

DATED 3 March 2023

**RESIDENTIAL PROPERTY SECURED FINANCE DAC  
(T/A RENTFLOW)**

**LOAN NOTE INSTRUMENT**

(Constituting up to €5,900,000 Secured Loan Notes)

**LK SHIELDS**  
YOUR LEGAL COUNSEL

[www.lkshields.ie](http://www.lkshields.ie)  
[email@lkshields.ie](mailto:email@lkshields.ie)

DUBLIN | LONDON | GALWAY

Ref APR/10077.9002.21587496.v5

## TABLE OF CONTENTS

1	INTERPRETATION	1
2	CREATION AND STATUS OF LOAN NOTES	4
4	CERTIFICATES	5
5	REPAYMENT	5
6	THE REGISTER	5
7	INTEREST	5
8	SECURITY	5
9	USE OF PROCEEDS	5
10	GENERAL	6
	FIRST SCHEDULE - FORM OF LOAN NOTE CERTIFICATE	7
	SECOND SCHEDULE - THE CONDITIONS	8
	THIRD SCHEDULE - FORM OF NOTICE OF REPAYMENT	15

**THIS INSTRUMENT** is made as a **DEED** on 3 March 2023 by **RESIDENTIAL PROPERTY SECURED FINANCE DAC** (trading as Rentflow) incorporated in Ireland under registration number 673893 having its registered office at 1 Sussex Street, Dun Laoghaire, Dublin (hereinafter called the "**Company**").

## **WHEREAS**

The Company has pursuant to its constitution and by resolution of its Directors passed on or about the date of this Instrument resolved that up to €5,900,000 Secured Loan Notes be constituted by the Company.

## **NOW IT IS HEREBY AGREED AS FOLLOWS**

### **1 INTERPRETATION**

1.1 In this Instrument and the Schedules hereto the following expressions shall unless the context otherwise requires have the following meanings:

<b>€ and Euro</b>	the lawful currency for the time being of Ireland;
<b>Acting in Concert</b>	shall have the same meaning as set out in the Irish Takeover Panel Act 1997 as amended and the Irish Takeover Panel Act 1997 Takeover Rules;
<b>Blocked Account</b>	a bank account in the name of the Company from which the Company may not withdraw any amounts without the prior written consent of the Security Trustee;
<b>Business Day</b>	a day (other than a Saturday or Sunday) on which banks are generally open for business in the City of Dublin;
<b>Certificate</b>	a certificate in the form set out in the First Schedule, duly executed by the Company evidencing the issue by the Company to the Noteholder concerned of the Loan Notes represented by it;
<b>Conditions</b>	the conditions of the Loan Notes set out in the Second Schedule as the same now are or may be amended or modified and are from time to time and for the time being in force and " <b>Condition</b> " shall be construed accordingly; and
<b>Date of Issuance</b>	the date on which Loan Notes are issued by the Company to a Noteholder on payment of the Loan Note subscription amount by the Noteholder to the Company, which shall be evidenced by the date of the Certificate for such Loan Notes;
<b>Directors</b>	the board of directors for the time being of the Company or a duly authorised committee thereof;
<b>Event of Default</b>	any of the events specified in Condition 6.1;
<b>Group Companies</b>	means the Company and each body corporate which is from time to time a Subsidiary of the Company or of the

Company's ultimate parent company, including without limitation Propco, and each a "**Group Company**";

**Indebtedness**

any obligation of any person from time to time (present or future, actual or contingent, as principal or surety or otherwise) for the payment or repayment of money including, but not limited to:

(i) under acceptances, bills, bonds, debentures, notes or similar instruments;

(ii) under guarantees, indemnities or other assurances against financial loss or counter-indemnity in respect of any of the foregoing;

(iii) in respect of the purchase, hire or lease of any asset or services under an arrangement treated as a finance lease under Irish GAAP;

(iv) any derivative transaction protecting against or benefiting from fluctuations in any rate or price (and, except for the non-payment of an amount, the then mark to market value of the derivative transaction will be used to calculate its amount); and

(v) indebtedness of other persons secured by or benefiting from any security interest on the property of that person;

**Instrument**

this Loan Note Instrument and the Schedules hereto;

**Interest**

the interest payable on the Loan Notes as provided for in Condition 3;

**Irish GAAP**

generally accepted accounting principles and practices in Ireland;

**Interest Rate**

has the meaning given to it in Condition 3.3;

**Loan Agreement**

any loan agreement between the Company as lender and Propco as borrower pursuant to which the Company shall onward-lend the proceeds of subscriptions for the Loan Notes;

**Loan Notes**

the Secured Loan Notes constituted by this Instrument in the aggregate principal amount of €5,900,000 or, where the context requires any part of them;

**Loan Repayment Account**

the bank account in the name of the Company with AIB having IBAN **IE29AIBK93110162884287** into which account the Company shall remit proceeds paid by Propco to the Company pursuant to the Loan Agreement;

**Material Adverse Effect**

means a material adverse effect on:

- i. the financial condition, aspects, prospects or business of the Company or a Group Company;
- ii. the ability of the of the Company or a Group Company to perform and comply with its obligations under the Loan Notes, any security document set out in Condition 4 to which it is a party or any Loan Agreement; or
- iii. the validity, legality or enforceability of the Loan Notes, any security document set out in Condition 4 or any Loan Agreement;

<b>Month</b>	a calendar month;
<b>Noteholders</b>	the holders of Loan Notes from time to time and each of them a <b>"Noteholder"</b> ;
<b>Notice of Repayment</b>	a notice in writing issued by the Noteholders in accordance with the Conditions calling upon the Company to repay Loan Notes in the nominal amount set out therein (including accrued but unpaid interest on such Loan Notes), such notice to be in the form set out in the Third Schedule;
<b>Propco</b>	means Capital City Investment Partners No. 2 Limited, a company incorporated in Ireland under registration number 648906 having its registered address at 1 Sussex Street, Dun Laoghaire, Co. Dublin;
<b>Properties</b>	means <ul style="list-style-type: none"> <li>(i) 1 Hollybank Road, Drumcondra, Dublin 9;</li> <li>(ii) 384 North Circular Road, Dublin 7; and</li> <li>(iii) 456 North Circular Road, Dublin 1,</li> </ul> together the <b>"Properties"</b> and each a <b>"Property"</b> ;
<b>Repayment Date</b>	has the meaning given to that term in Condition 2;
<b>Security Trustee</b>	City Trust Trustees (Ireland) Limited incorporated in Ireland under registration number 391977 having its registered office at 1 <sup>st</sup> Floor, The Liffey Trust Centre, 117-126 Sheriff Street Upper, Dublin 1 as security trustee for the Noteholders;
<b>Subsidiary</b>	a subsidiary company (as defined by Section 7 Companies Act 2014);
<b>Term Expiry Date</b>	in respect of all Loan Notes shall be the date falling five years from the date of the Instrument;

**the Register**

the register of Noteholders to be maintained by the Company in accordance with Condition 9.

- 1.2 References in this Instrument to recitals, clauses and schedules are (unless expressly stated otherwise) to recitals, clauses and schedules of or to this Instrument. The headings of clauses or schedules and of clauses or paragraphs in any schedule shall not affect their interpretation.
- 1.3 Unless the contrary intention appears, in this Instrument references to any gender include all genders, references to persons include bodies corporate and unincorporated associations and words importing the singular shall include the plural and vice versa.
- 1.4 A reference to a law is a reference to is as it in force for the time being, taking account of any amendment, extension, application or re-enactment and includes any subordinate legislation for the time being in force made under it.
- 1.5 References to Noteholders herein shall include, as appropriate, references to the Noteholders' estates, executors and/or personal representatives.
- 1.6 Words and expressions shall have the same meaning as are ascribed to them in the Companies Act 2014.
- 1.7 A reference to writing or similar expression includes, where the context so admits, transmission by facsimile, electronic mail or other comparable means of communication or electronic communication.
- 1.8 The Schedules to this Deed shall form part of this Deed.
- 1.9 Words such as "hereunder", "hereto", "hereof" and "herein" and other words commencing with "here" shall unless the context clearly indicates to the contrary refer to the whole of this Instrument and not to any particular section, clause or paragraph hereof.
- 1.10 Any reference to a "unit" of the Loan Notes shall be to a unit of €1.00 in nominal value of the Loan Notes for the time being in issue and "units" shall be construed accordingly.

**2 CREATION AND STATUS OF LOAN NOTES**

- 2.1 The Company hereby constitutes the Loan Notes, on the terms and subject to the provisions set out in this Instrument, pursuant to a resolution of the Directors of the Company passed on or about the date hereof.
- 2.2 The aggregate nominal amount of the Loan Notes is €5,900,000 made up of 5,900,000 units of €1.00 each. The aggregate nominal amount of the Loan Notes may be increased or reduced (provided the aggregate nominal amount of the Loan Notes cannot be reduced below the value of the Loan Notes issued under this Instrument) at any time upon resolution of the Directors of the Company and the terms of this Instrument shall continue to apply to such Loan Notes.
- 2.3 The Loan Notes shall be issued fully paid up in nominal amounts and integral multiples of €1.00. subject to and with the benefit of the provisions of this Instrument. All the obligations and covenants contained in this Instrument shall be binding on the Company and the holders of Loan Notes and all persons claiming through them.

- 2.4 The Loan Notes, as and when issued shall rank pari passu equally and rateably without discrimination or preference as a secured debt obligation of the Company.

### **3 ISSUE OF LOAN NOTES**

The Loan Notes shall be issued pursuant to and held subject to and with the benefit of the provisions of this Instrument and the Schedules hereto which shall be binding on the Company and the Noteholder(s) and all persons claiming through or under them respectively.

### **4 CERTIFICATES**

- 4.1 Upon the issue of the Loan Notes to the Noteholder(s), the Company shall procure that Certificates shall be issued free of charge in accordance with the Conditions. Each Certificate shall bear a denoting number and shall be executed and delivered as a deed by the Company.

- 4.2 When any part of the Loan Notes are redeemed, the Company shall issue to each Noteholder a new Certificate for the balance of such Loan Notes not so redeemed in the manner set out in Clause 4.1 above and in accordance with the Conditions.

### **5 REPAYMENT**

- 5.1 Save and except in the event of an Early Redemption in accordance with Condition 2.5, the Loan Notes shall be repayable on the Repayment Date in accordance with the provisions of Condition 2.

- 5.2 The Company may, at its discretion, on or prior to the Repayment Date offer an option to the Noteholders as an alternative to accepting repayment of the redemption proceeds of their Loan Notes to re-invest all or part of such redemption proceeds in the Company by way of subscription by such Noteholders for new loan notes issued, or to be issued, by the Company pursuant to the terms of a separate Loan Note Instrument.

- 5.3 All payments to be made by the Company to the Noteholders in accordance with the Conditions shall be made by bank transfer to such account(s) as may be notified by Noteholders to the Company in writing on subscription for Loan Notes or otherwise specified in a Notice of Repayment or otherwise notified to the Company from time to time.

### **6 THE REGISTER**

The Company shall keep the Register in accordance with Condition 9.

### **7 INTEREST**

The Company shall pay Interest on the Loan Notes as provided in the Conditions on each Interest Payment Date.

### **8 SECURITY**

The Company and the members of the group of companies to which the Company belongs shall provide security for the Loan Notes as provided in the Conditions.

### **9 USE OF PROCEEDS**

The proceeds of all subscriptions for the Loan Notes shall be in accordance with Condition 5.

10 **GENERAL**

10.1 The Company hereby covenants with each Noteholder duly to perform and observe the obligations herein contained to the intent that this Instrument shall enure for a benefit of every person for the time being registered as a Noteholder of any amount of the Loan Notes, each of whom may sue the Company for the performance or observance of the provisions hereof so far as his/her/its holding is concerned.

10.2 The Conditions and provisions contained in the Schedules shall have effect in the same manner as if such Conditions and provisions were herein set forth.

10.3 This Instrument, including the Schedules, the Conditions and the Loan Notes shall be governed by and construed in accordance with the laws of Ireland and the Company and each Noteholder hereto irrevocably submits to the exclusive jurisdiction of the Irish Courts.

10.4 **Notices**

10.4.1 Any notice or other communication required or permitted to be given or made under this Instrument shall be in writing and addressed or sent as follows:

- (a) if to a Noteholder, if by letter to his/her/its address as recorded in the Register, marked personal and confidential or, if by electronic mail to such electronic mail address (if any) as may be recorded in the Register for that Noteholder; and
- (b) if to the Company, if by letter to its address specified herein marked for the attention of the Directors or if by email to such email address as may be notified by the Company to the Noteholder(s) in writing from time to time;

or to such other postal address or electronic mail address as any such party may from time to time notify to the other parties in writing in accordance with the provisions hereof.

10.4.2 Any notice or other communication required or permitted to be given or made under this Instrument shall be validly given or made if despatched by pre-paid letter post addressed as aforesaid, or if sent by electronic mail to such electronic mail address (if any) as may be specified as aforesaid and shall be deemed to be given or made:

- (a) if delivered by hand - at the time of delivery;
- (b) if sent by post - forty eight hours (seven Business Days if posted in a different postal jurisdiction to that of the addressee) after the same shall have been posted; and
- (c) if sent by electronic mail – at the time of despatch;

provided that if, in accordance with the above provisions, any such notice or other communication would otherwise be deemed to be given or made outside working hours (being 9.00 am to 5.00 pm on a Business Day), such notice or other communication shall be deemed to be given or made at the start of working hours on the next succeeding Business Day.

10.4.3 In proving such service it shall be sufficient to prove that personal delivery was made against receipt of the addressee, or that the envelope containing



such notice was properly addressed and posted as a prepaid delivery or airmail letter (as appropriate) or that the electronic mail was transmitted as the case may be. A party giving or serving a notice or other communication hereunder by electronic mail shall, unless the recipient party agrees otherwise, also give or serve a copy by post, but without prejudice to the validity and effectiveness of the service by electronic mail.

10.4.4 In the case of death of any Noteholder and until the Company has received notice in writing of the grant of probate of his will or letters of administration of his estate, any such notice, or communication so given shall be as effective as if he was still living.

#### 10.5 **Interpretation**

Words and expressions defined in the Instrument shall have the same respective meanings whenever used in the Conditions where the context permits.

#### 10.6 **Severability**

If at any time any provision hereof is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions hereof nor the legality, validity or enforceability of any such provision under the law of any other jurisdiction shall in any way be affected or impaired thereby.

#### 10.7 **Withholding Tax**

All payments to be made by the Company hereunder shall be made without withholding or deduction for or on account of any present or future taxes, levies, imposts, duties or governmental charges of whatever nature unless such withholding or deduction is required by law. Within 30 days after paying any sum for which it is required by law to make any deduction or withholding, the Company shall deliver to the Noteholder evidence of such deduction, withholding or payment.

**IN WITNESS** whereof these presents have been entered into the day and year first herein written.

## FORM OF LOAN NOTE CERTIFICATE

Certificate No.

Aggregate Principal Amount of Secured Loan Notes: €5,900,000

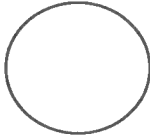
Noteholder: \_\_\_\_\_

**Residential Property Secured Finance DAC** incorporated in Ireland under registration number 673893 having its registered office at 1 Sussex Street, Dun Laoghaire, Dublin (the “**Company**”).

**THIS IS TO CERTIFY** that the above-mentioned Noteholder is the registered holder of €[ • ] in principal amount of Secured Loan Notes of the Company (“**Loan Notes**”), which amount was issued on the [ ] day of [ ] 2022 by the board of directors of the Company pursuant to a resolution of such board passed on the [ ] day of [ ] 2022 and subject to and with the benefit of the provisions of an Instrument dated the [ ] day of [ ] 2022 (the “**Instrument**”) and the conditions set out in the Second Schedule thereto and which are endorsed hereon (the “**Conditions**”).

Your attention is drawn to the notes below.

Date:

<p><b>GIVEN</b> under the <b>COMMON SEAL</b> of <b>RESIDENTIAL PROPERTY SECURED FINANCE DAC</b> and this <b>DEED</b> has been <b>DELIVERED</b></p>	<div data-bbox="1225 1003 1374 1137" style="text-align: right;"></div> <div data-bbox="1059 1223 1374 1256" style="text-align: right;">_____ Director</div> <div data-bbox="1059 1357 1374 1391" style="text-align: right;">_____ Director/Secretary</div>
--	---

### NOTES:

- 1 Interest is payable on the Loan Notes in accordance with the Conditions endorsed hereon.
- 2 The Loan Notes are repayable in accordance with the Conditions endorsed hereon.
- 3 A copy of the Instrument is available for inspection during business hours on written request by a Noteholder to the Company at its registered office for the time being.
- 4 Terms defined in the Instrument bear the same meaning when used herein and the principles of interpretation which apply to the Instrument shall also apply in this Certificate.

## THE CONDITIONS

### (TO BE ENDORSED ON THE CERTIFICATES)

Unless otherwise specifically defined herein, defined terms used in the Conditions shall have the meaning given to those terms in the Instrument.

#### 1 FORM AND STATUS

This Loan Note may be one of a series of Loan Notes. All the Loan Notes are in like form and rank as regards the monies payable thereon *pari passu* equally and rateably *inter se* without any preference or priority as one to another as secured obligations of the Company. The Loan Notes are issued fully paid in amounts and integral multiples of €1 each in nominal value and constitute direct secured obligations of the Company, in accordance with the provisions of these Conditions.

#### 2 REPAYMENT OF LOAN NOTES

2.1 Subject to Condition 2.8, the principal amount (plus interest payable under Condition 3) of the Loan Notes shall be repaid in full by way of single cash payment to the Noteholder on the date specified as the "Repayment Date" in a Notice of Repayment issued in accordance with Condition 2.2 at any time on or after:

- (a) the date falling 30 days prior to the Term Expiry Date, in which case the "Repayment Date" must be at least 30 days after such date; or
- (b) the date of occurrence of an Event of Default (subject to condition 2.2), in which case the "Repayment Date" must be at least 10 days after such date,

(in respect of specific Loan Notes the "**Repayment Date**" for those Loan Notes).

2.2 A Notice of Repayment may only be issued in accordance with Condition 2.1(b) if duly executed by such number of Noteholders as shall together hold at least 75% of the aggregate nominal value of the issued Loan Notes in issuance at the date of such notice and, in such circumstances, the specified "Repayment Date" must be a date falling at least 10 Business Days after the date of the Notice of Repayment.

2.3 If the Repayment Date shall not be a Business Day, the principal amount of the Loan Notes shall not be payable until the next Business Day after the Repayment Date.

2.4 The amounts due under or pursuant to the Loan Notes will be paid without reference to any rights in equity, or rights of set off, counter claim or cross-claim which the Company may have against the original or any intermediate holder of the Loan Notes.

2.5 Subject to Condition 2.6, the Company shall be entitled to redeem all of the Loan Notes prior to the Repayment Date for the respective Loan Notes (an "**Early Redemption**") without the consent of Noteholders provided at least 60 days prior written notice shall be provided to the Noteholders in respect of the proposed Early Redemption.

2.6 If an Early Redemption shall occur in accordance with Condition 2.5, the redemption amount payable on an Early Redemption shall be:

- 2.6.1 the principal amount outstanding of the Loan Notes that are being redeemed; plus
- 2.6.2 the Interest accrued but not yet paid on the principal amount of those Loan Notes that are being redeemed; plus

2.6.3 an additional payment in an amount equal to the Interest that would have accrued and would be payable were the Loan Notes to be repaid 3 months after the proposed date of the Early Redemption

(the "**Early Redemption Amount**").

2.7 The period within which the Loan Notes must be repaid, the overall amount to be repaid to the Noteholders in respect of the Loan Notes, the amount of the repayments of the Loan Notes, the Interest Rate and/or interest payments, and/or dates constituting a Repayment Date, each may be varied or amended from time to time upon such terms as may be agreed between the Company and Noteholders together holding an aggregate of 75% of the total Loan Notes for the time being (a "**Noteholder Majority**").

2.8 Upon Loan notes becoming repayable in accordance with the Conditions, a Noteholder may direct repayment of some or all of the amount repayable to such Noteholder to be made by the Company way of remittance against subscription monies payable by such Noteholder through subscription by that Noteholder for loan notes constituted after the date of the Instrument by the Company or another Group Company pursuant to a loan note instrument on terms satisfactory to the Noteholder, which direction must be made by the Noteholder in writing to the Company.

### 3 **INTEREST**

3.1 Interest shall accrue and shall continue to accrue on the Loan Notes daily from the date of issuance of the Loan Notes at a rate of interest of 5% per annum (the "**Minimum Interest Rate**").

3.2 At the sole discretion of the Company, the Minimum Interest Rate may increase in direct proportion to the annual percentage increase in the gross rent received in aggregate by Propco in respect of the Properties. Any such increase in the Minimum Interest Rate shall be notified to the Noteholders within 30 days of each anniversary date of the date of this Agreement. For the avoidance of doubt, the method and calculation of any such increase in the Minimum Interest Rate is undertaken solely by the Company and is conclusive in all respects.

3.3 The Minimum Interest Rate and, as applicable, any increase to the Minimum Interest Rate in accordance with Condition 3.2 is collectively referred to in this Agreement as the "**Interest Rate**".

3.4 Interest shall be calculated on an annualised basis by applying the relevant Interest Rate to the aggregate principal amount of Loan Notes held by each Noteholder (or Noteholders in the case of joint holders) and shall be payable by way of 12 equal instalments (together the "**Interest Instalments**", each an "**Interest Instalment**") during each year from the date of issuance of the Loan Notes.

3.5 On subscription for their Loan notes, Noteholders shall nominate the relevant interest payment dates (together the "**Interest Payment Dates**", each an "**Interest Payment Date**") for their respective Loan Notes by notice to the Company to direct that interest on their Loan Notes shall be paid by the Company:

3.5.1 on a monthly basis by payment by the Company to such Noteholder of one Interest Instalment on the final Business Day of each successive month after the issuance of the Loan Notes, including the Term Expiry Date, or,

3.5.2 on a half yearly basis by payment by the Company to such Noteholder of an amount equal to six Interest Instalments on the final Business Day of each

successive sixth month after the issuance of the Loan Notes, including the Term Expiry Date; or

- 3.5.3 on an annual basis by payment by the Company to such Noteholder of an amount equal to twelve Interest Instalments on the final Business Day of each successive twelfth month after the issuance of the Loan Notes, including the Term Expiry Date.
- 3.6 A Noteholder may, following issuance of their Loan Notes, request by written notice to the Company to amend their Interest Payment Date to a monthly, half yearly or annual basis in accordance with Condition 3.5 provided that no such amendment shall be permitted unless agreed by the Company at its absolute discretion.
- 3.7 If the Company shall fail to pay accrued Interest in full when due on the relevant Interest Payment Date for such Loan Notes as they shall have elected in accordance with condition 3.5, such unpaid amount shall be paid on the next Interest Payment Date for such Loan Notes in addition to the Interest payment that is due to be paid on that next Interest Payment Date.
- 3.8 Where Interest shall become payable on any date that is not an Interest Payment Date on the occurrence of an Early Redemption or upon issuance of a Notice of Redemption in accordance with the Conditions, Interest payable on the Loan Notes since the previous Interest Payment Date for such Loan notes shall be calculated by applying the Interest Rate to the aggregate principal amount of the Loan Notes, dividing such amount by 365 and multiplying it by the number of days that have elapsed since the previous Interest Payment Date.
- 3.9 Interest on any Loan Notes becoming liable to repayment shall cease to accrue as from the due date for repayment of such Loan Notes unless payment of the moneys is not made by the Company (in which case interest will continue to accrue until, but excluding, the date of actual payment).

#### 4 SECURITY

- 4.1 The obligations of the Company to the Noteholders in respect of the Loan Notes shall be secured in a manner satisfactory to the Noteholders as follows:
- (a) Account charge granted by the Company in favour of the Security Trustee (on behalf of the Noteholders) creating a first fixed charge over the Loan Repayment Account (the "**Account Charge**");
  - (b) Security assignment(s) granted by the Company in favour of the Security Trustee (on behalf of the Noteholders) creating a security assignment over the applicable Loan Agreement between the Company and Propco;
  - (c) Mortgage debenture granted by Propco to the Security Trustee (on behalf of the Noteholders) creating fixed and floating charges and security assignments in favour of the Security Trustee over all assets of Propco including a fixed charge over the Properties ("**Propco Debentures**"); and
  - (d) Guarantee and indemnity dated on or about the date of this Instrument provided by Propco in favour of the Security Trustee (on behalf of the Noteholders) for the liabilities of the Company to the Noteholders (the "**Propco Guarantee**").

#### 5 USE OF PROCEEDS

- 5.1 The proceeds of all subscriptions for the Loan Notes (the "**Proceeds**") shall be used to:

- 5.1.1 advance an intra-group loan to Propco to refinance its indebtedness in respect of the Properties and fees and expenses payable by Propco in respect of its ownership of the Properties;
  - 5.1.2 fund payment of fees and expenses payable by the Company in its ordinary course of business; or
  - 5.1.3 such other purpose as may be permitted in writing by such Noteholders constituting a Noteholder Majority.
- 5.2 The advancement of the proposed intra-group loan by the Company to Propco pursuant to the Loan Agreement shall be subject to the following pre-conditions:
- 5.2.1 Propco furnishing a redemption letter from the existing lenders secured on the Properties;
  - 5.2.2 Propco furnishing a tenant schedule in respect of the Properties in a form and substance satisfactory to the Company;
  - 5.2.3 Propco furnishing latest management accounts in a form and substance satisfactory to the Company; and
  - 5.2.4 Propco furnishing a copy of the existing Property Management Agreement(s) in respect of the Properties in a form and substance satisfactory to the Company.

## 6 EVENTS OF DEFAULT

- 6.1 Notwithstanding any other provisions of these Conditions, Noteholders together constituting a Noteholder Majority shall be entitled to require all or any part of the Loan Notes held by them to be repaid at par together with Interest owing at that date immediately upon issuance of a notice in accordance with Condition 2.1(b) (subject to the provisions of Condition 6.3) upon the occurrence of any of the following (the “**Events of Default**”):
- (a) the Company fails to pay any payment of the principal amount of the Loan Notes in the full on the relevant Repayment Date;
  - (b) the Company fails to pay Interest on Loan Notes of an amount equal to at least six Interest Instalments in any 12 month period;
  - (c) a liquidation or insolvency event occurs in respect of the Company or Propco and for the purposes of this Condition 6.1(b) a liquidation or insolvency event shall be deemed to occur where:
    - (i) the Company or Propco takes any corporate action or any other steps are taken or legal proceedings commenced for the winding up, dissolution or reorganisation of the Company or Propco, or for the appointment of a receiver, receiver manager, examiner (or including any proposal being made for or notice being given of the intention to appoint an examiner), trustee or similar officer to the Company or Propco or over any or all of its revenues and/or assets or distress is executed against, or an encumbrancer takes possession of, any part of its revenues or assets provided that no Event of Default shall arise (A) where such action is in the opinion of the Noteholders vexatious or frivolous and is unconditionally withdrawn within twenty (20) Business Days of commencement or (B) such winding up, dissolution or reorganisation of

Company or Propco is consented to in writing advance by the Noteholders; or

- (ii) Company or Propco is or is deemed to be unable to pay its debts as they fall due or admits inability to pay its debts as they fall due and fails to cure its inability to repay such debts within 20 Business Days of the due date;
  - (d) the Company ceases to carry on its Business in its entirety prior to it discharging its obligations pursuant to the Loan Notes in full;
  - (e) Propco ceases to carry on its business in its entirety prior to Propco discharging its obligations pursuant to the Loan Agreement in full;
  - (f) it is or becomes or will become unlawful for the Company or Propco to perform or comply with any of its obligations under the Instrument, the Loan Agreement, or any security, or any such obligation is not or ceases to be legal, valid and binding;
  - (g) any default by the Company or Propco with any obligations under the Loan Notes, any security or the Loan Agreement;
  - (h) if in the reasonable opinion of the Noteholders a change occurs in affairs or the financial condition of the Company or Propco which would have a Material Adverse Effect on the Company's or Propco's ability to perform its material obligations under any Finance Document to which it is a party.
- 6.2 The Company shall immediately upon its occurrence give notice in writing to the Noteholders of the occurrence of an Event of Default.
- 6.3 The right to require repayment for which no notice is required pursuant to Condition 6.1 shall be exercisable only by Noteholders together constituting a Noteholder Majority completing and signing a Notice of Repayment in the form set out at the back of the relevant Loan Note Certificate (or in any other form acceptable to the Directors) and depositing the same at the registered office of the Company and thereupon such Loan Notes shall immediately become repayable.

## 7 COVENANTS

The Company covenants in favour of each Noteholder that:

- (i) it shall procure that all repayments of principal and interest (at the Interest Rate (as defined in the Loan Agreement)) payable by Propco to the Company pursuant to the Loan Agreement are remitted directly into the Loan Repayment Account
- (j) Propco shall not, and the Company shall procure that Propco shall not, complete the sale of all or any part of any Property without the Loan Notes being repaid in full or replacement with security of an acceptable value to the Noteholders (acting by a Noteholder Majority);
- (k) it will ensure that the proceeds of the Loan Notes will be used in accordance with Condition 5;
- (l) Propco shall not, and the Company shall procure that Propco shall not, provide or permit to subsist any security over their assets in favour of any party other than the Noteholders, in particular they shall not create or permit to subsist, or

agree to create, any charge, pledge, lien or other security interest over or dispose of any of the assets of the Company or Propco;

- (m) it will ensure that its entry into and performance by it of, and the transactions contemplated by, the Instrument, including the Schedules, the Conditions and the Loan Notes do not and will not:
  - (i) conflict with any laws binding on it; or
  - (ii) conflict with or result in default under any document, agreement or instrument which is binding upon it or its assets nor result in the creation of any security interest over any of its assets;
- (n) it will procure that all authorisations, consents, registrations, notarisations, legalisations and notifications required by the Company or Propco, which the Company can or ought to be able to procure, in connection with the entry by the Company or Propco into and the performance by the Company or Propco of the transactions contemplated by the Instrument, including the Schedules, the Conditions and the Loan Notes are obtained or effected (as appropriate) within all applicable time periods and that they remain in full force and effect (Including, without limitation, procuring that all appropriate filings are made);
- (o) it shall promptly inform each Noteholder as soon as it becomes aware of any circumstances, or of the receipt of any notice, which may affect the fulfilment by it of any of its covenants or obligations under or in respect of the Loan Notes or which may adversely affect its or Propco's ability to carry on its business;
- (p) it will not do, or cause or permit to be done, anything which may in any way materially depreciate, jeopardise or otherwise prejudice the value of the Loan Notes; and
- (q) it shall give to each Noteholder upon demand such information as he/it may reasonably request as to all matters relating to its business, the business of Propco or otherwise relating to its or Propco's affairs.

## **8 PAYMENT**

Payment of the principal and accrued interest due and owing on the Loan Notes, or any part thereof, shall be made by cheque or by credit transfer to an account of the relevant Noteholder which has been notified to the Company by such Noteholder (or, in the case of joint Noteholders to an account of the first named Noteholder or to an account of such person or persons as the registered Noteholder or joint Noteholders may in writing, have directed). Every such payment shall be credited to the relevant account in cleared funds by the Company on the due date for payment.

## **9 REGISTER OF NOTEHOLDERS**

9.1 The Company shall keep a Register at its registered office in which shall be entered:

- (a) the name and address of each holder for the time being of the Loan Notes and the amount of Loan Notes in his/its name for the time being outstanding;
- (b) the date upon which the name of each Noteholder is entered in respect of the Loan Notes standing in his/its name;
- (c) the denoting number of each Certificate for the Loan Notes issued and the date of issue thereof; and



(d) particulars of the Loan Notes which have been repaid.

9.2 Any change of name or address of any Noteholder shall be notified by the relevant Noteholder to the Company at its registered office and thereupon the Register shall be altered accordingly.

9.3 Each Noteholder and any person authorised in writing by that Noteholder shall be at liberty to request an extract of the Register containing the particulars described in Condition 9.1 in respect of the Loan Notes held by such Noteholder.

9.4 The person(s) for the time being registered as the Noteholder(s) will be regarded as exclusively entitled to the benefit of the Loan Notes.

## 10 MODIFICATION

10.1 Where the Company and a Noteholder Majority agree to any amendment, modification, abrogation or compromise in any respect of the terms of the Loan Notes or this Instrument pursuant to the provisions of Conditions **Error! Reference source not found.**, 2.4, 6.1 or 6.3, the terms of any such agreed amendment, modification, abrogation or compromise shall be effective and binding upon all Noteholders immediately upon notice of such being validly given to the Noteholders in accordance with the provisions of Clause 10.4 of this Instrument.

10.2 Save as otherwise specifically provided in this Instrument, including without limitation at Conditions **Error! Reference source not found.**, 2.4, 6.1 and 6.3, the provisions of this Instrument and the rights of the Noteholders are subject to amendment, modification, abrogation or compromise in any respect with the prior sanction of all of the Noteholders and with the consent of the Company.

## 11 TRANSFER OF LOAN NOTES

11.1 Noteholders may not transfer all or any of their Loan Notes to another entity.

## 12 REPLACEMENT OF CERTIFICATES

If a Certificate is defaced, lost, stolen or destroyed it shall be replaced without charge by a re-issued Certificate issued by the Company but so that in the case of defacement the defaced Certificate shall be surrendered before the new Certificate is issued. An entry as to the issue of a new Certificate (if any) shall be made in the Register.

**FORM OF NOTICE OF REPAYMENT**  
**(TO BE ANNEXED TO THE CERTIFICATES)**

To: The Secretary  
Residential Property Secured Finance DAC (the "Company")

Date: \_\_\_\_\_ 20\_\_

[ \_\_\_\_\_ ] being the registered holders of the respective amounts of the Loan Notes represented by the attached Certificates and being in excess of 75% of the total amount of Loan Notes issued by the Company pursuant to a Loan Note Instrument dated [ ] 20\_\_ hereby give notice that we require [the entire][€[ ] only (see Note 1 below)] of the amount of our respective Loan Notes to be repaid in accordance with the Conditions of issue thereof on [ ] 20\_\_, or the next Business Day thereafter if such date is not a Business Day (the "Repayment Date") (see Note 2 below) .

We hereby request and authorise you to:

- 1 remit the repayment monies to the following account(s);

Noteholder Name:	_____
Loan Notes Amount	_____
Account No.	_____
Account Sort Code	_____
Account IBAN	_____

Noteholder Name:	_____
Loan Notes Amount	_____
Account No.	_____
Account Sort Code	_____
Account IBAN	_____

Noteholder Name:	_____
Loan Notes Amount	_____
Account No.	_____
Account Sort Code	_____
Account IBAN	_____

--

- 2 a Certificate for the balance (if any) of the Loan Notes represented by our respective Certificates (see Note 3 below) by ordinary post at our risk to the persons whose names and addresses appears in the box below:

Certificate No.	
NAME	_____
ADDRESS	_____
(See Note 4 below)	_____

Certificate No.	
NAME	_____
ADDRESS	_____
(See Note 4 below)	_____

Certificate No.	
NAME	_____
ADDRESS	_____
(See Note 4 below)	_____

Certificate No.	Certificate No.
NAME	_____
ADDRESS	_____
(See Note 4 below)	_____

Dated this [ ] [ ] 20[ ]

\_\_\_\_\_  
Signature of Noteholder (See Notes 5 below)

\_\_\_\_\_

Signature of Noteholder (See Note 5 below)

---

Signature of Noteholder (See Note 5 below)




---

Signature of Noteholder (See Note 5 below)

- Note 1: Delete or complete as appropriate. If this space is left blank the notice will be deemed to relate to the entire amount of Loan Notes represented by the accompanying certificate.
- Note 2: The nominated Repayment Date on the occurrence of an Event of Default must be at least 10 Business Days after the date of the Notice.
- Note 3: If Noteholders wish to have any balance certificate sent to an address other than the registered address of the Noteholders then insert the name and address in the box provided.
- Note 4: If the box is left blank the balance certificates (if any) will be sent to the registered address of the Noteholders.
- Note 5: A corporation must execute the notice either under its common seal or by the signature of a duly authorised officer.

**EXECUTION PAGE**

**THE COMPANY**

<p><b>GIVEN</b> under the <b>COMMON SEAL</b> of <b>RESIDENTIAL PROPERTY SECURED</b> <b>FINANCE DAC</b> and this <b>DEED</b> has been <b>DELIVERED</b></p>	<p style="text-align: right;">  _____ Director   _____ Director/Secretary</p>
---	--