

The Directors
Residential Property Secured Finance DAC

OUR REF: SMN.10077.9002.21566073

YOUR REF:

DATE: 12 April 2022

Transaction Structure and Documentation re. €5,900,000 secured loan note investment in Residential Property Secured Finance DAC (“Rentflow”) for the purpose of refinancing properties at (i) 1 Hollybank Road, Drumcondra, Dublin 9; (ii) 384 North Circular Road, Dublin 7 and (iii) 456 North Circular Road, Dublin 1 (the “Properties” and each a “Property”)

Dear Sirs,

We have been instructed by Rentflow to legally document the proposed €5,900,000 secured loan note investment by multiple investors (the “**Investors**”) in Rentflow.

Pursuant to our instructions, the investment transaction is structured as follows:

- The Investors will invest €5,900,000 in Rentflow (as borrower) by way of loan note subscription pursuant to a loan note instrument to be executed by Rentflow (the “**Loan Note Instrument**”).
- Upon completion of their respective loan note subscription, a loan note certificate will be issued by Rentflow (as borrower) to each of the Investors in respect of the amount each such Investor is investing by way of loan (each a “**Loan Note Certificate**”).
- Rentflow as an administrative intermediary entity in its corporate group, will onward lend the loan note proceeds advanced to it under the Loan Note Instrument to a member of its group, Capital City Investment Partners No. 2 Limited (“**PropCo**”) by way of loan agreement between Rentflow (as lender) and PropCo (as borrower) (the “**Group Loan Agreement**”).
- PropCo, as owner of the Properties, will in turn utilise the €5,900,000 funds advanced to it by Rentflow to refinance the existing debt on the Property.
- Security for the €5,900,000 loan notes will be granted to City Trust Trustees (Ireland) Limited (the “**Security Trustee**”) as security trustee for and on behalf of the Investors pursuant to the terms of a security trust deed to be entered into by the Investors, the Security Trustee, Rentflow and PropCo.

Partners

Emmet Scully
Gerry Halpenny
David Williams
Philip Daly
Marco Hickey
Richard Curran
Aoife Bradley

Jennifer Clarke

Jill Callanan
Ruairi Mulrean
Jennifer McGuire
Ciaran Markey
Clair Cassidy
Trevor Dolan
Shane Neville

John Campbell

Andrew Power
Peter Bolger
Ciara O’Kennedy
Jeanne Kelly
Ian Lavelle
Eamon Jones
Patrick Ryan

Adrian Mulryan

David Naughton
Peter O’Reilly
Jamie Ritchie
Cathal Hester

Consultants

Jennifer O’Neill
Seanna Mulrean
Tom Simpson

Locations

Dublin
Galway
London

- A Security Trustee is required as there are a number of individual Investors and it would not be practical or efficient to grant security to all Investors as named parties. It is significantly more convenient and efficient to appoint a single trustee to act for all Investors in this manner.
- The Security Package being granted to the Investors shall comprise:
 - a guarantee and indemnity from Propco in favour of the Security Trustee (on behalf of the Investors) for all liabilities of the Company to the Investors, including but not limited to the €5,900,000 loan notes (the “**Propco Guarantee**”).
 - by virtue of PropCo Guarantee, PropCo is a primary obligor to the Investors for the €5,900,000 loan notes (plus interest and fees) in addition to Rentflow. In the event of default, the Investors (via the Security Trustee) will have direct recourse to both PropCo and Rentflow. The Investors will not be required to pursue or take any action against Rentflow before they pursue and take action against PropCo;
 - a mortgage debenture granted by Propco to the Security Trustee (on behalf of the Investors) 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;
 - this is the primary security of value to the Investors as the €5,900,000 loan note proceeds will be advanced to PropCo by Rentflow and will then be utilised to refinance the existing debt on the Properties, which will be the primary asset of value to which the Investors will have recourse in a default scenario;
 - a security assignment(s) granted by Rentflow in favour of the Security Trustee (on behalf of the Investors) creating a security assignment over the Group Loan Agreement between Rentflow and Propco;
 - this security assignment in favour of the Investors effectively gives control to the Investors over the intra group loan between Rentflow and PropCo. This will prohibit Rentflow or PropCo doing anything with the Group Loan Agreement or the underlying loan without the Investors consent and will enable the Investors to again have recourse directly to Propco in a default scenario;
 - an account charge granted by Rentflow in favour of the Security Trustee (on behalf of the Noteholders) creating a first fixed charge over the bank account into which PropCo is required to repay the intra group loan from Rentflow;
 - this is an additional layer of security for the Investors in case any part of the intra group loan is repaid by PropCo to Rentflow as in such circumstances, the Investors will have security over the bank account into which such loan repayment(s) is/are made.

Pursuant to the above documentation, following completion of the €5,900,000 loan note investment/loan advance by the Investors, the existing debt on the Properties will be refinanced by PropCo and both Rentflow and PropCo will individually be directly liable to repay the €5,900,000 (plus fees and interest) under the terms of the Loan Note Instrument to the Investors. The above documentation also provides full security for the Investors over the

Properties by way of fixed charge, all other assets of PropCo and the intra-group loan receivable between PropCo and Rentflow.

If you require any further clarification on these issues please do not hesitate to contact us.

Yours faithfully,

Sent by email and, accordingly, bears no signature

LK Shields Solicitors LLP