disposed of (or agreed to dispose of) the Secured Assets or any interest therein and will not, while this Charge remains in force, sell, dispose of or agree to sell or dispose of any of the Secured Assets or any interest therein, without the Lender's prior written consent;

5.1.3 it and its directors have the necessary capacity and power to enter into and have taken all steps which are necessary to authorise the execution and delivery of this Deed and the creation of this Charge;

5.1.4 neither the execution, delivery or performance of this Deed by it will violate any provision of any law or regulation or of its constitutional documents or of any mortgage, debenture, contract, undertaking or any obligation of any kind to which it is a party or which is binding on it or any of its assets or result in the creation or imposition of any Security on any of its assets;

- 5.1.5 it will not, at any time during the subsistence of this Charge, create or permit to subsist over the Secured Assets any security except the Security created by or pursuant to this Deed;
- 5.1.6 if it becomes entitled to any Secured Assets after the date of its execution of this Deed, it will forthwith give notice of that fact (giving particulars of the Secured Assets in question) to the Lender;
- 5.1.7 apart from the Existing Shares, no shares have been allotted or issued in the capital of the Company on or prior to the date of its execution of this Deed and no right or option to subscribe for any such shares has been given to any person prior to such date.
- 5.2 The undertakings, representations and warranties given or made by the Chargor in Clauses 5.1.1 to 5.1.7 inclusive shall survive the execution of this Deed.

6. LIABILITY OF THE LENDER

- 6.1 The Lender shall not in any circumstances:
- 6.1.1 be liable to account to the Chargor or any other person for anything except the Lender's own actual receipts which have not been distributed or paid to the Chargor or the persons entitled or, at the time of payment, believed by the Lender, after consultation with the Chargor, to be entitled thereto; or
- 6.1.2 be liable to the Chargor or any other person for any costs, charges, losses, damages, liabilities or expenses arising from or connected with any realisation of the Secured Assets or from any act, default, omission or misconduct of the Lender, its officers, employees or agents in relation to the Secured Assets.
- 6.2 The Lender shall not by virtue of Clause 6.1 owe any duty of care or other duty to any person to which the duty would not be owed in the absence of that Clause.
- 6.3 The Chargor shall keep the Lender indemnified from and against all losses, costs, claims, proceedings, liabilities or demands suffered, incurred or made by it in connection with this Deed or the Secured Assets.
- 6.4 The Lender may place any or all deeds and other documents certifying, representing or constituting the title to any of the Secured Assets in any safe deposit, safe or receptacle or with any banker or banking company or companies whose business includes undertaking the safe custody of documents or any solicitor or firm of solicitors. The Lender may in its absolute discretion make such arrangements as it thinks fit for allowing the Chargor or its solicitors or auditors or other advisers access to or possession of any such deeds and other documents when necessary or convenient. The Lender shall not be responsible for any loss incurred in connection with any such deposit, access or possession.

7 PROTECTION OF THIRD PARTIES

No purchaser or other person dealing with the Lender shall be concerned to enquire whether any Event of Default has occurred or is continuing, whether any consents, regulations, restrictions or directions relating to the rights of the Lender have been obtained or complied with or otherwise as to the propriety or regularity of acts purporting or intended to be in exercise of any such rights or as to the application of any money borrowed or raised.

8 ENFORCEMENT

8.1 At any time on or after the occurrence of an Event of Default, the Lender shall be entitled, without any consent, notice or further notice, from or to the Chargor or any other person, either in its own name or in the name of the Chargor or otherwise and in such manner and upon such terms and conditions as the Lender thinks fit:

8.1.1 Deal with Secured Assets

to sell, transfer, assign, exchange and otherwise dispose of or realise the Secured Assets either by public offer or auction, tender or private contract and for such consideration and on such other terms and conditions as the Lender shall in its absolute discretion determine and so that the Lender may (without limitation) do any of these things for a consideration consisting of cash, debentures, or other obligations or other valuable consideration of any kind and any such consideration may be payable or delivered in a lump sum or by instalments spread over such period as it may think fit and shall be applied by the Lender to reduce the Secured Liabilities;

8.1.2 Rights of Ownership

to exercise and do (or permit the Chargor to exercise and do) all such rights and things as the Lender would be entitled to exercise and do if it were the absolute owner of the Secured Assets and the registered holder of the Shares;

8.1.3 Claims

to settle, adjust, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions or demands with or by any person relating in any way to the Secured Assets;

8.1.4 Legal Actions

to bring, prosecute, enforce, defend and abandon actions, suits and proceedings in relation to the Secured Assets;

8.1.5 Redemption of Security

to redeem any Security (whether or not having priority to this Charge) over the Secured Assets and to settle the accounts of the holders of any prior security;

8.1.6 Other Powers

to do all such other acts and things as it may, acting bona fide, consider necessary or expedient for the realisation of the Secured Assets or incidental to the exercise of any of the rights conferred on the Lender under or by virtue of this Deed and to concur in the doing of anything which the Chargor has the right to do and to do any such thing jointly with any other person.

8.2 Appropriation

To the extent that Secured Assets constitute Financial Collateral and are subject to a Security Financial Collateral Arrangement created by or pursuant to this Deed, the Lender shall have the right, at any time after this Deed becomes enforceable, to appropriate all or any part of those Secured Assets in or towards the payment or discharge of the Secured Liabilities. The value of any Secured Assets appropriated in accordance with this Clause 8.2 shall be the price of those Secured Assets at the time the right of appropriation is exercised as listed on any recognised market index, or determined by such other method as the Lender may select (including independent valuation). The Chargor agrees that the methods of valuation provided for in this Clause 8.2 are commercially reasonable for the purposes of Regulation 18 of the Financial Collateral Regulations. To the extent that Secured Assets constitute Financial Collateral, the Chargor agrees that such Secured Assets shall be held or designated so as to be under the control of the Lender for all purposes of the Financial Collateral Regulations.

9 APPLICATION OF ENFORCEMENT PROCEEDS

9.1 All monies received by the Lender under or by virtue of this Deed following enforcement of the security hereby granted or of any security interest constituted pursuant hereto shall be applied, subject to the claims of any creditors ranking in priority to or *pari passu* with the claims of the Lender under this Deed, in the following order:

9.1.1 first, in or towards satisfaction of the Secured Liabilities in such order as the Lender shall in its absolute discretion decide; and

9.1.2 secondly, any surplus shall be paid to the Chargor or any other person entitled thereto.

9.2 Nothing contained in this Deed shall limit the right of the Lender (and the Chargor acknowledges that the Lender is so entitled) if and for so long as the Lender, in its discretion, shall consider it appropriate, to place all or any monies arising from the enforcement of the security interest hereby granted or any security created pursuant to this Deed into a suspense

account, without any obligation to apply the same or any part thereof in or towards the discharge of any of the Secured Liabilities.

10 PROTECTION OF SECURITY

10.1 The security created by and any security interest constituted pursuant to this Deed shall be a continuing security notwithstanding any settlement of account or other matter or thing whatsoever and in particular (but without prejudice to the generality of the foregoing) shall not be considered satisfied by an intermediate repayment or satisfaction of part only of the Secured Liabilities and shall continue in full force and effect until total and irrevocable satisfaction of all the Secured Liabilities.

10.2 The security created by and any security interest constituted pursuant to this Deed shall be in addition to and shall not in any way prejudice or be prejudiced by any collateral or other security, right or remedy which the Lender may now or at any time hereafter hold for all or any part of the Secured Liabilities.

10.3 No failure on the part of the Lender to exercise and no delay on its part in exercising any right, remedy, power or privilege under or pursuant to this Deed or any other document relating to or securing all or any part of the Secured Liabilities will operate as a waiver thereof, nor will any single or partial exercise of any right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy. The rights and remedies provided in this Deed and any such other document are cumulative and not exclusive of any right or remedies provided by law.

10.4 Each of the provisions in this Deed shall be severable and distinct from one another and if at any time any one or more of such provisions is or becomes or is declared null and void, invalid, illegal or unenforceable in any respect under any law or otherwise howsoever, the validity, legality and enforceability of the remaining provisions of this Deed shall not in any way be affected or impaired by that occurrence.

10.5 If the Lender receives or is deemed to be affected by notice, whether actual or constructive, of any subsequent security or other interest affecting any part of the Secured Assets and/or the proceeds of sale(s) thereof, the Lender may open a new account or accounts with the Chargor. If the Lender does not open a new account or accounts it shall nevertheless be treated as if it had done so at the time when it receives or was deemed to have received notice and as from that time all payments made to the Lender shall be credited or be treated as having been credited to the new account or accounts and shall not operate to reduce the amount for which this Deed is security.

10.6 Neither this Security nor the rights, powers, discretions and remedies conferred upon the Lender by this Deed or by law shall be discharged, impaired or otherwise affected by reason of:

10.6.1 any present or future security, guarantee, indemnity or other right or remedy held by or available to the Lender being or becoming wholly or in part void, voidable or

unenforceable on any ground whatsoever or by the Lender from time to time exchanging, varying, realising, releasing or failing to perfect or enforce any of the same; or

10.6.2 the Lender compounding with, discharging or releasing or varying the liability of, or granting any time, indulgence or concession to, the Chargor or any other person or renewing, determining, varying or increasing any accommodation or transaction in any manner whatsoever or concurring in accepting or varying any compromise, arrangement or settlement or omitting to claim or enforce payment from the Chargor or any other person; or

10.6.3 any act or omission which would not have discharged or affected the liability of the Chargor had it been a principal debtor instead of cautioner or by anything done or omitted which but for this provision might operate to exonerate the Chargor from the Secured Liabilities; or

10.6.4 any legal limitation, disability, incapacity or other similar circumstance relating to the Chargor.

10.7 The Lender shall not be obliged, before exercising any of the rights, powers or remedies conferred upon it by or pursuant to this Deed or by law, to:

10.7.1 take any action or obtain judgement or decree in any court against the Chargor; or

10.7.2 make or file any claim to rank in a winding-up or liquidation of the Chargor; or

10.7.3 enforce or seek to enforce any other security taken, or exercise any right or plea available to the Chargor, in respect of any of the Chargor's obligations to the Lender.

11 FURTHER ASSURANCE

The Chargor shall execute and do all such assurances, acts and things as the Lender may require for perfecting or protecting the security created by or pursuant to this Deed or for facilitating the realisation of such assets and the exercise of all powers, authorities and discretions conferred on the Lender by this Deed and shall in particular (but without limitation) promptly after being requested to do so by the Lender, execute all assignments and transfers (in favour of the Lender or to such nominee as it shall direct) of the Secured Assets which come into existence after the date of the Chargor's execution of this Deed and give all notices, orders and directions which the Lender may think expedient for the purposes specified in this Clause 11.

12 MANDATE AND ATTORNEY

12.1 The Chargor hereby irrevocably appoints the Lender to be its mandatary and attorney for it and on its behalf and in its name or otherwise and as such to create or constitute any deed, or to make any alteration or addition or deletion in or to, any documents which the Lender may

require for perfecting or protecting the title of the Lender to the Secured Assets or for vesting any of the Secured Assets in the Lender or its nominee or any purchaser and to re-deliver the same thereafter and otherwise generally to sign, seal and deliver and otherwise perfect any fixed security, floating charge, transfer, disposition, assignation, security and/or assurance or any writing, assurance, document or act which may be required or may be deemed proper by the Lender on or in connection with any sale, lease, disposition, realisation, getting in or other enforcement by the Lender of all or any of the Secured Assets.

- 12.2 The Chargor hereby ratifies and confirms and agrees to ratify and confirm whatever any such mandatory or attorney shall do in the exercise or purported exercise of all or any of the powers, authorities and discretions referred to in this Clause 12.

13 EXPENSES

- 13.1 The Chargor binds and obliges itself for the whole expenses of completing and enforcing the security granted by this Deed and any security interest constituted pursuant hereto and the expenses of any discharge thereof.

- 13.2 All costs, charges and expenses incurred and all payments made by the Lender under this Deed in the lawful exercise of the powers hereby conferred, whether or not occasioned by any act, neglect or default of the Chargor, shall carry interest from the date of the same being incurred or becoming payable at the Default Rate. The amount of all such costs, charges, expenses and payments and all interest thereon and all remuneration payable under this Deed shall be payable by the Chargor on demand and shall be a Secured Liability. All such costs, charges, expenses and payments shall be paid and secured as between the Lender and the Chargor on the basis of a full and unqualified indemnity.

14 INDEMNITY

The Lender and every attorney, manager, agent or other person appointed by the Lender in connection with this Deed shall be entitled to be indemnified out of the Secured Assets in respect of all liabilities and expenses incurred by it or him in the execution or purported execution of any of the powers, authorities or discretions vested in it or him pursuant to this Deed or the service on the Lender of any Pensions Notice and against all actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted in any way relating to the Secured Assets and the Lender may retain and pay all sums in respect of the same out of any monies received under the powers conferred by this Deed.

15 AVOIDANCE OF PAYMENTS

Any amount which has been paid by the Chargor to the Lender and which is, in the opinion of the Lender, capable of being reduced or restored or otherwise avoided, in whole or in part, in the liquidation or administration of the Chargor, shall not be regarded as having been irrevocably paid for the purposes of this Deed.

16 NOTICES

16.1 Communications in writing

Any communication to be made under or in connection with this Deed shall be made in writing and, unless otherwise stated, may be made by fax or letter.

16.2 Addresses

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

16.2.1 in the case of the Chargor:

Address: 14 Albany Street, Edinburgh, EH1 3QB

Attention: Alex Watts

Facsimile:

16.2.2 in the case of the Lender:

Address: Aldermore Bank plc

Attention: 1st Floor, Block B, Western House, Peterborough Business Park, Lynch Wood, Peterborough, PE2 6FZ

Facsimile:

or any substitute address or fax number or department or officer as the Chargor may notify to the Lender (or the Lender may notify to the Chargor if a change is made by the Lender) by not less than 5 Business Days' notice.

16.3 Delivery

16.3.1 Any communication or document made or delivered by one person to another under or in connection with this Deed will only be effective:

- (a) if by way of fax, when received in legible form; or
- (b) if by way of letter, when it has been left at the relevant address or 5 Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address;

and, if a particular department or officer is specified as part of its address details provided under Clause 16.2 (Addresses), if addressed to that department or officer.

- 16.3.2 Any communication or document to be made or delivered to the Lender will be effective only when actually received by the Lender and then only if it is expressly marked for the attention of the department or officer specified as part of its address details provided under Clause 16.2 (Addresses) (or any substitute department or officer as the Lender shall specify for this purpose).

16.4 English language

Any notice given under or in connection with this Deed must be in English.

17 COUNTERPARTS AND DELIVERY

- 17.1 This Deed may be executed in any number of counterparts and by each of the parties on separate counterparts.

- 17.2 Where executed in counterparts:

- 17.2.1 this Deed will not take effect until each of the counterparts has been delivered;

- 17.2.2 where any counterpart is being held as undelivered, delivery will take place on the date of delivery agreed among the parties (the “**agreed date**”). The agreed date will be inserted in the testing clause and on the front cover of this Deed; and

- 17.2.3 section 2(3) of the Legal Writings (Counterparts and Delivery) (Scotland) Act 2015 is hereby excluded and shall not apply to the execution arrangements in respect of this Deed.

18 GOVERNING LAW AND JURISDICTION

This Deed shall be governed by, and construed in all respects in accordance with, the law of Scotland and, for the benefit of the Lender, the Chargor irrevocably submits to the non-exclusive jurisdiction of the Scottish courts but without prejudice to the ability of the Lender to proceed against the Chargor in any other appropriate jurisdiction.

19 **CONSENT TO REGISTRATION**

A certificate signed by any official, manager or equivalent account officer of the Lender shall, in the absence of manifest error, conclusively determine the Secured Liabilities at any relevant time and shall constitute a balance and charge against the Chargor, and no suspension of a charge or of a threatened charge for payment of the balance so constituted shall pass nor any sist of execution thereon be granted except on consignment. The Chargor hereby consents to the registration of this Deed and of any such certificate for preservation and execution: IN WITNESS WHEREOF these presents consisting of this and the preceding 14 pages together with the schedule annexed hereto are executed in counterpart as follows and delivered on 22 June 2018:

THE CHARGOR

SUBSCRIBED for and on behalf of the said KINGSFORD ESTATES LIMITED

at EDINBURGH

on 20 JUNE 2018

by

JUSTIN ALEXANDER WATTS
Print Full name

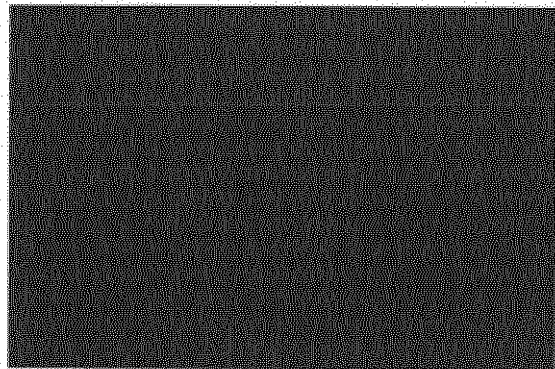
before this witness:

ARWESS ARABSHAKI
Print Full Name

Address: 12 HOPE STREET

EDINBURGH

EH2 6OB



Witness

THE LENDER

SUBSCRIBED for and on behalf of the said ALDERMORE BANK PLC

at PETERBOROUGH

on 21 JUNE 2018

by

LEE OSBOURNE

Print Full name

Authorised Signatory

before this witness:

TRACY WEECH

Print Full Name

Witness

Address:

ALDERMORE BANK

PE2 6FZ

This is the Schedule referred to in the foregoing deed of pledge between Kingsford Estates Limited and Aldermore Bank plc dated 20~~th~~th June 2018 and delivered on 22 June 2018.

SCHEDULE

SHARES IN THE CAPITAL OF THE COMPANY

Company	Shareholder	Number of fully paid Shares of £0.01 each
Kingsford Residential Limited	Kingsford Estates Limited	100

