



Registration of a Charge

Company name: **RESIDENTIAL SECURE INCOME PLC**

Company number: **10683026**



X79B1IC8

Received for Electronic Filing: **02/07/2018**

Details of Charge

Date of creation: **28/06/2018**

Charge code: **1068 3026 0001**

Persons entitled: **LLOYDS BANK PLC**

Brief description: **N/A**

Contains fixed charge(s).

Contains negative pledge.

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: **JENNIFER MCCABE**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 10683026

Charge code: 1068 3026 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 28th June 2018 and created by RESIDENTIAL SECURE INCOME PLC was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 2nd July 2018 .

Given at Companies House, Cardiff on 4th July 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

EXECUTION VERSION

DATE: *28 June* 2018

SHARE CHARGE

Between

RESIDENTIAL SECURE INCOME PLC
(as Chargor)

and

LLOYDS BANK PLC
(as Security Trustee)

CMS Cameron McKenna Nabarro Olswang LLP
Cannon Place
78 Cannon Street
London EC4N 6AF
T +44 20 7367 3000
cms.law

TABLE OF CONTENTS

1.	Definitions and Interpretation	1
2.	Security	3
3.	Limited Recourse	3
4.	Shares.....	3
5.	Representations.....	4
6.	Negative Undertakings.....	7
7.	General Undertakings	7
8.	Undertakings Relating to the Charged Property	8
9.	Enforcement of Security	8
10.	Powers of Receiver and Security Trustee	9
11.	Delegation of Powers by Security Trustee or Receiver	10
12.	Exclusion of Liability	10
13.	Reimbursement and Indemnity	11
14.	Application of Sums Realised.....	11
15.	Protection of Persons Dealing With Security Trustee or Receiver.....	12
16.	Notice of Subsequent Charge.....	12
17.	Notice of Assignment	12
18.	Further Assurance	12
19.	Power of Attorney by Chargor.....	13
20.	Protective Provisions	13
21.	Discharge of Security.....	15
22.	Redemption.....	15
23.	Default Interest	15
24.	Notices	16
25.	Changes to the Parties.....	17
26.	Set-Off	17
27.	Miscellaneous	17
28.	Law	18
29.	Jurisdiction.....	18
	Schedule 1	19
	Shares.....	19
	Schedule 2 Notice to Counterparty	20

SHARE CHARGE

DATE 28 June 2018

PARTIES

- (1) **RESIDENTIAL SECURE INCOME PLC** (incorporated and registered in England and Wales under company registration number 10683026), the registered office of which is at 5 Old Bailey, London, United Kingdom, EC4M 7BA (the "**Chargor**"); and
- (2) **LLOYDS BANK PLC** as security trustee for the Secured Parties (the "**Security Trustee**").

IT IS AGREED AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this deed:

"**Agreement**" means a loan agreement dated on or around the date of this deed between, amongst others, (1) the Company as borrower, (2) The Retirement Housing Partnership acting by its general partner Retirement Rentals Limited, (3) Retirement Rentals Limited, (4) Retirement Rentals Nominee Company 1 Limited, (5) Scottish Widows Limited as lender, (6) Lloyds Bank plc as agent and (7) the Security Trustee;

"**Charged Property**" means the assets mortgaged, charged or assigned by the Chargor under this deed;

"**Company**" means RHP Holdings Limited (incorporated and registered in England and Wales under company registration number 11033764), the registered office of which is at 21 Great Winchester Street, London, EC2N 2JA;

"**Default Rate**" means the interest rate provided for in clause 8.3 of the Agreement in relation to unpaid sums;

"**Dividends**" means all dividends, interest and other money payable in respect of the Shares;

"**Financial Collateral Regulations**" means the Financial Collateral Arrangements (No 2) Regulations 2003 SI 2003/3226;

"**Insolvency Act**" means the Insolvency Act 1986;

"**LPA**" means the Law of Property Act 1925;

"**Receiver**" means any one or more persons appointed as a receiver or receiver and manager under this deed;

"**Related Rights**" means:

- (a) any dividend or interest paid or payable in relation to any Shares; and
- (b) any right, money or property accruing or offered at any time in relation to any Shares by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise;

"**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 or in connection with the Finance Documents;

“Security Period” means the period beginning on the date of this Deed and ending on the date on which all Secured Liabilities have been unconditionally and irrevocably paid and discharged in full;

“Shares” means the shares owned by the Chargor in the share capital of the Company, including those listed in Schedule 1 (Shares);

“Subordinated Credit Agreement” has the meaning given to it in the Subordination Agreement;

“Subordinated Debt” has the meaning given to it in the Subordination Agreement; and

“Unenforceable” means void, voidable, invalid, unenforceable or otherwise irrecoverable (whether or not known to any Finance Party or the Chargor) and **“Unenforceability”** will be construed accordingly.

1.2 Interpretation

1.2.1 This deed is a Finance Document.

1.2.2 The provisions of clauses 1.2 to 1.6 (inclusive) (*Construction*) of the Agreement shall be deemed to be incorporated into this deed.

1.2.3 In this deed, unless a contrary indication appears:

- (a) capitalised terms defined in the Agreement have, unless expressly defined in this deed, the same meaning in this deed;
- (b) **“obligations”** means obligations and liabilities;
- (c) references to obligations include the whole or any part of them, present and future, actual and contingent;
- (d) words importing the singular number only include the plural and vice-versa;
- (e) any reference to **“powers”** include rights, powers, discretions and authorities; and
- (f) any reference to any asset include any proceeds of sale of any such asset.

1.3 Continuation of undertakings

Any undertaking made by or obligation imposed on the Chargor in this deed will continue in force until the Security Trustee is satisfied that the Finance Parties have no further obligation to provide financial accommodation to the Company and all the Secured Liabilities have been irrevocably paid or discharged in full.

1.4 Application of provisions in the Agreement

Clauses 1.8 to 1.10 (inclusive) (*Third Party Rights*), 8.3 to 8.5 (inclusive) (*Default Interest*), 12 (*Tax gross up and indemnities*), 13 (*Increased Costs*), 14 (*Other Indemnities*), 16 (*Costs and Expenses*), 27 (*Changes to the Transaction Obligors*), 32 (*Payment Mechanics*), 35 (*Calculations and Certificates*) and 37 (*Remedies and Waivers*) of the Agreement are deemed to form part of this deed as if expressly incorporated into it and as if all references in those Clauses to the Agreement were a reference to this deed.

1.5 Conflict of terms

In the event of any conflict between the terms of the Agreement and the terms of this deed, the terms of the Agreement shall prevail.

2. SECURITY

As continuing security for the payment of the Secured Liabilities the Chargor, with full title guarantee:

2.1 charges by way of a first fixed charge:

2.1.1 all the Shares owned by it or held by any nominee on its behalf; and

2.1.2 all Related Rights.

2.2 assigns absolutely, subject to a proviso for re-assignment on redemption, all of its rights:

2.2.1 in respect of any Subordinated Debt; and

2.2.2 under each Subordinated Credit Agreement.

3. LIMITED RECOURSE

3.1 Save in the case of fraud, gross negligence or wilful deceit of the Chargor, the maximum liability of the Chargor under this deed shall at all times be limited to the Chargor's interests in the Charged Property and the sole recourse of the Security Trustee to the assets of the Chargor and the Security Trustee's right of enforcement against the Chargor in respect of the Secured Liabilities pursuant to this Deed shall at all times be limited to the rights of enforcement and recovery against the Charged Property and accordingly the Security Trustee agrees that the amount recoverable against the Chargor under this deed above shall be limited to the aggregate amount equal to:

3.1.1 the aggregate amount generated by enforcement of the security created by this Deed over the Charged Property; or

3.1.2 the aggregate amount of the proceeds of any disposal by a Receiver of all or any part of the Charged Property.

4. SHARES

4.1 Deposit of certificates

The Chargor shall deposit with the Security Trustee:

4.1.1 on or before the date of this deed, the certificates or other documents of title to the Shares owned by the Chargor on such date;

4.1.2 on the date of the acquisition of any Shares acquired by the Chargor after the date of this deed, the certificates or other documents of title to such Shares; and

4.1.3 duly executed undated blank transfers in respect of each such Share and forms of waiver of any pre-emption rights necessary to enable such transfers to be registered.

4.2 Payment of money due

The Chargor shall promptly pay all money which may from time to time be due in respect of any Shares forming part of the Charged Property.

4.3 Nominees

If any Shares forming part of the Charged Property are registered in the name of a nominee the Chargor shall promptly following demand provide to the Security Trustee an equitable mortgage over such Shares or power of attorney or acknowledgement of the rights created by this deed over such Shares in favour of the Security Trustee in such terms as the Security Trustee may require duly executed by or on behalf of such nominee.

4.4 Completion of transfers

The Security Trustee may following (but not before) the occurrence of an Event of Default which is continuing complete any transfers of any Shares delivered to it under clause 4.1.3 in favour of itself or any nominee for it as transferee and may present the same for registration.

4.5 Dividends and voting rights before enforceability

Until this deed becomes enforceable in accordance with clause 9.1 and subject to the provisions of the Agreement:

- 4.5.1 the Chargor shall be entitled to receive all Dividends in respect of any Shares forming part of the Charged Property free from the Security created by this deed; and
- 4.5.2 the Chargor will be entitled to exercise all voting rights attached to any Shares and if the Security Trustee is registered as the holder of any such Shares it will exercise all voting rights attached to it as directed by the Chargor.

4.6 Dividends and voting rights after enforceability

After this deed becomes enforceable in accordance with clause 9.1:

- 4.6.1 if any Shares forming part of the Charged Property are not then registered in the name of the Security Trustee or a nominee for the Security Trustee, the Security Trustee will be entitled to become so registered or to procure registration in the name of a nominee;
- 4.6.2 all Dividends will be payable to the Security Trustee and may be applied by the Security Trustee in reduction of the Secured Liabilities whether or not any Shares forming part of the Charged Property are registered in the name of the Security Trustee or any nominee for the Security Trustee or in the name of the Chargor or any nominee for the Chargor;
- 4.6.3 the Security Trustee will be entitled at its discretion to exercise or procure the exercise of all voting rights attached to any Shares forming part of the Charged Property that are registered in the name of the Security Trustee or any nominee for the Security Trustee for the purpose only of preserving the value of such Shares or realising the Security over such Shares created by this deed; and
- 4.6.4 the Chargor shall exercise or procure the exercise of any voting rights attached to any Shares forming part of the Charged Property that are registered in the name of the Chargor or any nominee for the Chargor as directed by the Security Trustee for the purpose mentioned in clause 4.6.3.

5. REPRESENTATIONS

5.1 Duration and scope

The Chargor makes the representations and warranties set out in this clause 5 (*Representations*) to the Security Trustee on the date of this deed.

5.2 Status

- 5.2.1 It is a public limited company, duly incorporated, and validly existing under the law its Original Jurisdiction.
- 5.2.2 It has the power to own its assets and carry on its business as it is being conducted.

5.3 Centre of main interests and establishments

For the purposes of Regulation (EU) 2015/848 of 20 May 2015 on insolvency proceedings (recast) (the "Regulation"), its centre of main interest (as that term is used in Article 3(1) of the Regulation) is situated in its Original Jurisdiction and it has no "establishment" (as that term is used in Article 2(10) of the Regulations) in any other jurisdiction.

5.4 Binding obligations

The obligations expressed to be assumed by it in each Transaction Document to which it is a party are, subject to the Legal Reservations, legal, valid, binding and enforceable obligations.

5.5 Non conflict with other obligations

The entry into and performance by it of, and the transactions contemplated by, the Transaction Documents to which it is a party do not and will not conflict with:

- 5.5.1 any law or regulation applicable to it;
- 5.5.2 its constitutional documents; or
- 5.5.3 any agreement or instrument binding upon it or any of its assets or constitute a default or termination event (however described) under any such agreement or instrument where such conflict has or is reasonably likely to have a Material Adverse Effect.

5.6 Power and authority

- 5.6.1 It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Transaction Documents to which it is a party and the transactions contemplated by those Transaction Documents.
- 5.6.2 No limit on its powers will be exceeded as a result of the grant of security or giving of guarantees or indemnities contemplated by the Transaction Documents to which it is a party.

5.7 Validity and admissibility in evidence

- 5.7.1 Subject to the Legal Reservations, all Authorisations required or desirable:
 - (a) to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Transaction Documents to which it is a party; and
 - (b) to make the Transaction Documents to which it is a party admissible in evidence in its Relevant Jurisdictions;have been obtained or effected and are in full force and effect except any Authorisation referred to in clause 5.9 which Authorisations will be promptly obtained or effected after the Utilisation Date.
- 5.7.2 All Authorisations necessary for the conduct of the business, trade and ordinary activities of the Chargor have been obtained or effected and are in full force and effect if failure to obtain or effect those Authorisations has or is reasonably likely to have a Material Adverse Effect.

5.8 Governing law and enforcement

Subject to the Legal Reservations, the choice of English law as the governing law of this deed will be recognised and enforced in its Relevant Jurisdictions.

5.9 No filing or stamp taxes

Subject to the Legal Reservations, it is not necessary under the law of England and Wales that the Finance Documents to which it is a party be filed, recorded or enrolled with any court or other authority or that any stamp, registration or similar tax be paid on or in relation to such Finance Documents or the transactions contemplated by such Finance Documents other than registration of particulars of this deed at the Registrar of Companies in England and Wales under section 860 of the Companies Act 2006 and payment of associated fees.

5.10 No default

No event or circumstance is outstanding which constitutes (or, with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing, would constitute) a default or a termination event (however described) under any other agreement or instrument which is binding on it or to which any of its assets are subject which has or is reasonably likely to have a Material Adverse Effect.

5.11 No misleading information

5.11.1 All information provided by the Chargor to the Security Trustee in connection with this deed was true and accurate in all material respects as at the date it was provided or as at any date at which it was stated to be given.

5.11.2 Any financial projections contained in the information referred to in clause 5.11.1 have been prepared as at their date on the basis of recent historical information and on the basis of reasonable assumptions believed by its directors to be reasonable.

5.11.3 The Chargor has not omitted to supply any information which, if disclosed, would make the information referred to in clause 5.11.1 untrue or misleading in any material respect.

5.12 No proceedings pending or threatened

No litigation, arbitration or administrative proceedings or investigations of, or before, any court, arbitral body or agency which would be reasonably likely to be adversely determined against it, and as a consequence, would be reasonably likely to have a Material Adverse Effect have (to the best of its knowledge and belief (having made due and careful enquiry)) been started or threatened against it.

5.13 Security

Subject to the Legal Reservations and the Perfection Requirements (if applicable), this deed creates valid first priority Security over the assets to which it relates and those assets are not subject to any prior or pari passu Security.

5.14 Shares

5.14.1 The Shares are fully paid and constitute the entire issued share capital owned by the Chargor in the Company.

5.14.2 The Shares are not subject to any lien, rights of pre-emption, forfeiture or disenfranchisement under the articles of association of the Company or any shareholders' agreement.

5.15 Subordinated Debt

5.15.1 Any Subordinated Debt is free of any Security (except those created by or under this deed) and any other rights or interests in favour of third parties.

- 5.15.2 All payments to it by any other party to a Subordinated Credit Agreement are not subject to any right of set-off or similar right.
- 5.15.3 Any Subordinated Credit Agreement is a legally binding, valid and enforceable obligation.
- 5.15.4 Neither it nor any other party to a Subordinated Credit Agreement is in default of any of its obligations under that Subordinated Credit Agreement.
- 5.15.5 There is no prohibition on assignment in respect of any of the Subordinated Debt or its rights under any Subordinated Credit Agreement.

5.16 Repetition

- 5.16.1 Subject to clause 5.16.2 the representations and warranties in this clause are deemed to be made by the Chargor by reference to the facts and circumstances then existing on each day on which any representations in the Agreement are deemed to be made.
- 5.16.2 The representations and warranties given in clause 5.9 (*No filing or stamp taxes*) shall only be deemed to be given on the date of this deed.

6. NEGATIVE UNDERTAKINGS

6.1 Negative pledge

The Chargor shall not create or permit to subsist any Security over any of the Charged Property other than arising under the Finance Documents.

6.2 Disposals

The Chargor shall not sell, transfer or otherwise dispose or purport or agree to dispose of any Charged Property save as may be permitted pursuant to the Finance Documents.

6.3 Centre of main interests

The Chargor shall not move its centre of main interests (as that term is used in Article 3(1) of the Regulation) for the purposes of the Regulation outside its jurisdiction of incorporation.

6.4 Merger

The Chargor shall not without first obtaining the Security Trustee's written consent merge or consolidate with any other person.

7. GENERAL UNDERTAKINGS

7.1 Accuracy

The Chargor shall ensure that all information supplied to the Security Trustee by it is at the time of supply complete and accurate in all material respects.

7.2 Authorisations

The Chargor shall promptly:

- 7.2.1 obtain, comply with and do all that is necessary to maintain in full force and effect; and
- 7.2.2 upon request from the Security Trustee supply certified copies to the Security Trustee of,

any Authorisation required under any law or regulation of its jurisdiction of incorporation to enable it to perform its obligations under the Finance Documents to which it is a party and subject

to the Legal Reservations to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation of any such Finance Document if failure to obtain or comply with the same is reasonably likely to have a Material Adverse Effect.

7.3 Compliance with laws

The Chargor shall comply in all respects with all laws to which it may be subject, if failure so to comply would materially impair its ability to perform its obligations under the Finance Documents to which it is a party.

7.4 Consents

The Chargor shall ensure that all consents and all documents, registrations, licences and other matters and things required of the Chargor by the Security Trustee to perfect the Security Documents to which it is a party are produced executed obtained or made as required by the Security Trustee in accordance with such Security Documents.

8. UNDERTAKINGS RELATING TO THE CHARGED PROPERTY

8.1 Payment of calls

The Chargor shall promptly pay all money which may from time to time be due in respect of any of the Shares.

8.2 Subordinated Credit Agreement

8.2.1 The Chargor must:

- (a) subject to the terms of the Subordinated Credit Agreement, duly and promptly perform its obligations under each Subordinated Credit Agreement; and
- (b) supply to the Security Trustee and any Receiver with copies of each Subordinated Credit Agreement and any information and documentation relating to any Subordinated Credit Agreement reasonably requested by the Security Trustee or any Receiver.

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

8.3 Failure to comply

If the Chargor fails to comply with any of its obligations under this deed the Security Trustee may take such steps as it considers appropriate to procure compliance with such obligations at the cost of the Chargor.

9. ENFORCEMENT OF SECURITY

9.1 Security Trustee's powers

On the occurrence of an Event of Default which is continuing, this deed shall become enforceable and the Security Trustee may immediately or at any time thereafter:

- 9.1.1 exercise the power of sale and all other powers conferred by section 101 of the LPA as varied or extended by this deed;
- 9.1.2 subject to section 72A of the Insolvency Act, appoint one or more persons as a receiver or receiver and manager of any Charged Property;

- 9.1.3 exercise all the powers conferred on a Receiver by this deed, the LPA and the Insolvency Act; or
- 9.1.4 to the extent that this deed constitutes a “**security financial collateral arrangement**” as defined in the Financial Collateral Regulations, appropriate any Charged Property which constitutes “**financial collateral**” as defined in the Financial Collateral Regulations in or towards satisfaction of the Secured Liabilities and the Security Trustee shall value such Charged Property by reference to an independent valuation or other procedure selected by the Security Trustee acting reasonably.
- 9.1.5 Each Finance Party will give credit for the proportion of the value of the financial collateral appropriated to its use.

9.2 Powers under the LPA

- 9.2.1 Section 103 of the LPA will not apply to this deed.
- 9.2.2 The power of sale and all other powers conferred by section 101 of the LPA as varied or extended by this deed will arise upon execution of this deed by the Chargor but shall not be exercisable until an Event of Default has occurred and is continuing.

9.3 Receivers

- 9.3.1 If this deed has become enforceable in accordance with clause 9.2, the Security Trustee may appoint any Receiver upon such terms as to remuneration and otherwise as the Security Trustee thinks fit and the maximum rate specified in section 109(6) of the LPA shall not apply.
- 9.3.2 Any Receiver will be the agent of the Chargor for all purposes and the Chargor will be responsible for such Receiver's acts and defaults and for his remuneration, costs, fees, taxes and expenses to the exclusion of liability on the part of the Security Trustee except for gross negligence, wilful misconduct or fraud on its part.
- 9.3.3 Where two or more persons are appointed as Receiver any act authorised to be done by the Receiver may be done by all of them acting jointly or by any one or more of them acting severally.
- 9.3.4 The Security Trustee may at any time by writing remove any Receiver (subject to the obtaining of any required order of the court in the case of an administrative receiver) whether or not the Security Trustee appoints any other person as Receiver in his place.

10. POWERS OF RECEIVER AND SECURITY TRUSTEE

10.1 Statutory powers

A Receiver shall have and be entitled to exercise all the powers conferred on a receiver by the LPA and, whether or not such a Receiver is an administrative receiver, all the powers conferred upon an administrative receiver by Schedule 1 to the Insolvency Act which powers are incorporated into this deed provided that references in that schedule to the “**property of the Company**” will be deemed to be references to the Charged Property for the purposes of this deed.

10.2 Additional powers

By way of addition to and without limiting any other powers referred to in this clause a Receiver shall have power (both before and after the commencement of any liquidation of the Chargor) to do every act and thing and exercise every power:

10.2.1 which the Chargor would have been entitled to do or exercise if no Receiver had been appointed or which the Receiver would have been entitled to do or exercise if the Receiver were the absolute legal and beneficial owner of the Charged Property; and

10.2.2 which such Receiver in his absolute discretion considers necessary or desirable for maintaining or enhancing the value of any Charged Property or for or in connection with the enforcement of the Security created by this deed or the realisation of any Charged Property,

and may use the name of the Chargor in connection with any exercise of such powers.

10.3 Prior encumbrances

At any time after the Security given by this deed has become enforceable, the Security Trustee may redeem any prior Security against the Charged Property or procure a transfer of such Security to itself and may agree the accounts of the person entitled to that Security and any accounts so agreed will, in the absence of manifest error, be binding on the Chargor. Any money paid by the Security Trustee in connection with a redemption or transfer of any prior Security will form part of the Secured Liabilities.

10.4 Possession

If the Security Trustee, any Receiver or any delegate of either of them takes possession of any Charged Property it may go out of possession at any time.

11. DELEGATION OF POWERS BY SECURITY TRUSTEE OR RECEIVER

11.1 Delegation

The Security Trustee or any Receiver may from time to time delegate by power of attorney or in any other manner to any person any powers which are for the time being exercisable by the Security Trustee or a Receiver under this deed in relation to any Charged Property and any such delegation may be made upon such terms as the Security Trustee or such Receiver may think fit.

11.2 Liability for delegates

Neither the Security Trustee nor any Receiver will be in any way liable or responsible to the Chargor for any loss or damage arising from any act or omission on the part of any such delegate unless such loss or damage is caused by the fraud, gross negligence or wilful misconduct of the delegate.

12. EXCLUSION OF LIABILITY

12.1 No obligation to recover

Neither the Security Trustee nor any Receiver is under any obligation to take action to collect any money or enforce any rights comprised in the Charged Property whether or not it is in possession of the relevant Charged Property.

12.2 Liability as mortgagee in possession

Neither the Security Trustee nor any Receiver will be liable, by reason of entering into possession of a Security Asset, to account as mortgagee in possession or for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable, except in the case of fraud, gross negligence or wilful misconduct upon its part.

12.3 Losses on enforcement

The Security Trustee or any Receiver will not be liable to the Chargor for any loss or damage arising from:

- 12.3.1 any sale of any Charged Property;
 - 12.3.2 any act, default or omission of the Security Trustee or any Receiver in relation to any Charged Property; or
 - 12.3.3 any exercise or non-exercise by the Security Trustee or any Receiver of any power conferred upon it in relation to any Charged Property under this deed or by the LPA,
- unless such loss or damage is caused by the fraud, gross negligence or wilful misconduct of the Security Trustee or any Receiver.

13. REIMBURSEMENT AND INDEMNITY

13.1 Reimbursement

The Chargor shall pay to the Security Trustee within five Business Days of demand:

- 13.1.1 any money paid by the Security Trustee or any Receiver:
 - (a) as a result of the Security Trustee or any Receiver taking action which the Security Trustee or any Receiver considers necessary to procure compliance with any obligation of the Chargor in this deed; or
 - (b) in respect of any action or thing expressed in this deed to be done at the cost of the Chargor; and
- 13.1.2 all costs, fees, taxes and expenses incurred by the Security Trustee or any Receiver under or in connection with the enforcement and/or the preservation of the Security Trustee's rights under this deed.

13.2 Indemnity

The Chargor shall indemnify each of the Security Trustee and any Receiver against all liabilities, claims and expenses whether arising out of contract or in tort or in any other way which it may at any time incur in connection with this deed or for anything done or omitted to be done in the exercise or purported exercise of its powers under this deed unless such liabilities, claims and expenses are caused by its fraud, gross negligence or wilful misconduct.

14. APPLICATION OF SUMS REALISED

Subject to claims having priority to the Security created by this deed all money recovered by the Security Trustee or any Receiver as a result of the enforcement of this deed or otherwise by reason of the Security created by this deed will be applied in the following order:

- 14.1 in payment of all costs, fees, taxes and expenses incurred by the Security Trustee or any Receiver in or pursuant to the exercise of the powers set out in this deed and all other outgoings properly payable by any Receiver;

- 14.2 in payment of remuneration to any Receiver;
- 14.3 in or towards payment to the Finance Parties of the Secured Liabilities; and
- 14.4 the balance (if any) to the Chargor unless otherwise required by law.

15. PROTECTION OF PERSONS DEALING WITH SECURITY TRUSTEE OR RECEIVER

No person dealing with the Security Trustee or any Receiver will be concerned to enquire:

- 15.1 whether any event has happened upon which any of the powers conferred by this deed may have arisen or be exercisable;
- 15.2 otherwise as to the propriety or regularity of any exercise of the powers conferred by this deed or of any act purporting or intended to be in exercise of such powers; or
- 15.3 whether any Secured Liabilities remain owing.

16. NOTICE OF SUBSEQUENT CHARGE

If any Finance Party receives notice of any Security or other interest affecting any Charged Property:

- 16.1 it may open a new account for the Chargor in its books and may transfer any outstanding balance owing by the Chargor to such new account;
- 16.2 if it does not open a new account then, unless it gives express written notice to the contrary to the Chargor, all payments made by the Chargor to it will as from the time of receipt of such notice be treated as having been credited to a new account of the Chargor and not as having been applied in reduction of the Secured Liabilities.

17. NOTICE OF ASSIGNMENT

- 17.1 The Chargor must:

- 17.1.1 immediately serve a notice of assignment, substantially in the form of Part 1 of Schedule 2, on each counterparty to a Subordinated Credit Agreement to which it is a party; and
- 17.1.2 procure that each such party acknowledges that notice, substantially in the form of Part 2 of Schedule 2.

18. FURTHER ASSURANCE

When required by the Security Trustee or any Receiver the Chargor shall, at its own cost:

- 18.1 execute a transfer of any Shares into the name of the Security Trustee or a nominee of the Security Trustee or a purchaser from the Security Trustee or a nominee of such purchaser;
- 18.2 execute any documents or do any other thing which the Security Trustee or any Receiver may require for perfecting or protecting any Security created by this deed or in connection with the exercise of any powers given to the Security Trustee or any Receiver under this deed;
- 18.3 convey, transfer, assign or otherwise deal with any Charged Property in such manner as the Security Trustee or any Receiver may require in connection with any enforcement of any Security created by this deed; and
- 18.4 procure that the Company shall promptly register any transfer of title to the Shares pursuant to any enforcement by the Security Trustee of its rights under this deed.

19. POWER OF ATTORNEY BY CHARGOR

The Chargor irrevocably and by way of Security appoints each of the Security Trustee, any person selected by the Security Trustee as its delegate and any Receiver its attorney in each case (with full power to appoint substitutes and to delegate) severally in its name and on its behalf to execute any document or do any act or thing which:

19.1 that Chargor is entitled to execute or do in relation to the Charged Property including:

19.1.1 the exercise of voting rights in respect of the Shares (but in the case of the Security Trustee only to the extent that the Security Trustee is entitled to exercise such voting rights under clauses 5.5 and 5.6);

19.1.2 executing or completing any transfer in respect of the Shares;

19.1.3 giving a receipt for any money and exercising any rights or remedies forming part of the Charged Property; or

19.1.4 that Chargor is obliged to execute or do under this deed.

19.2 The Security Trustee, any person selected by the Security Trustee and any Receiver its attorney in each case shall only exercise the power of attorney under this clause 19 where, following a request of the Chargor to comply with any one or more of its obligations under this deed, the Chargor has failed to comply with such request.

20. PROTECTIVE PROVISIONS

20.1 Waiver of defences

The obligations of the Chargor under this deed and the Security constituted by this deed will not be affected by an act, omission, matter or thing which, but for this clause, would reduce, release or prejudice any of such obligations or Security including (whether or not known to it or any Finance Party):

20.1.1 any time, waiver or consent granted to, or composition with, any other Transaction Obligor or other person;

20.1.2 the release of any other Transaction Obligor or any other person under the terms of any composition or arrangement with any creditor of any Transaction Obligor;

20.1.3 the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security over property of, any other Transaction Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security;

20.1.4 any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any other Transaction Obligor or any other person;

20.1.5 any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any Finance Document or any other document or security including without limitation any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Finance Document or other document or security;

20.1.6 any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security; or

20.1.7 any insolvency or similar proceedings.

20.2 Chargor intent

Without prejudice to the generality of clause 20.1, the Chargor expressly confirms that it intends that the Security created by this deed shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following:

- 20.2.1 acquisitions of any nature;
- 20.2.2 increasing working capital;
- 20.2.3 enabling investor distributions to be made;
- 20.2.4 carrying out restructurings;
- 20.2.5 refinancing existing facilities;
- 20.2.6 refinancing any other indebtedness;
- 20.2.7 making available acceptance credit facilities, note purchase facilities, guarantee, stand by or documentary credit issuance facilities;
- 20.2.8 making facilities available to new borrowers;
- 20.2.9 any other variation or extension of the purposes for which any such facility or amount might be made available from time to time;
- 20.2.10 any fees, costs and/or expenses associated with any of the foregoing.

20.3 Immediate recourse

The Chargor waives any right it may have of first requiring any Finance Party to proceed against or enforce any other rights or Security or claim payment from any person before enforcing the Security constituted by this deed. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

20.4 Appropriations

Until the Secured Liabilities have been irrevocably paid in full, the Security Trustee may:

- 20.4.1 refrain from applying or enforcing any other moneys, Security or rights held or received by the Security Trustee in respect of the Secured Liabilities, or apply and enforce the same in such manner and order as it sees fit (whether against the Secured Liabilities or otherwise) and the Chargor shall not be entitled to the benefit of the same; and
- 20.4.2 hold in an interest-bearing suspense account any money received under this deed (save where such monies are sufficient to repay the Secured Liabilities in full).

20.5 Deferral of Chargor's rights

Until the Secured Liabilities have been irrevocably paid in full and unless the Security Trustee otherwise directs, the Chargor will not exercise any rights which it may have by reason of the enforcement of this deed:

- 20.5.1 to be indemnified by the Company;
- 20.5.2 to claim any contribution from any other Transaction Obligor or any other person in respect of any obligations of that person under the Finance Documents;

- 20.5.3 to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of any Finance Party under the Finance Documents or of any other guarantee or Security taken pursuant to, or in connection with, the Finance Documents by any Finance Party;
- 20.5.4 to bring legal or other proceedings for an order requiring any Transaction Obligor to make any payment, or perform any obligation, in respect of which the Chargor has given Security under this deed;
- 20.5.5 to exercise any right of set-off against any Transaction Obligor; and/or
- 20.5.6 to claim or prove as a creditor of any Transaction Obligor in competition with any Finance Party.

20.6 Turnover

If the Chargor receives any benefit, payment or distribution in relation to the rights referred to in clause 20.5 it shall hold that benefit, payment or distribution to the extent necessary to enable the Secured Liabilities to be repaid in full on trust for the Security Trustee as trustee for the Finance Parties and shall promptly pay or transfer the same to the Security Trustee or as the Security Trustee may direct for application as provided in clause 14.

21. DISCHARGE OF SECURITY

21.1 Discharge conditional

If the Security Trustee considers that any amount paid or credited to it is capable of being avoided or reduced by virtue of any bankruptcy, insolvency, liquidation or similar laws, the liability of the Chargor under, and the Security constituted by, this deed shall continue and that amount shall not be considered to have been irrevocably paid towards discharge of the Secured Liabilities.

21.2 Retention of Security

Following any discharge of the Chargor made by the Security Trustee in reliance on a payment or Security the Security Trustee may retain the Security constituted by this deed until the expiry of the maximum period within which such payment or Security can be avoided, reduced or invalidated for any reason. If the person making such payment or giving such Security goes into liquidation or administration or equivalent proceedings in any foreign jurisdiction within that period the Security Trustee may retain the Security constituted by this deed for as long as it thinks fit.

22. REDEMPTION

Upon expiry of the Security Period, the Security Trustee must promptly at the request and cost of the Chargor re-transfer to the Chargor any Shares registered in the name of the Security Trustee or any nominee of the Security Trustee or otherwise release the Charged Property from the Security created by this deed.

23. DEFAULT INTEREST

Any sum payable by the Chargor under this deed will bear interest from the date on which it is due or if payable on demand from the date of demand until payment (both before and after judgment) at the Default Rate as calculated and compounded from time to time in accordance with the Agreement.

24. NOTICES

24.1 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.

24.2 Addresses

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

24.2.1 in the case of the Chargor:

Address: Residential Secure Income Plc
c/o Resi Capital Management Limited
21 Great Winchester Street
London
EC2N 2JA

Attention: Company Secretary

24.2.2 in the case of the Security Trustee:

Address: Corporate Real Estate, 1st Floor, 10 Gresham Street, London EC2V 7AE.

Attention: Relationship Director,

or any substitute address, fax number or department or officer as the Chargor may notify to the Security Trustee (or the Security Trustee may notify to the Chargor, if a change is made by the Security Trustee) by not less than five Business Days' notice. In the case of the Chargor, the address of its registered office or of any place where it carries on business shall also be addresses of Chargor for the purpose of this clause.

24.3 Delivery

24.3.1 Any communication or document made or delivered by one person to another under or in connection with the Finance Documents 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 five 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 24.2 (*Addresses*), if addressed to that department or officer.

24.3.2 Any communication or document to be made or delivered to the Security Trustee will be effective only when actually received by the Security Trustee and then only if it is expressly marked for the attention of the department or officer identified with the

Security Trustee's signature below (or any substitute department or officer as the Security Trustee shall specify for this purpose).

- 24.3.3 Any communication or document which becomes effective, in accordance with clauses 24.3.1 and 24.3.2 above, after 5:00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

24.4 English language

Any notice given under or in connection with this deed must be in English. All other documents provided under or in connection with this deed must be:

- 24.4.1 in English; or
- 24.4.2 if not in English, and if so required by the Security Trustee, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

25. CHANGES TO THE PARTIES

25.1 Security Trustee

The Security Trustee may assign or transfer the rights and interests of the Security Trustee in accordance with the terms of the Agreement.

25.2 Chargor

The Chargor may not assign any of its rights or transfer any of its rights or obligations under this deed.

25.3 Disclosure

Any Finance Party may disclose any information about the Chargor to any person connected to or associated with it, and to any person to whom it proposes to assign or transfer (or has assigned or transferred) any of its rights under any Finance Document if the person to whom the information is to be given has entered into a Confidentiality Undertaking and otherwise is in accordance with the terms of the Agreement.

26. SET-OFF

The Security Trustee may set off any obligation whether or not matured due from the Chargor under this deed against any obligation whether or not matured owed by the Security Trustee to the Chargor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Security Trustee may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

27. MISCELLANEOUS

27.1 Trust

The Security Trustee holds the benefit of this deed as trustee for the Finance Parties on the terms set out in the Agreement.

27.2 Continuing Security

This deed is a continuing Security and extends to the balance from time to time of the Secured Liabilities irrespective of any intermediate payment of moneys due to the Security Trustee.

27.3 Other Security

This deed is in addition to and will not in any way be prejudiced or affected by the holding or release by the Security Trustee or any other person of any other Security at any time held by the Security Trustee.

27.4 Consolidation

The restrictions on the right of consolidating mortgage securities contained in section 93 of the LPA will not apply to this deed.

28. LAW

This deed and any non-contractual obligations arising out of or in connection with this deed shall be governed by English law.

29. JURISDICTION

Jurisdiction of English courts

29.1 The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this deed (including a dispute regarding the existence, validity or termination of this deed and a dispute regarding a non-contractual obligation referred to in clause 28) (a “Dispute”).

29.2 The Security Trustee and the Chargor agree that the courts of England are the most appropriate and convenient courts to settle Disputes. The Chargor will not argue to the contrary.

29.3 This clause is for the benefit of the Security Trustee only. As a result, the Security Trustee shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Trustee may take concurrent proceedings in any number of jurisdictions.

This deed has been executed and delivered as a deed by the Chargor and signed on behalf of the Security Trustee on the date shown at the beginning of this deed.

SCHEDULE 1

Shares

49,271,147 ordinary shares of £1 each, being the entire issued share capital of RHP Holdings Limited.

Schedule 2
NOTICE TO COUNTERPARTY

Part 1

To: [Contract Counterparty]

Copy: [Security Trustee] (as Security Trustee as defined below)

[Date]

Dear Sirs,

**Subordinated Debt Security Agreement dated [●] between, among others, [Chargor]
and [Security Trustee] (the "Security Agreement")**

This letter constitutes notice to you that under the Security Agreement we have assigned absolutely, subject to a proviso for re-assignment on redemption, to the Security Trustee (as trustee for the Secured Parties as referred to in the Security Agreement, the "**Security Trustee**") all our rights in respect of [insert details of contract] (the "**Contract**").

We confirm that:

1. we will remain liable under the Contract to perform all the obligations assumed by us under the Contract; and
2. none of the Security Trustee, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of the Contract.

We will also remain entitled to exercise all our rights, powers and discretions under the Contract, and you should continue to give notices and make payments under the Contract to us, unless and until you receive notice from the Security Trustee to the contrary stating that the security under the Security Agreement has become enforceable. In this event, all the rights, powers and discretions will be exercisable by, and notices must be given and payments must be made to, the Security Trustee or as it directs.

We irrevocably instruct and authorise you to disclose to the Security Trustee any information relating to the Contract requested from you by the Security Trustee.

The instructions in this letter may not be revoked or amended without the prior written consent of the Security Trustee.

This letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

Please acknowledge receipt of this letter by sending the attached acknowledgement to the Security Trustee at [address] with a copy to us.

Yours faithfully,

.....
(Authorised signatory)
[Chargor]

PART 2
Acknowledgement of Counterparty

To: [Security Trustee] (as Security Trustee)

Copy: [Chargor]

[Date]

Dear Sirs,

**Subordinated Debt Security Agreement dated [●] between, among others, [Chargor]
and [Security Trustee] (the "Security Agreement")**

We confirm receipt from [Chargor] (the "Chargor") of a notice dated [●] (the "Notice") of an assignment on the terms of the Security Agreement of all the Chargor's rights in respect of [insert details of the contract] (the "Contract").

We confirm that we:

1. accept the instructions contained in the Notice and agree to comply with the Notice; and
2. will give notices and make payments under the Contract as directed in the Notice.

This letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

Yours faithfully,

.....
(Authorised signatory)

[Contract counterparty]

THE CHARGOR

THE CHARGOR

Executed as a deed by)
RESIDENTIAL SECURE INCOME PLC)
acting by its director)
in the presence of:) Director

Name of witness: PETER WOODMAN

Signature of witness:


Address: 11 ALEXANDRA ROAD

ROCHFORD, ESSEX SS4 3HS

Occupation: ACCOUSTANT

THE SECURITY TRUSTEE

Executed as a deed by)
)
as attorney for:)
LLOYDS BANK PLC)
in the presence of:)

Signature of witness:

Name (in BLOCK CAPITALS):

Address:
.....
.....