



Registration of a Charge

Company name: **RESIDENTIAL RENTS RECEIVABLE SECURED LOAN NOTE LIMITED**
Company number: **11578967**



Received for Electronic Filing: **24/12/2018**

Details of Charge

Date of creation: **21/12/2018**
Charge code: **1157 8967 0001**
Persons entitled: **THE PROPERTY INVESTOR PARTNERSHIP LTD**
Brief description: **NONE**
Contains fixed charge(s).
Contains negative pledge.
Chargor acting as a bare trustee for the property.

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:

BHAVANDEEP SAHOTA



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 11578967

Charge code: 1157 8967 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 21st December 2018 and created by RESIDENTIAL RENTS RECEIVABLE SECURED LOAN NOTE LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 24th December 2018 .

Given at Companies House, Cardiff on 28th December 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**

DATED 21st December 2018

**Residential Rents Receivable Secured Loan Note Limited
(as Chargor)**

and

**The Property Investor Partnership Ltd
(as Security Trustee)**

Cash Collateral Charge



CAMBRIDGE • LEICESTER • MANCHESTER • MILTON KEYNES • NORTHAMPTON • NORWICH

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DEED dated 21st December 2018

Parties

- (1) **RESIDENTIAL RENTS RECEIVABLE SECURED LOAN NOTE LIMITED** incorporated and registered in England and Wales with company number 11578967 whose registered office is at Century Buildings, 14 St Mary's Parsonage, Manchester, United Kingdom, M3 2DF (the **Chargor**); and
- (2) **THE PROPERTY INVESTOR PARTNERSHIP LTD** incorporated and registered in England and Wales with company number 11497626 whose registered office is at Creation House 7a Alkmaar Way, Norwich International Business Park, Norwich, Norfolk, England, NR6 6BF acting in the capacity of Security Trustee for the Noteholders (the **Security Trustee**).

Introduction

- (A) On the Relevant Date (as defined below) the Chargor agreed to issue fixed rate secured loan notes to the Noteholders (as defined below) in accordance with the terms of the Loan Note Instrument (as defined below).
- (B) This deed constitutes part of the security which the Chargor has agreed to give the Security Trustee in accordance with the terms of the Security Trust Deed (as defined below) for the benefit of the Noteholders.
- (C) Under clause 23 of the Loan Note Instrument the Chargor has agreed to, inter alia, ensure the Gross Rental Income (as defined below) is paid/ deposited in the Account (defined below).
- (D) This Deed is a Finance Document (as defined in the Loan Note Instrument).

Agreed terms

1 Definitions and interpretation

1.1 Definitions

In this Deed unless the context otherwise requires:

Account means the account specified in Schedule 1 as that account may be redesignated or renumbered from time to time and **Accounts** will be construed accordingly;

Account Bank means Barclays Bank plc acting through its branch at Birmingham Kings Heath (sort code 20-08-64) or such other bank, building society or financial institution acting through a branch in England as may be agreed between the Chargor and the Security Trustee from time to time;

Cash Collateral means any and all amounts standing to the credit of the Account(s);

Collateral Rights means all rights, powers and remedies of the Security Trustee provided by or pursuant to this Deed or by law;

Deeds of Assignment of Rental Income means the deeds of assignment of rental income entered into by either PDC Prosperity Management (Cyprus) Limited or PDC Prosperity Investments (Cyprus) Limited in favour of PWHL, the benefit of which has been further assigned to the Chargor in respect of payment of the consideration due under the Sale Contracts, details of which are set out in Schedule 7 of the Loan Note Instrument and "**Deed of Assignment of Rental Income**" means any of them;

Default Rate means the rate of interest calculated in accordance with Condition 2.4 of the Loan Note Instrument;

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

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

Gross Rental Income means the aggregate amount of rental income generated from the letting of the Units to the Occupiers payable (pursuant to the terms of the Deeds of Assignment of Rental Income (or any of them)) to:

- (a) either PDC Prosperity Management (Cyprus) Limited or PDC Prosperity Investments (Cyprus) Limited (prior the date of the relevant Hive Up Agreement); or
- (b) Prosperity Wealth Holdings Limited, a company incorporated in England and Wales with registration number 11419641 (with effect from the date of the relevant Hive Up Agreement until the date of the Hive Down Agreement); or
- (c) the Chargor (with effect from the date of the Hive Down Agreement)

as more particularly described in the Loan Note Instrument.

Hive Down Agreement means an asset transfer agreement dated on or about the date of this Deed and made between by (1) PWHL and (2) the Chargor.

Hive Up Agreements means the two asset transfer agreements dated on or about the date of this Deed and made between (1) either PDC Prosperity Management (Cyprus) Limited or PDC Prosperity Investments (Cyprus) Limited (as applicable) and (2) PWHL and "**Hive Up Agreement**" means either of them.

Loan Note Instrument means the instrument executed on or around the Relevant Date by the Chargor setting out the terms upon which certain loan notes are constituted;

Notes mean loan notes constituted by the Loan Note Instrument and held by the Noteholders and their successors and assigns;

Noteholders means the holders of the Notes from time to time;

Occupiers means the tenants or occupiers of the Units;

Operating Account means the ordinary business bank account of the Chargor with Barclays Bank plc or such other financial institution as the Security Trustee may first approve in writing (acting reasonably);

PWHL means Prosperity Wealth Holdings Limited a company incorporated in England and Wales with company number 11419641 whose registered office at Century Buildings, 14 St Mary's Parsonage, Manchester M3 2DF;

Receiver means a receiver or receiver and manager of the whole or any part of the Security Assets;

Relevant Date means the date when the Notes were constituted and issued being *21st December* 2018;

"Repayment Date" has the meaning given in the Loan Note Instrument.

Sale Contracts means the contracts entered into by (1) either PDC Prosperity Management (Cyprus) Limited or PDC Prosperity Investments (Cyprus) Limited and (2) a Unit Owner in respect of the sale of each Unit to the relevant Unit Owner, a list of which is set out in Schedule 7 of the Loan Note Instrument and 'Sale Contract' means any of them, the benefit of which has been assigned to PWHL and then further assigned to the Chargor;

Secured Liabilities means all the money and liabilities now or hereafter due owing or incurred to the Noteholders by the Chargor under or in connection with the terms of the Loan Note Instrument (including, without limitation, under any amendments, supplements or restatements of any of the Loan Note Instrument or in relation to any new or increased advances or utilisations);

Security means the security constituted by or pursuant to this Deed;

Security Assets means all the assets, rights and property of the Chargor from time to time charged to the Security Trustee for the benefit of the Noteholders by the Chargor under this Deed;

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

Security Interest means any mortgage, pledge, lien, charge, security assignment, right of set off, hypothecation or security interest or any other agreement or arrangement having the effect of conferring security (including, for the avoidance of doubt, a floating charge) or any other type of preferential arrangement having a similar effect; and

Security Period means the period beginning on the date hereof and ending on the date upon which the Security Trustee is satisfied that all the Secured Liabilities have

been irrevocably and unconditionally paid and discharged in full and no further Secured Liabilities are capable of being outstanding;

Security Trust Deed means a deed dated on or around the Relevant Date and entered into by the Chargor and the Security Trustee (as the same may be amended, novated, replaced, restated, supplemented or varied from time to time);

Sterling means the lawful currency of the United Kingdom;

Tax includes any form of taxation, levy, duty, charge, contribution or impost of whatever nature (including any applicable fine, penalty, surcharge or interest) imposed by any government authority, body or official (whether central, local, state or federal) anywhere in the world competent to impose any of them; and

Units means the 241 units listed in Schedule 7 of the Loan Note Instrument.

1.2 Interpretation

In this Deed, unless the context otherwise requires, a reference to:

- 1.2.1 **assets** includes present and future properties, undertakings, revenues, rights and benefits of every description;
- 1.2.2 an **authorisation** includes an authorisation, consent, approval, resolution, licence, exemption, filing or registration;
- 1.2.3 the **Chargor**, a **Noteholder**, the **Noteholders** or the **Security Trustee** includes a reference to its respective successors, permitted assigns and permitted transferees;
- 1.2.4 a **person** includes a permitted body corporate, unincorporated association and partnership, in each case, whether or not having a separate legal personality;
- 1.2.5 a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
- 1.2.6 one gender shall include a reference to other genders; an individual will be treated as including corporations and vice versa; words importing the singular will be treated as including the plural and vice versa and words importing the whole will be treated as including a reference to any part, in each case except where the context specifically requires otherwise;
- 1.2.7 this Deed or to any provision of this Deed or any other document (including, without limitation any of the Finance Documents) is a reference to it as amended, restated, supplemented, varied or novated from time to time;
- 1.2.8 the words **include** or **including** (or any similar term) are not to be construed as implying any limitation and general words introduced by the word **other** (or any similar term) will not be given a restrictive meaning by reason of the fact that they are

preceded or followed by words indicating a particular class of acts, matters or things; and

- 1.2.9 a statute, a statutory provision, enactment or an EC Directive or subordinate legislation is a reference to any amendment, modification, extension, consolidation, replacement or re-enactment of any such statute, statutory provision, enactment or EC Directive, whether before or after the date of this Deed.

1.3 Headings

The clause, paragraph and schedule headings and the table of contents are inserted for ease of reference only and will not affect construction.

1.4 Loan Note Instrument

- 1.4.1 Words and expressions defined in the Loan Note Instrument will have the same meanings when used in this Deed, unless the context otherwise requires. In the case of inconsistency definitions set out in the Loan Note Instrument will prevail.

- 1.4.2 In the event of any inconsistency, ambiguity or discrepancy between the provisions of the Loan Note Instrument and the provisions of this Deed, then the provisions of the Loan Note Instrument shall prevail.

1.5 Third party rights

A person who is not a party to this Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce, or to enjoy, any term of this Deed.

1.6 Avoidance of payments

If the Security Trustee considers an amount paid by the Chargor in respect of the Secured Liabilities is capable of being avoided or otherwise set aside on the insolvency, liquidation or administration of the Chargor or otherwise set aside, that amount shall not have been irrevocably and unconditionally paid for the purposes of this Deed.

1.7 Trust

The Security Trustee holds the benefit of this Deed on trust for the Noteholders.

2 Payment of Secured Liabilities

2.1 Covenant to pay

The Chargor covenants with the Security Trustee, as Security Trustee for itself and the Noteholders, that it will, on demand, pay and discharge all of the obligations which it may at any time have to the Noteholders in respect of the Secured Liabilities.

2.2 Interest on demand

If the Chargor fails to pay any sum on the due date for payment of that sum the Chargor will pay interest on such sum (before and after any judgment) from the date of demand until the date of payment calculated on a daily basis at the Default Rate.

2.3 Right of appropriation

After this Deed has become enforceable in accordance with the Loan Note Instrument the Security Trustee shall be entitled to appropriate monies and/or assets to be applied against the Secured Liabilities in such order or manner as it shall think fit (subject always to clause 11) and any such appropriation shall override any appropriation by the Chargor.

2.4 Appropriation (Financial Collateral)

To the extent that any of the Security Assets constitutes Financial Collateral and this Deed and the obligations of the Chargor hereunder constitute a Security Financial Collateral Arrangement the Security Trustee shall have the right, at any time after this Deed has become enforceable, to appropriate all or any part of such Financial Collateral in or towards payment and/or discharge of the Secured Liabilities in such order as the Security Trustee in its absolute discretion may from time to time determine. For this purpose each of the Chargor and the Security Trustee agrees that the value of such Financial Collateral so appropriated shall be the Cash Collateral, together with any accrued but unposted interest, at the time the right of appropriation is exercised.

3 Security

The Chargor hereby charges in favour of the Security Trustee, as Security Trustee for itself and the Noteholder, with full title guarantee as continuing security for the payment and discharge of the Secured Liabilities by way of first fixed charge all the Chargor's right, title and interest from time to time in or to the Cash Collateral from time to time of any Account in its name with the Account Bank, and the debts represented thereby together with all entitlements to interest and other rights and benefits accruing to or arising in connection therewith.

4 Further assurance

4.1 Further assurance: general

The Chargor will, at its own expense, promptly do all such acts or execute all such documents (including assignments, transfers, charges, notices and instructions) as the Security Trustee may specify (and in such form as the Security Trustee may require in favour of the Security Trustee or its nominee(s)).

- 4.1.1 to perfect or protect the security created or intended to be created in respect of the Security Assets (which may include the execution by the Chargor of a fixed charge or assignment over all or any of the assets constituting, or intended to constitute, Security Assets) or for the exercise of the Collateral Rights; and/or
- 4.1.2 to facilitate the realisation of the Security Assets; and/or
- 4.1.3 to obtain all necessary consents to procure the registration of this Deed at Companies House.

4.2 Consents

The Chargor will obtain (in form and content satisfactory to the Security Trustee) as soon as possible any consents necessary to enable the relevant Security Assets purported to be so charged to be the subject of an effective fixed charge pursuant to clause 3 and, immediately upon obtaining any such consent, the asset concerned shall become subject to such security and the Chargor shall promptly deliver a copy of each such consent to the Security Trustee.

4.3 Preservation of rights

Neither the obligations of the Chargor contained in this Deed nor the rights, powers and remedies conferred in respect of the Chargor upon the Security Trustee or any other Noteholder by the Loan Note Instrument or by law shall be discharged, impaired or otherwise affected by:

- 4.3.1 the winding-up, dissolution, administration or reorganisation of the Chargor or any other person or any change in its status, function, control or ownership;
- 4.3.2 any of the obligations of the Chargor or any other person under the Loan Note Instrument or under any other security relating to the Loan Note Instrument being or becoming illegal, invalid, unenforceable or ineffective in any respect;
- 4.3.3 time or other indulgence being granted or agreed to be granted to the Chargor or any other person in respect of its obligations under the Loan Note Instrument or under any such other security;
- 4.3.4 any amendment to, or any variation, waiver or release of any obligation of the Chargor or any other person under the Loan Note Instrument or under any such other security;
- 4.3.5 any failure to take, or fully to take, any security contemplated by the Loan Note Instrument or otherwise agreed to be taken in respect of the Chargor's or any other person's obligations under the Loan Note Instrument;
- 4.3.6 any failure to realise or fully to realise the value of, or any release, discharge, exchange or substitution of, any security taken or agreed to be

taken in respect of the Chargor's or any other person's obligations under the Loan Note Instrument; or

- 4.3.7 any other act, event or omission which, but for this clause 4.3, might operate to discharge, impair or otherwise affect any of the obligations of the Chargor or any other person or any of the rights, powers or remedies conferred upon the Security Trustee or any of the Noteholder by the Loan Note Instrument or by law.

5 Negative pledge and disposal restrictions

5.1 Negative pledge

The Chargor will not, without the prior written consent of the Security Trustee, create, or permit to arise, or continue (in favour of any person other than the Security Trustee) any Security Interest over the Security Assets now or in the future, or agree or attempt to do so, or increase or extend any liability of the Chargor secured on any of the Security Assets.

5.2 Disposal of Security Assets

The Chargor will not, without the prior written consent of the Security Trustee (whether by a single transaction or number of related or unrelated transactions, and whether at the same time or over a period of time) sell, transfer, assign, lease or otherwise dispose of all or any part of the Security Assets or any interests therein or the right to receive or to be paid the proceeds arising from their disposal or agree or attempt to do so.

6 Representations and warranties

6.1 Duration and to whom made

The representations and warranties made by the Chargor in this clause 6 will remain in force for (and will be deemed repeated on each day falling during) the Security Period and are given to the Security Trustee.

6.2 Matters represented

Except as disclosed in writing to the Security Trustee on or prior to the date of this Deed:

- 6.2.1 the Chargor is the legal and beneficial owner of the Security Assets;
- 6.2.2 there are no agreements, stipulations, reservations, conditions, interests, rights or other matters whatsoever affecting the Security Assets which materially adversely affect or are likely to materially adversely affect the value of the Security Assets or the ability of the Chargor to perform its obligations owed to the Security Trustee; and

6.2.3 the Chargor has received no notice of any adverse claims by any person in respect of the ownership of the Security Assets or any interest therein, nor has any acknowledgement been given to any person in respect thereof which has not been disclosed to the Security Trustee.

6.3 Security created

Subject to registration at Companies House this Deed creates those security interests it purports to create, ranking as set out above and is not liable to be avoided or otherwise set aside on the liquidation or administration of the Chargor or otherwise.

7 General undertakings

7.1 Not to jeopardise the Security

The Chargor will not do or allow to be done anything which would, in the reasonable opinion of the Security Trustee, decrease the value of the Security to the Security Trustee.

7.2 Information and access

The Chargor will at the request of the Security Trustee, promptly provide the Security Trustee with such information as the Security Trustee may reasonably require about the Security Assets and the Chargor's compliance with the terms of this Deed and the Chargor will permit the Security Trustee, its representatives and professional advisers free access at all reasonable times and on reasonable notice to inspect and take copies and extracts from such books, accounts and records of the Chargor as relate to the Security Assets.

7.3 Law

The Chargor will comply with all applicable laws and regulations affecting the Security Assets.

8 The Account(s)

8.1 Account(s)

The Chargor will open and maintain the relevant Account(s) with an Account Bank.

8.2 Notice

The Chargor will promptly give notice to the Account Bank in the form set out in Part I of Schedule 2 and procure that the Account Bank acknowledges that notice substantially in the form set out in Part II of Schedule 2.

8.3 Cash Collateral

The Chargor shall ensure that the Gross Rental Income (and any of it) is paid/ deposited in the Operating Account and that those amounts required to be paid pursuant to clause 13.3.2 of the Loan Note Instrument are deposited into the Account.

8.4 Withdrawal

The Chargor will not withdraw all or any Cash Collateral from any Account without the Security Trustee's prior written consent (such consent not to be unreasonably withheld or delayed where such withdrawal would not, and (in the sole opinion of the Security Trustee (acting reasonably)) is not likely to, result in the amount standing to the credit of the Cash Collateral Account on the Repayment Date being less than the aggregate of the amounts set out in clause 13.3.1 of the Loan Note Instrument).

8.5 Statements

The Chargor will provide to the Security Trustee from time to time at the request of the Security Trustee full statements and particulars of any Account and advise the Security Trustee prior to any change to it.

9 Power to remedy

In the case of default by the Chargor in observing or performing any of the covenants or stipulations affecting the Security Assets, the Chargor will permit the Security Trustee or its agents to do such things or pay all such costs, charges and expenses as the Security Trustee may consider are necessary or desirable to prevent or remedy any breach of covenant or stipulation or to comply with or object to any notice served on the Chargor in respect of the Security Assets. The Chargor will indemnify and keep the Security Trustee indemnified against all losses, costs, charges and expenses reasonably incurred in connection with the exercise of the powers contained in this clause 9.

10 Enforcement of Security

10.1 Enforcement

The Security will constituted by this Deed will be enforceable in accordance with the terms of the Loan Note Instrument. After the Security constituted by this Deed has become enforceable the Security Trustee may, without notice to the Chargor or prior authorisation from any court, in its absolute discretion:

10.1.1 enforce all or any part of that security (at the times, in the manner and on the terms it thinks fit) and take possession of and hold or dispose of all or any part of the Security Assets; and/or

10.1.2 whether or not it has appointed a Receiver, exercise all or any of the powers, authorities and discretions conferred by the Law of Property Act 1925 (as varied or extended by this Deed) on mortgagees and by this Deed on any Receiver or otherwise conferred by law on mortgagees or Receivers.

10.2 Possession

If the Security Trustee, any Receiver or any delegate of any such person takes possession of any of the Security Assets, it or he may at any time relinquish such possession.

10.3 No liability as mortgagee in possession

The Security Trustee will not be liable to account as a mortgagee in possession in respect of all or any part of the Security Assets or be liable for any loss upon realisation or for any neglect, default or omission in connection with the Security Assets to which a mortgagee in possession might otherwise be liable.

10.4 Power of sale

The power of sale under this Deed may be exercised notwithstanding that the Security Trustee or the Receiver may have previously waived or refrained from exercising that power; and no demand or notice of sale made or given under this Deed will be waived by the acceptance of any payment on account of the Secured Liabilities, or by any negotiations between the Security Trustee and the Chargor or any other party who is acting as agent for the Chargor or on behalf of it.

10.5 Receiver's liability

All the provisions of clause 10.3 will apply, mutatis mutandis, in respect of the liability of any Receiver and delegate of the Receiver or the Security Trustee or any officer, employee or agent of the Security Trustee, any Receiver or any delegate.

10.6 Implied powers

For the purposes of all powers implied by statute the Secured Liabilities shall be deemed to have become due and payable on the date hereof and section 93 of the Law of Property Act 1925 (restricting the right of consolidation) shall not apply to the Security.

11 Application of proceeds

All monies received by the Security Trustee or any Receiver in the exercise of any powers conferred by this Deed shall, after the Security shall have become enforceable, be applied in the following order:

11.1 in the payment of:

11.1.1 all costs, charges, liabilities and expenses incurred by the Security Trustee or any Receiver in the exercise of those powers or incidental to any Receiver's appointment, together with interest at the Default Rate (both before and after judgment) from the date those amounts became due until the date they are irrevocably paid in full;

11.1.2 any Receiver's remuneration;

11.1.3 in or towards discharge of all liabilities having priority to the Secured Liabilities;

11.1.4 in or towards the satisfaction of the Secured Liabilities in such order as the Security Trustee determines; and

11.1.5 in the payment of any surplus to the Chargor or other person entitled to it.

11.2 The Chargor will have no rights in respect of the application by the Security Trustee of any sums received, recovered or realised by the Security Trustee under this Deed.

12 Appointment of Receiver

12.1 Appointment and removal

At any time after the Security becomes enforceable, the Security Trustee may by deed or otherwise (acting through an authorised officer of the Security Trustee), without prior notice to the Chargor:

12.1.1 appoint one or more persons to be a Receiver of the whole or any part of the Security Assets;

12.1.2 remove (so far as it is lawfully able) any Receiver so appointed; and

12.1.3 appoint another person(s) as an additional or replacement Receiver(s).

12.2 Capacity of Receivers

Each person appointed to be a Receiver under this Deed will be:

12.2.1 entitled to act individually or together with any other person appointed or substituted as Receiver;

12.2.2 for all purposes will be deemed to be the agent of the Chargor which will be solely responsible for his acts, defaults and liabilities and for the payment of his remuneration and no Receiver will at any time act as agent for the Security Trustee; and

12.2.3 entitled to remuneration for his services at a rate to be fixed by the Security Trustee from time to time (without being limited to the maximum rate specified by the Law of Property Act 1925).

12.3 Statutory powers of appointment

The powers of appointment of a Receiver will be in addition to all statutory and other powers of appointment of the Security Trustee under the Insolvency Act 1986, the Law of Property Act 1925 (as extended by this Deed) or otherwise and such powers will remain exercisable (without the restrictions contained in sections 103 and 109 of the Law of Property Act 1925) from time to time by the Security Trustee in respect of any part of the Security Assets.

13 Powers of Receiver

Any Receiver appointed by the Security Trustee will, in addition to all powers conferred on him by the Insolvency Act 1986 and the Law of Property Act 1925, have the power to do all such thing as the absolute owner could do in the management of all Cash Collateral of the Account(s).

14 Protection of purchasers

14.1 Consideration

The receipt of the Security Trustee or any Receiver will be conclusive discharge to a purchaser and, in making any sale or disposal of any of the Security Assets or making any acquisition, the Security Trustee or any Receiver may do so for such consideration, in such manner and on such terms as it thinks fit.

14.2 Protection of purchaser

No purchaser or other person dealing with the Security Trustee or any Receiver will be bound:

14.2.1 to inquire whether the right of the Security Trustee or such Receiver to exercise any of its powers has arisen or become exercisable or be concerned with any property or regularity on the part of the Security Trustee or such Receiver in such dealings;

14.2.2 to enquire whether the power of the Security Trustee or any Receiver is purporting to exercise loans become exercisable; or

14.2.3 to see to the application of any monies paid to the Security Trustee or any Receiver.

15 Power of attorney

15.1 Appointment and powers

The Chargor by way of security irrevocably appoints the Security Trustee and any Receiver severally to be its attorney and in its name, on its behalf and as its act and deed to execute, deliver and perfect all documents and do all things which:

15.1.1 the Chargor ought to have done by this Deed (including the execution and delivery of any deeds, charges, assignments or other security and any transfers of the Security Assets); and

15.1.2 enable the Security Trustee and any Receiver to exercise, or delegate the exercise of, any of the rights, powers and authorities conferred on them by or pursuant to this Deed or by law (including the exercise of any right of a legal or beneficial owner of the Security Assets);

15.2 Ratification

The Chargor will ratify and confirm all things lawfully done and all documents executed by any attorney in the exercise or purported exercise of all or any of his powers.

16 Effectiveness of Security

16.1 Continuing security

The Security will remain in full force and effect as a continuing security for the Secured Liabilities during the Security Period.

16.2 Cumulative rights

The Security and the Collateral Rights will be cumulative, in addition to and independent of every other security which the Security Trustee may at any time hold for the Secured Liabilities or any other obligations or any rights, powers and remedies provided by law. No prior security held by the Security Trustee over the whole or any part of the Security Assets will merge into the Security.

16.3 No prejudice

Neither the Security nor the Collateral Rights will be prejudiced by any time or indulgence granted to the Chargor or any other person or by any other thing which might otherwise prejudice the Security or any Collateral Right.

16.4 Remedies and waivers

No failure on the part of the Security Trustee to exercise, or any delay on its part in exercising, any Collateral Right will operate as a waiver thereof, nor will any single or partial exercise of any Collateral Right preclude any further or other exercise of that or any other Collateral Right.

16.5 No liability

None of the Security Trustee, its nominee(s) or any Receiver will be liable by reason of:

16.5.1 taking any action permitted by this Deed; or

16.5.2 any neglect or default in connection with the Security Assets; or

16.5.3 taking possession of or realising all or any part of the Security Assets,

except in the case of negligence or wilful default or fraud upon its or his part.

16.6 Partial invalidity

If, at any time, any provision of this Deed 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 of this Deed nor of such provision under the laws of any other jurisdiction will in any way be affected or impaired thereby and, if any part of the Security is invalid, unenforceable or ineffective for any reason, that will not affect or impair any other part of the Security.

16.7 Other security

The Security Trustee will not be obliged to resort to any guarantees, indemnities, Security Interests or other means of payment now or hereafter held by or available to it before enforcing this Deed and no action taken or omitted by the Security Trustee in connection with any such guarantees, indemnities, Security Interests or other means of payment will discharge, reduce, prejudice or affect the liability of the Chargor or the Secured Liabilities nor will the Security Trustee be obliged to account for any money or other property received or recovered in consequence of any enforcement or realisation of any such guarantees, indemnities, Security Interests or other means of payment.

16.8 Variation

No variation of the terms of this Deed will be valid unless it is in writing executed as a deed by the Chargor and confirmed in writing by the Security Trustee.

17 Release of Security

Upon the expiry of the Security Period the Security Trustee will, at the request and cost of the Chargor, release and cancel the Security and procure the reassignment to the Chargor of the Security Assets pursuant to this Deed, in each case subject to clause 1.6, and without recourse to, or any representation or warranty by, the Security Trustee or any of its nominees.

18 Subsequent Security Interests

If the Security Trustee at any time receives or is deemed to have received notice of any subsequent Security Interest affecting all or any part of the Security Assets or any assignment or transfer of the Security Assets which is prohibited by the terms of this Deed, all payments thereafter by or on behalf of the Chargor to the Security Trustee will 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 as at the time when the Security Trustee received such notice.

19 Assignment

19.1 Right of Security Trustee to assign

The Security Trustee may at any time assign or otherwise transfer all or any part of its rights under this Deed in accordance with the terms of the Security Trust Deed (including without limitation clauses 9 and 12.4 of the Security Trust Deed).

19.2 Restriction on Chargor

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

19.3 Confidentiality

The Security Trustee may give such information relating to the Chargor and the Secured Liabilities as it thinks fit to any person proposing to take an assignment and/or transfer from the Security Trustee and/or to enter into contractual relations with the Security Trustee with respect to this Deed subject to any restrictions imposed by the Data Protection Act 2018, the General Data Protection Regulations 2016/679 or other applicable data protection law and regulation.

20 Expenses, stamp taxes and indemnity

20.1 Expenses

The Chargor will, from time to time on demand of the Security Trustee, reimburse the Security Trustee on a full indemnity basis for all reasonable and properly incurred costs and expenses (including legal fees) together with any VAT thereon properly incurred by it or by any Receiver in connection with:

- 20.1.1 the negotiation, preparation and execution of this Deed and the completion of the transactions and perfection of the security contemplated in this Deed; or
- 20.1.2 the exercise, preservation and/or enforcement of any of the Collateral Rights or the Security or any proceedings instituted by or against the Security Trustee or any Receiver as a consequence of taking or holding the security or of enforcing the Collateral Rights,

and such expenses will carry interest until so reimbursed at the Default Rate.

20.2 Stamp taxes

The Chargor will pay all stamp, stamp duty land tax, registration and other Tax to which this Deed, the Security or any judgment given in connection with it is or at any time may be subject and will, from time to time, indemnify the Security Trustee on demand against any liabilities, costs, claims and expenses resulting from any failure to pay or delay in paying any such Tax.

20.3 Indemnity

The Chargor will, notwithstanding any release or discharge of all or any part of the Security, indemnify the Security Trustee, its agents, attorneys and any Receiver against any action, proceeding, claims, losses, liabilities and costs which it may sustain as a consequence of any breach by the Chargor of the provisions of this Deed, the exercise or purported exercise of any of the rights and powers conferred on them by this Deed or otherwise relating to the Security Assets (for the avoidance of doubt the Security Trustee shall be fully indemnified against any losses, liabilities or costs incurred in administering the Account).

21 Payments free of deduction

All payments to be made under this Deed will be made free and clear of and without deduction or withholding whatsoever for or on account of any Tax except to the extent that the Chargor is required by law to make such payment subject to the deduction or withholding of any Tax. If any Tax or amount in respect of Tax is required to be deducted from any amounts payable or paid by the Chargor, the Chargor will pay such additional amounts as may be necessary to ensure that after the making of the deduction or withholding which is required the relevant recipient receives and retains (free from any liability in respect of any such deduction or withholding) a net amount equal to the full amount which it would have received and retained had no such deduction or withholding been made.

22 Discretion and delegation

22.1 Discretion

Any liberty or power which may be exercised or any determination which may be made hereunder by the Security Trustee or any Receiver may, be exercised or made in its absolute and unfettered discretion without any obligation to give reasons.

22.2 Delegation

Each of the Security Trustee and any Receiver will have full power to delegate (either generally or specifically) the powers, authorities and discretions conferred on it by this Deed (including the power of attorney) on such terms and conditions as it sees fit which delegation may include power to sub-delegate and will not preclude either the subsequent exercise of such power, authority or discretion by the Security Trustee or the Receiver itself or any subsequent delegation or revocation thereof.

23 Perpetuity period

The perpetuity period under the rule against perpetuities, if applicable to this Deed, will be the period of 125 years from the date of this Deed (as specified in section 5(1) of the Perpetuities and Accumulations Act 2009).

24 Counterparts

This Deed may be executed in counterparts, all of which when taken together will constitute a single deed.

25 Constitutive documents

The Chargor hereby certifies that its creation of this deed in favour of the Security Trustee does not contravene any of the provisions of the Companies Act 2006 or its memorandum and articles of association.

26 Reorganisation

This Deed will remain binding on the Chargor notwithstanding any change in the constitution of the Security Trustee or any of the other Noteholder or its absorption by, or amalgamation with, or the acquisition of all or part of its undertaking by, any other person, or any reconstruction or reorganisation of any kind. The Security will remain valid and effective in all respects in favour of the Security Trustee and for any assignee, transferee or other successor in title of the Security Trustee.

27 Set-off

The Security Trustee may set off any matured obligation due from the Chargor under this Deed against any matured obligation owed by the Security Trustee to the Chargor (whether actual or contingent, present or future), 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.

28 Payment of monies

28.1 Date for payment

Where neither the Loan Note Instrument nor this Deed specifies the due date for payment of any monies owed by the Chargor to any of the Noteholder such monies will be due and payable to such Noteholder by the Chargor on demand.

28.2 Currency

The Chargor's liability under this Deed is to discharge the Secured Liabilities in Sterling. If at any time the Security Trustee receives a payment (including by set-off) referable to any of the Secured Liabilities from any source in a currency other than Sterling, then such payment will take effect as a payment to the Security Trustee of the amount in Sterling which the Security Trustee is able to purchase (after deduction of any relevant costs) with the amount of the payment so received in accordance with its usual practice.

28.3 Currency indemnity

If a payment is made under a court order or in satisfaction of a claim or proof and is treated by clause 28.2 as a payment of an amount which falls short of the relevant liability of the Chargor expressed in Sterling, the Chargor as a separate and independent obligation will on demand from time to time indemnify the Security Trustee against such shortfall and pay interest on such shortfall from the date of such payment to the date on which the shortfall is paid.

28.4 Certificates

A certificate signed by an official of the Security Trustee as to the amount due or owing from the Chargor will be conclusive evidence against the Chargor except in the case of manifest error or any question of law.

29 Notices

29.1 Service

Any notice or communication to be given in connection with this Deed will be in writing and delivered by hand or sent by first class prepaid post and:

29.1.1 sent to the Chargor at:

Century Buildings, 14 St Mary's Parsonage, Manchester, United Kingdom,
M3 2DF

Attention: Joe Billingham;

29.1.2 sent to the Security Trustee at:

Creation House, 7a Alkmaar Way, Norwich International Business Centre,
Norwich, Norfolk NR6 6BF

Attention: Jason Howard;

Unless either party has communicated another address to the other in which case it must be sent to the last address so communicated.

29.2 Receipt by Chargor

A notice or communication sent by the Security Trustee to the Chargor under clause 29 will be deemed to have been received:

29.2.1 if delivered by hand, at the time of delivery; or

29.2.2 if sent by first class pre-paid post, on the second Business Day after posting.

29.3 Receipt by Security Trustee

Any notice or communication given to the Security Trustee by the Chargor shall be deemed to have been received only on actual receipt.

29.4 Confirmation in writing

The Chargor may not rely on any oral notice, waiver, consent, approval, representation, advice, statement or other communication by the Security Trustee or any of its employees, agents or representatives except where such communications are confirmed in writing and signed for the Security Trustee pursuant to this clause 29.

29.5 Electronic communication

29.5.1 Any communication to be made between the Chargor and the Security Trustee under or in connection with this Deed may be made by electronic mail or other electronic means to the extent that they agree that, unless and

until notified to the contrary, this is to be an accepted form of communication and if they:

- (a) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and
- (b) notify each other of any change to their address or any other such information supplied by them by not less than five Business Days' notice.

29.5.2 Any electronic communication made between the Chargor and the Security Trustee will be effective only when actually received in readable form and in the case of any electronic communication made by the Chargor to the Security Trustee only if it is addressed in such a manner as Security Trustee shall specify for this purpose.

29.5.3 Any electronic communication which becomes effective, in accordance with clause 29.5.2 above, after 5.00 pm in the place of receipt shall be deemed only to become effective on the following Business Day.

30 Governing law and jurisdiction

30.1 Governing law

This Deed and any non-contractual obligations arising out of or in connection with it shall be governed by, and be construed in accordance with, the laws of England.

30.2 Exclusive jurisdiction

The courts of England have exclusive jurisdiction to settle any dispute arising in connection with this Deed (a **Dispute**). The parties agree that these courts are the most appropriate and convenient courts to settle any Dispute that arises under or in connection with this Deed and accordingly neither party will argue to the contrary.

30.3 Benefit of the Security Trustee

This clause 30.3 is for the benefit of the Security Trustee only. As a result the Security Trustee will 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 as a deed by the parties and is delivered and takes effect on the date at the beginning of this Deed.

{ TC "Schedule 1 - Details of the Account(s)" V1 }Schedule 1

Details of the Account(s)

Name of Account	Number of Account	Details of Account Bank and Sort Code
Residential Rent Receivable Secured Loan Note Limited	[REDACTED]	Bank: Barclays Bank plc Sort Code: [REDACTED]

{ TC "Schedule 2" \11 }Schedule 2

{ TC "Part I - Notice of charge to Account Bank" \12 }Part I - Notice of charge to Account Bank

To: [Account Bank]

The Property Investor Partnership Ltd

Date:

Notice of charge

We hereby give notice that, by a charge dated [•] made between Residential Rents Receivable Secured Loan Note Limited (the **Chargor**) (1) and The Property Investor Partnership Ltd (the **Security Trustee**) (2) (the **Charge**), the Chargor charged to the Security Trustee all its rights, title and interest present and future over the following account opened by it with you:

Account name	Account number	Sort code
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(the **Account**) as continuing security for the obligations more particularly referred to in the Charge.

The Chargor hereby gives you notice that, pursuant to the Charge, it has with full title guarantee charged to the Security Trustee all its rights, title and interest in and to all amounts standing to the credit of the Account from time to time together with all entitlements to interest and other rights and benefits accruing to or arising in connection therewith (the **Account Funds**).

In connection therewith and by way of continuing security for its obligations to the Security Trustee the Chargor hereby irrevocably and unconditionally instructs and authorises you (notwithstanding any previous instructions whatsoever which it may have given you to the contrary):

- 1 to disclose to the Security Trustee without any reference to or further authority from the Chargor and without any enquiry by you as to the justification for such disclosure, such information relating to the Account Funds and the debt represented thereby as the Security Trustee may, at any time and from time to time, request you to disclose to it;
- 2 to comply with the terms of any written notice, statement or instructions in any way relating or purporting to relate to the Account Funds or the debt represented thereby which you receive at any time and from time to time from the Security Trustee without any reference to or further authority from the Chargor and without any enquiry by you as to the jurisdiction for such notice, statement or instructions or the validity thereof; [and]

- 3 only to accept instructions from the Security Trustee in connection with any payments from or withdrawals from the Account, at any time and from time to time, and to comply with all such instructions;

OR

- 4 to accept all instructions from the Security Trustee in connection with any payments from or withdrawals from the Account, at any time and from time to time, and to comply with all such instructions, save that until you receive notice to the contrary from the Security Trustee, all instructions relating to payments from or withdrawals from the Account may be validly given by us. Upon receipt of such notice to the contrary from the Security Trustee, you hereby agree to accept and comply with all such instructions from the Security Trustee in connection with any payments from or withdrawals from the Account.

The instructions and authorisations which are contained in this letter will remain in full force and effect until the Security Trustee gives you notice in writing revoking them.

[In consideration of your accepting the instructions and authorisations which are contained in this letter the Chargor will at all times indemnify you and keep you indemnified from and against all actions, suits, proceedings, claims, demands, liabilities, damages, costs, expenses, losses and charges whatsoever in relation to or arising out of your acting on or complying with such instructions and authorisations and the Chargor will pay or reimburse to you on demand the amount of all losses, costs and expenses whatsoever suffered or incurred from time to time by you under or by reason or in consequence of you acting or complying with such instructions and authorisations.]

This letter and any non contractual obligations arising out of or in connection with it shall be governed by, and construed in accordance with, the laws of England.

Would you please acknowledge receipt of this letter and your acceptance of the instructions and authorisations contained in it by sending a letter addressed to us and to the Security Trustee in the form attached hereto.

Yours faithfully

.....
Authorised Signatory

for and on behalf of Residential Rents Receivable Secured Loan Note Limited

{ TC "Part II - Form of acknowledgement from the Account Bank to the Security Trustee" \2
}Part II - Form of acknowledgement from the Account Bank to the Security Trustee

To: Residential Rents Receivable Secured Loan Note Limited

The Property Investor Partnership Ltd

Dated:

Dear Sirs

Acknowledgement of notice

Account number [] Sort Code [] (the Account)

We hereby acknowledge receipt of a letter (a copy of which is attached hereto) dated [.] and addressed to us by [.] and hereby accept the instructions and authorisations contained therein and undertake to act in accordance and comply with the terms thereof.

We hereby acknowledge and confirm to each of the Chargor and the Security Trustee that we have not, as at the date hereof, received any notice that any third party has or will have any right or interest whatsoever in or has made or will be making any claim or demand or taking any action whatsoever against the Account Funds or the debt represented thereby or any part thereof.

We hereby acknowledge and confirm to each of the Chargor and the Security Trustee that we will not make any claim or demand or exercise any rights of counterclaim, rights of set-off or any other equities whatsoever against the Chargor in respect of the Account Funds or the debt represented thereby or any part thereof.

We agree that in the event of our receiving notice at any time that any person or entity other than the Chargor or the Security Trustee claims to have or claims it will acquire any right or interest whatsoever in the Account Funds or any part thereof we will immediately give written notice of the terms thereof to both the Security Trustee and the Chargor.

We have made the acknowledgements and confirmations and have given the undertakings set out in this letter in the knowledge that they are required by the Security Trustee in connection with the security which has been constituted by the Chargor in favour of the Security Trustee under the Charge.

The expressions defined or used in your letter mentioned in the opening paragraph hereof will, unless the context otherwise requires, have the same meanings in this letter.

This letter and any non contractual obligations arising out of or in connection with it shall be governed by, and construed in accordance with, the laws of England.

Yours faithfully

.....

Duly authorised signatory
for and on behalf of
[Account Bank]

{ TC "Signatories" \1 }Signatories

signed as a deed by
Residential Rents Receivable Secured Loan Note Limited
acting by Jonathan Edward Billingham
(director) in the presence of

signature of witness:
name: A. S. [redacted]
address:

occupation:

S. [redacted]

th trowers & hamlins
Trowers & Hamlins LLP
10 Colmore Row
Birmingham B3 2QD

signed as a deed by
The Property Investor Partnership Ltd
acting by.....
in its capacity as Security Trustee
in the presence of

signature of witness:
name:
address:

occupation:

DATED 21st December 2018

**Residential Rents Receivable Secured Loan Note Limited
(as Chargor)**

and

**The Property Investor Partnership Ltd
(as Security Trustee)**

Cash Collateral Charge



CAMBRIDGE • LEICESTER • MANCHESTER • MILTON KEYNES • NORTHAMPTON • NORWICH

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DEED dated 21st December 2018

Parties

- (1) **RESIDENTIAL RENTS RECEIVABLE SECURED LOAN NOTE LIMITED** incorporated and registered in England and Wales with company number 11578967 whose registered office is at Century Buildings, 14 St Mary's Parsonage, Manchester, United Kingdom, M3 2DF (the **Chargor**); and
- (2) **THE PROPERTY INVESTOR PARTNERSHIP LTD** incorporated and registered in England and Wales with company number 11497626 whose registered office is at Creation House 7a Alkmaar Way, Norwich International Business Park, Norwich, Norfolk, England, NR6 6BF acting in the capacity of Security Trustee for the Noteholders (the **Security Trustee**).

Introduction

- (A) On the Relevant Date (as defined below) the Chargor agreed to issue fixed rate secured loan notes to the Noteholders (as defined below) in accordance with the terms of the Loan Note Instrument (as defined below).
- (B) This deed constitutes part of the security which the Chargor has agreed to give the Security Trustee in accordance with the terms of the Security Trust Deed (as defined below) for the benefit of the Noteholders.
- (C) Under clause 23 of the Loan Note Instrument the Chargor has agreed to, inter alia, ensure the Gross Rental Income (as defined below) is paid/ deposited in the Account (defined below).
- (D) This Deed is a Finance Document (as defined in the Loan Note Instrument).

Agreed terms

1 Definitions and interpretation

1.1 Definitions

In this Deed unless the context otherwise requires:

Account means the account specified in Schedule 1 as that account may be redesignated or renumbered from time to time and **Accounts** will be construed accordingly;

Account Bank means Barclays Bank plc acting through its branch at Birmingham Kings Heath (sort code 20-08-64) or such other bank, building society or financial institution acting through a branch in England as may be agreed between the Chargor and the Security Trustee from time to time;

Cash Collateral means any and all amounts standing to the credit of the Account(s);

Collateral Rights means all rights, powers and remedies of the Security Trustee provided by or pursuant to this Deed or by law;

Deeds of Assignment of Rental Income means the deeds of assignment of rental income entered into by either PDC Prosperity Management (Cyprus) Limited or PDC Prosperity Investments (Cyprus) Limited in favour of PWHL, the benefit of which has been further assigned to the Chargor in respect of payment of the consideration due under the Sale Contracts, details of which are set out in Schedule 7 of the Loan Note Instrument and "Deed of Assignment of Rental Income" means any of them;

Default Rate means the rate of interest calculated in accordance with Condition 2.4 of the Loan Note Instrument;

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

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

Gross Rental Income means the aggregate amount of rental income generated from the letting of the Units to the Occupiers payable (pursuant to the terms of the Deeds of Assignment of Rental Income (or any of them)) to:

- (a) either PDC Prosperity Management (Cyprus) Limited or PDC Prosperity Investments (Cyprus) Limited (prior the date of the relevant Hive Up Agreement); or
- (b) Prosperity Wealth Holdings Limited, a company incorporated in England and Wales with registration number 11419641 (with effect from the date of the relevant Hive Up Agreement until the date of the Hive Down Agreement); or
- (c) the Chargor (with effect from the date of the Hive Down Agreement)

as more particularly described in the Loan Note Instrument;

Hive Down Agreement means an asset transfer agreement dated on or about the date of this Deed and made between by (1) PWHL and (2) the Chargor.

Hive Up Agreements means the two asset transfer agreements dated on or about the date of this Deed and made between (1) either PDC Prosperity Management (Cyprus) Limited or PDC Prosperity Investments (Cyprus) Limited (as applicable) and (2) PWHL and "Hive Up Agreement" means either of them.

Loan Note Instrument means the instrument executed on or around the Relevant Date by the Chargor setting out the terms upon which certain loan notes are constituted;

Notes mean loan notes constituted by the Loan Note Instrument and held by the Noteholders and their successors and assigns;

Noteholders means the holders of the Notes from time to time;

Occupiers means the tenants or occupiers of the Units;

Operating Account means the ordinary business bank account of the Chargor with Barclays Bank plc or such other financial institution as the Security Trustee may first approve in writing (acting reasonably);

PWHL means Prosperity Wealth Holdings Limited a company incorporated in England and Wales with company number 11419641 whose registered office at Century Buildings, 14 St Mary's Parsonage, Manchester M3 2DF;

Receiver means a receiver or receiver and manager of the whole or any part of the Security Assets;

Relevant Date means the date when the Notes were constituted and issued being 21st December 2018;

"Repayment Date" has the meaning given in the Loan Note Instrument.

Sale Contracts means the contracts entered into by (1) either PDC Prosperity Management (Cyprus) Limited or PDC Prosperity Investments (Cyprus) Limited and (2) a Unit Owner in respect of the sale of each Unit to the relevant Unit Owner, a list of which is set out in Schedule 7 of the Loan Note Instrument and 'Sale Contract' means any of them, the benefit of which has been assigned to PWHL and then further assigned to the Chargor;

Secured Liabilities means all the money and liabilities now or hereafter due owing or incurred to the Noteholders by the Chargor under or in connection with the terms of the Loan Note Instrument (including, without limitation, under any amendments, supplements or restatements of any of the Loan Note Instrument or in relation to any new or increased advances or utilisations);

Security means the security constituted by or pursuant to this Deed;

Security Assets means all the assets, rights and property of the Chargor from time to time charged to the Security Trustee for the benefit of the Noteholders by the Chargor under this Deed;

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

Security Interest means any mortgage, pledge, lien, charge, security assignment, right of set off, hypothecation or security interest or any other agreement or arrangement having the effect of conferring security (including, for the avoidance of doubt, a floating charge) or any other type of preferential arrangement having a similar effect; and

Security Period means the period beginning on the date hereof and ending on the date upon which the Security Trustee is satisfied that all the Secured Liabilities have

been irrevocably and unconditionally paid and discharged in full and no further Secured Liabilities are capable of being outstanding;

Security Trust Deed means a deed dated on or around the Relevant Date and entered into by the Chargor and the Security Trustee (as the same may be amended, novated, replaced, restated, supplemented or varied from time to time);

Sterling means the lawful currency of the United Kingdom;

Tax includes any form of taxation, levy, duty, charge, contribution or impost of whatever nature (including any applicable fine, penalty, surcharge or interest) imposed by any government authority, body or official (whether central, local, state or federal) anywhere in the world competent to impose any of them; and

Units means the 241 units listed in Schedule 7 of the Loan Note Instrument.

1.2 Interpretation

In this Deed, unless the context otherwise requires, a reference to:

- 1.2.1 **assets** includes present and future properties, undertakings, revenues, rights and benefits of every description;
- 1.2.2 **an authorisation** includes an authorisation, consent, approval, resolution, licence, exemption, filing or registration;
- 1.2.3 **the Chargor, a Noteholder, the Noteholders or the Security Trustee** includes a reference to its respective successors, permitted assigns and permitted transferees;
- 1.2.4 **a person** includes a permitted body corporate, unincorporated association and partnership, in each case, whether or not having a separate legal personality;
- 1.2.5 **a regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
- 1.2.6 **one gender** shall include a reference to other genders; an individual will be treated as including corporations and vice versa; words importing the singular will be treated as including the plural and vice versa and words importing the whole will be treated as including a reference to any part, in each case except where the context specifically requires otherwise;
- 1.2.7 **this Deed or to any provision of this Deed or any other document** (including, without limitation any of the Finance Documents) is a reference to it as amended, restated, supplemented, varied or novated from time to time;
- 1.2.8 **the words include or including** (or any similar term) are not to be construed as implying any limitation and general words introduced by the word **other** (or any similar term) will not be given a restrictive meaning by reason of the fact that they are

preceded or followed by words indicating a particular class of acts, matters or things; and

- 1.2.9 a statute, a statutory provision, enactment or an EC Directive or subordinate legislation is a reference to any amendment, modification, extension, consolidation, replacement or re-enactment of any such statute, statutory provision, enactment or EC Directive, whether before or after the date of this Deed.

1.3 Headings

The clause, paragraph and schedule headings and the table of contents are inserted for ease of reference only and will not affect construction.

1.4 Loan Note Instrument

- 1.4.1 Words and expressions defined in the Loan Note Instrument will have the same meanings when used in this Deed, unless the context otherwise requires. In the case of inconsistency definitions set out in the Loan Note Instrument will prevail.

- 1.4.2 In the event of any inconsistency, ambiguity or discrepancy between the provisions of the Loan Note Instrument and the provisions of this Deed, then the provisions of the Loan Note Instrument shall prevail.

1.5 Third party rights

A person who is not a party to this Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce, or to enjoy, any term of this Deed.

1.6 Avoidance of payments

If the Security Trustee considers an amount paid by the Chargor in respect of the Secured Liabilities is capable of being avoided or otherwise set aside on the insolvency, liquidation or administration of the Chargor or otherwise set aside, that amount shall not have been irrevocably and unconditionally paid for the purposes of this Deed.

1.7 Trust

The Security Trustee holds the benefit of this Deed on trust for the Noteholders.

2 Payment of Secured Liabilities

2.1 Covenant to pay

The Chargor covenants with the Security Trustee, as Security Trustee for itself and the Noteholders, that it will, on demand, pay and discharge all of the obligations which it may at any time have to the Noteholders in respect of the Secured Liabilities.

2.2 Interest on demand

If the Chargor fails to pay any sum on the due date for payment of that sum the Chargor will pay interest on such sum (before and after any judgment) from the date of demand until the date of payment calculated on a daily basis at the Default Rate.

2.3 Right of appropriation

After this Deed has become enforceable in accordance with the Loan Note Instrument the Security Trustee shall be entitled to appropriate monies and/or assets to be applied against the Secured Liabilities in such order or manner as it shall think fit (subject always to clause 11) and any such appropriation shall override any appropriation by the Chargor.

2.4 Appropriation (Financial Collateral)

To the extent that any of the Security Assets constitutes Financial Collateral and this Deed and the obligations of the Chargor hereunder constitute a Security Financial Collateral Arrangement the Security Trustee shall have the right, at any time after this Deed has become enforceable, to appropriate all or any part of such Financial Collateral in or towards payment and/or discharge of the Secured Liabilities in such order as the Security Trustee in its absolute discretion may from time to time determine. For this purpose each of the Chargor and the Security Trustee agrees that the value of such Financial Collateral so appropriated shall be the Cash Collateral, together with any accrued but unposted interest, at the time the right of appropriation is exercised.

3 Security

The Chargor hereby charges in favour of the Security Trustee, as Security Trustee for itself and the Noteholder, with full title guarantee as continuing security for the payment and discharge of the Secured Liabilities by way of first fixed charge all the Chargor's right, title and interest from time to time in or to the Cash Collateral from time to time of any Account in its name with the Account Bank, and the debts represented thereby together with all entitlements to interest and other rights and benefits accruing to or arising in connection therewith.

4 Further assurance

4.1 Further assurance: general

The Chargor will, at its own expense, promptly do all such acts or execute all such documents (including assignments, transfers, charges, notices and instructions) as the Security Trustee may specify (and in such form as the Security Trustee may require in favour of the Security Trustee or its nominee(s)).

- 4.1.1 to perfect or protect the security created or intended to be created in respect of the Security Assets (which may include the execution by the Chargor of a fixed charge or assignment over all or any of the assets constituting, or intended to constitute, Security Assets) or for the exercise of the Collateral Rights; and/or
- 4.1.2 to facilitate the realisation of the Security Assets; and/or
- 4.1.3 to obtain all necessary consents to procure the registration of this Deed at Companies House.

4.2 Consents

The Chargor will obtain (in form and content satisfactory to the Security Trustee) as soon as possible any consents necessary to enable the relevant Security Assets purported to be so charged to be the subject of an effective fixed charge pursuant to clause 3 and, immediately upon obtaining any such consent, the asset concerned shall become subject to such security and the Chargor shall promptly deliver a copy of each such consent to the Security Trustee.

4.3 Preservation of rights

Neither the obligations of the Chargor contained in this Deed nor the rights, powers and remedies conferred in respect of the Chargor upon the Security Trustee or any other Noteholder by the Loan Note Instrument or by law shall be discharged, impaired or otherwise affected by:

- 4.3.1 the winding-up, dissolution, administration or reorganisation of the Chargor or any other person or any change in its status, function, control or ownership;
- 4.3.2 any of the obligations of the Chargor or any other person under the Loan Note Instrument or under any other security relating to the Loan Note Instrument being or becoming illegal, invalid, unenforceable or ineffective in any respect;
- 4.3.3 time or other indulgence being granted or agreed to be granted to the Chargor or any other person in respect of its obligations under the Loan Note Instrument or under any such other security;
- 4.3.4 any amendment to, or any variation, waiver or release of any obligation of the Chargor or any other person under the Loan Note Instrument or under any such other security;
- 4.3.5 any failure to take, or fully to take, any security contemplated by the Loan Note Instrument or otherwise agreed to be taken in respect of the Chargor's or any other person's obligations under the Loan Note Instrument;
- 4.3.6 any failure to realise or fully to realise the value of, or any release, discharge, exchange or substitution of, any security taken or agreed to be

taken in respect of the Chargor's or any other person's obligations under the Loan Note Instrument; or

- 4.3.7 any other act, event or omission which, but for this clause 4.3, might operate to discharge, impair or otherwise affect any of the obligations of the Chargor or any other person or any of the rights, powers or remedies conferred upon the Security Trustee or any of the Noteholder by the Loan Note Instrument or by law.

5 Negative pledge and disposal restrictions

5.1 Negative pledge

The Chargor will not, without the prior written consent of the Security Trustee, create, or permit to arise, or continue (in favour of any person other than the Security Trustee) any Security Interest over the Security Assets now or in the future, or agree or attempt to do so, or increase or extend any liability of the Chargor secured on any of the Security Assets.

5.2 Disposal of Security Assets

The Chargor will not, without the prior written consent of the Security Trustee (whether by a single transaction or number of related or unrelated transactions, and whether at the same time or over a period of time) sell, transfer, assign, lease or otherwise dispose of all or any part of the Security Assets or any interests therein or the right to receive or to be paid the proceeds arising from their disposal or agree or attempt to do so.

6 Representations and warranties

6.1 Duration and to whom made

The representations and warranties made by the Chargor in this clause 6 will remain in force for (and will be deemed repeated on each day falling during) the Security Period and are given to the Security Trustee.

6.2 Matters represented

Except as disclosed in writing to the Security Trustee on or prior to the date of this Deed:

- 6.2.1 the Chargor is the legal and beneficial owner of the Security Assets;

- 6.2.2 there are no agreements, stipulations, reservations, conditions, interests, rights or other matters whatsoever affecting the Security Assets which materially adversely affect or are likely to materially adversely affect the value of the Security Assets or the ability of the Chargor to perform its obligations owed to the Security Trustee; and

6.2.3 the Chargor has received no notice of any adverse claims by any person in respect of the ownership of the Security Assets or any interest therein, nor has any acknowledgement been given to any person in respect thereof which has not been disclosed to the Security Trustee.

6.3 Security created

Subject to registration at Companies House this Deed creates those security interests it purports to create, ranking as set out above and is not liable to be avoided or otherwise set aside on the liquidation or administration of the Chargor or otherwise.

7 General undertakings

7.1 Not to jeopardise the Security

The Chargor will not do or allow to be done anything which would, in the reasonable opinion of the Security Trustee, decrease the value of the Security to the Security Trustee.

7.2 Information and access

The Chargor will at the request of the Security Trustee, promptly provide the Security Trustee with such information as the Security Trustee may reasonably require about the Security Assets and the Chargor's compliance with the terms of this Deed and the Chargor will permit the Security Trustee, its representatives and professional advisers free access at all reasonable times and on reasonable notice to inspect and take copies and extracts from such books, accounts and records of the Chargor as relate to the Security Assets.

7.3 Law

The Chargor will comply with all applicable laws and regulations affecting the Security Assets.

8 The Account(s)

8.1 Account(s)

The Chargor will open and maintain the relevant Account(s) with an Account Bank.

8.2 Notice

The Chargor will promptly give notice to the Account Bank in the form set out in Part I of Schedule 2 and procure that the Account Bank acknowledges that notice substantially in the form set out in Part II of Schedule 2.

8.3 Cash Collateral

The Chargor shall ensure that the Gross Rental Income (and any of it) is paid/ deposited in the Operating Account and that those amounts required to be paid pursuant to clause 13.3.2 of the Loan Note Instrument are deposited into the Account.

8.4 Withdrawal

The Chargor will not withdraw all or any Cash Collateral from any Account without the Security Trustee's prior written consent (such consent not to be unreasonably withheld or delayed where such withdrawal would not, and (in the sole opinion of the Security Trustee (acting reasonably)) is not likely to, result in the amount standing to the credit of the Cash Collateral Account on the Repayment Date being less than the aggregate of the amounts set out in clause 13.3.1 of the Loan Note Instrument).

8.5 Statements

The Chargor will provide to the Security Trustee from time to time at the request of the Security Trustee full statements and particulars of any Account and advise the Security Trustee prior to any change to it.

9 Power to remedy

In the case of default by the Chargor in observing or performing any of the covenants or stipulations affecting the Security Assets, the Chargor will permit the Security Trustee or its agents to do such things or pay all such costs, charges and expenses as the Security Trustee may consider are necessary or desirable to prevent or remedy any breach of covenant or stipulation or to comply with or object to any notice served on the Chargor in respect of the Security Assets. The Chargor will indemnify and keep the Security Trustee indemnified against all losses, costs, charges and expenses reasonably incurred in connection with the exercise of the powers contained in this clause 9.

10 Enforcement of Security

10.1 Enforcement

The Security will constituted by this Deed will be enforceable in accordance with the terms of the Loan Note Instrument. After the Security constituted by this Deed has become enforceable the Security Trustee may, without notice to the Chargor or prior authorisation from any court, in its absolute discretion:

10.1.1 enforce all or any part of that security (at the times, in the manner and on the terms it thinks fit) and take possession of and hold or dispose of all or any part of the Security Assets; and/or

10.1.2 whether or not it has appointed a Receiver, exercise all or any of the powers, authorities and discretions conferred by the Law of Property Act 1925 (as varied or extended by this Deed) on mortgagees and by this Deed on any Receiver or otherwise conferred by law on mortgagees or Receivers.

10.2 Possession

If the Security Trustee, any Receiver or any delegate of any such person takes possession of any of the Security Assets, it or he may at any time relinquish such possession.

10.3 No liability as mortgagee in possession

The Security Trustee will not be liable to account as a mortgagee in possession in respect of all or any part of the Security Assets or be liable for any loss upon realisation or for any neglect, default or omission in connection with the Security Assets to which a mortgagee in possession might otherwise be liable.

10.4 Power of sale

The power of sale under this Deed may be exercised notwithstanding that the Security Trustee or the Receiver may have previously waived or refrained from exercising that power; and no demand or notice of sale made or given under this Deed will be waived by the acceptance of any payment on account of the Secured Liabilities, or by any negotiations between the Security Trustee and the Chargor or any other party who is acting as agent for the Chargor or on behalf of it.

10.5 Receiver's liability

All the provisions of clause 10.3 will apply, mutatis mutandis, in respect of the liability of any Receiver and delegate of the Receiver or the Security Trustee or any officer, employee or agent of the Security Trustee, any Receiver or any delegate.

10.6 Implied powers

For the purposes of all powers implied by statute the Secured Liabilities shall be deemed to have become due and payable on the date hereof and section 93 of the Law of Property Act 1925 (restricting the right of consolidation) shall not apply to the Security.

11 Application of proceeds

All monies received by the Security Trustee or any Receiver in the exercise of any powers conferred by this Deed shall, after the Security shall have become enforceable, be applied in the following order:

11.1 In the payment of:

- 11.1.1 all costs, charges, liabilities and expenses incurred by the Security Trustee or any Receiver in the exercise of those powers or incidental to any Receiver's appointment, together with interest at the Default Rate (both before and after judgment) from the date those amounts became due until the date they are irrevocably paid in full;
- 11.1.2 any Receiver's remuneration;
- 11.1.3 in or towards discharge of all liabilities having priority to the Secured Liabilities;
- 11.1.4 in or towards the satisfaction of the Secured Liabilities in such order as the Security Trustee determines; and

11.1.5 in the payment of any surplus to the Chargor or other person entitled to it.

11.2 The Chargor will have no rights in respect of the application by the Security Trustee of any sums received, recovered or realised by the Security Trustee under this Deed.

12. Appointment of Receiver

12.1 Appointment and removal

At any time after the Security becomes enforceable, the Security Trustee may by deed or otherwise (acting through an authorised officer of the Security Trustee), without prior notice to the Chargor:

12.1.1 appoint one or more persons to be a Receiver of the whole or any part of the Security Assets;

12.1.2 remove (so far as it is lawfully able) any Receiver so appointed; and

12.1.3 appoint another person(s) as an additional or replacement Receiver(s).

12.2 Capacity of Receivers

Each person appointed to be a Receiver under this Deed will be:

12.2.1 entitled to act individually or together with any other person appointed or substituted as Receiver;

12.2.2 for all purposes will be deemed to be the agent of the Chargor which will be solely responsible for his acts, defaults and liabilities and for the payment of his remuneration and no Receiver will at any time act as agent for the Security Trustee; and

12.2.3 entitled to remuneration for his services at a rate to be fixed by the Security Trustee from time to time (without being limited to the maximum rate specified by the Law of Property Act 1925).

12.3 Statutory powers of appointment

The powers of appointment of a Receiver will be in addition to all statutory and other powers of appointment of the Security Trustee under the Insolvency Act 1986, the Law of Property Act 1925 (as extended by this Deed) or otherwise and such powers will remain exercisable (without the restrictions contained in sections 103 and 109 of the Law of Property Act 1925) from time to time by the Security Trustee in respect of any part of the Security Assets.

13 Powers of Receiver

Any Receiver appointed by the Security Trustee will, in addition to all powers conferred on him by the Insolvency Act 1986 and the Law of Property Act 1925, have the power to do all such thing as the absolute owner could do in the management of all Cash Collateral of the Account(s).

14 Protection of purchasers

14.1 Consideration

The receipt of the Security Trustee or any Receiver will be conclusive discharge to a purchaser and, in making any sale or disposal of any of the Security Assets or making any acquisition, the Security Trustee or any Receiver may do so for such consideration, in such manner and on such terms as it thinks fit.

14.2 Protection of purchaser

No purchaser or other person dealing with the Security Trustee or any Receiver will be bound:

- 14.2.1 to inquire whether the right of the Security Trustee or such Receiver to exercise any of its powers has arisen or become exercisable or be concerned with any property or regularity on the part of the Security Trustee or such Receiver in such dealings;
- 14.2.2 to enquire whether the power of the Security Trustee or any Receiver is purporting to exercise loans become exercisable; or
- 14.2.3 to see to the application of any monies paid to the Security Trustee or any Receiver.

15 Power of attorney

15.1 Appointment and powers

The Chargor by way of security irrevocably appoints the Security Trustee and any Receiver severally to be its attorney and in its name, on its behalf and as its act and deed to execute, deliver and perfect all documents and do all things which:

- 15.1.1 the Chargor ought to have done by this Deed (including the execution and delivery of any deeds, charges, assignments or other security and any transfers of the Security Assets); and
- 15.1.2 enable the Security Trustee and any Receiver to exercise, or delegate the exercise of, any of the rights, powers and authorities conferred on them by or pursuant to this Deed or by law (including the exercise of any right of a legal or beneficial owner of the Security Assets);

15.2 Ratification

The Chargor will ratify and confirm all things lawfully done and all documents executed by any attorney in the exercise or purported exercise of all or any of his powers.

16 Effectiveness of Security

16.1 Continuing security

The Security will remain in full force and effect as a continuing security for the Secured Liabilities during the Security Period.

16.2 Cumulative rights

The Security and the Collateral Rights will be cumulative, in addition to and independent of every other security which the Security Trustee may at any time hold for the Secured Liabilities or any other obligations or any rights, powers and remedies provided by law. No prior security held by the Security Trustee over the whole or any part of the Security Assets will merge into the Security.

16.3 No prejudice

Neither the Security nor the Collateral Rights will be prejudiced by any time or indulgence granted to the Chargor or any other person or by any other thing which might otherwise prejudice the Security or any Collateral Right.

16.4 Remedies and waivers

No failure on the part of the Security Trustee to exercise, or any delay on its part in exercising, any Collateral Right will operate as a waiver thereof, nor will any single or partial exercise of any Collateral Right preclude any further or other exercise of that or any other Collateral Right.

16.5 No liability

None of the Security Trustee, its nominee(s) or any Receiver will be liable by reason of:

16.5.1 taking any action permitted by this Deed; or

16.5.2 any neglect or default in connection with the Security Assets; or

16.5.3 taking possession of or realising all or any part of the Security Assets,

except in the case of negligence or wilful default or fraud upon its or his part.

16.6 Partial invalidity

If, at any time, any provision of this Deed 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 of this Deed nor of such provision under the laws of any other jurisdiction will in any way be affected or impaired thereby and, if any part of the Security is invalid, unenforceable or ineffective for any reason, that will not affect or impair any other part of the Security.

16.7 Other security

The Security Trustee will not be obliged to resort to any guarantees, indemnities, Security Interests or other means of payment now or hereafter held by or available to it before enforcing this Deed and no action taken or omitted by the Security Trustee in connection with any such guarantees, indemnities, Security Interests or other means of payment will discharge, reduce, prejudice or affect the liability of the Chargor or the Secured Liabilities nor will the Security Trustee be obliged to account for any money or other property received or recovered in consequence of any enforcement or realisation of any such guarantees, indemnities, Security Interests or other means of payment.

16.8 Variation

No variation of the terms of this Deed will be valid unless it is in writing executed as a deed by the Chargor and confirmed in writing by the Security Trustee.

17 Release of Security

Upon the expiry of the Security Period the Security Trustee will, at the request and cost of the Chargor, release and cancel the Security and procure the reassignment to the Chargor of the Security Assets pursuant to this Deed, in each case subject to clause 1.6, and without recourse to, or any representation or warranty by, the Security Trustee or any of its nominees.

18 Subsequent Security Interests

If the Security Trustee at any time receives or is deemed to have received notice of any subsequent Security Interest affecting all or any part of the Security Assets or any assignment or transfer of the Security Assets which is prohibited by the terms of this Deed, all payments thereafter by or on behalf of the Chargor to the Security Trustee will 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 as at the time when the Security Trustee received such notice.

19 Assignment

19.1 Right of Security Trustee to assign

The Security Trustee may at any time assign or otherwise transfer all or any part of its rights under this Deed in accordance with the terms of the Security Trust Deed (including without limitation clauses 9 and 12.4 of the Security Trust Deed).

19.2 Restriction on Chargor

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

19.3 Confidentiality

The Security Trustee may give such information relating to the Chargor and the Secured Liabilities as it thinks fit to any person proposing to take an assignment and/or transfer from the Security Trustee and/or to enter into contractual relations with the Security Trustee with respect to this Deed subject to any restrictions imposed by the Data Protection Act 2018, the General Data Protection Regulations 2016/679 or other applicable data protection law and regulation.

20 Expenses, stamp taxes and indemnity

20.1 Expenses

The Chargor will, from time to time on demand of the Security Trustee, reimburse the Security Trustee on a full indemnity basis for all reasonable and properly incurred costs and expenses (including legal fees) together with any VAT thereon properly incurred by it or by any Receiver in connection with:

- 20.1.1 the negotiation, preparation and execution of this Deed and the completion of the transactions and perfection of the security contemplated in this Deed; or
- 20.1.2 the exercise, preservation and/or enforcement of any of the Collateral Rights or the Security or any proceedings instituted by or against the Security Trustee or any Receiver as a consequence of taking or holding the security or of enforcing the Collateral Rights,

and such expenses will carry interest until so reimbursed at the Default Rate.

20.2 Stamp taxes

The Chargor will pay all stamp, stamp duty land tax, registration and other Tax to which this Deed, the Security or any judgment given in connection with it is or at any time may be subject and will, from time to time, indemnify the Security Trustee on demand against any liabilities, costs, claims and expenses resulting from any failure to pay or delay in paying any such Tax.

20.3 Indemnity

The Chargor will, notwithstanding any release or discharge of all or any part of the Security, indemnify the Security Trustee, its agents, attorneys and any Receiver against any action, proceeding, claims, losses, liabilities and costs which it may sustain as a consequence of any breach by the Chargor of the provisions of this Deed, the exercise or purported exercise of any of the rights and powers conferred on them by this Deed or otherwise relating to the Security Assets (for the avoidance of doubt the Security Trustee shall be fully indemnified against any losses, liabilities or costs incurred in administering the Account).

21 Payments free of deduction

All payments to be made under this Deed will be made free and clear of and without deduction or withholding whatsoever for or on account of any Tax except to the extent that the Chargor is required by law to make such payment subject to the deduction or withholding of any Tax. If any Tax or amount in respect of Tax is required to be deducted from any amounts payable or paid by the Chargor, the Chargor will pay such additional amounts as may be necessary to ensure that after the making of the deduction or withholding which is required the relevant recipient receives and retains (free from any liability in respect of any such deduction or withholding) a net amount equal to the full amount which it would have received and retained had no such deduction or withholding been made.

22 Discretion and delegation

22.1 Discretion

Any liberty or power which may be exercised or any determination which may be made hereunder by the Security Trustee or any Receiver may, be exercised or made in its absolute and unfettered discretion without any obligation to give reasons.

22.2 Delegation

Each of the Security Trustee and any Receiver will have full power to delegate (either generally or specifically) the powers, authorities and discretions conferred on it by this Deed (including the power of attorney) on such terms and conditions as it sees fit which delegation may include power to sub-delegate and will not preclude either the subsequent exercise of such power, authority or discretion by the Security Trustee or the Receiver itself or any subsequent delegation or revocation thereof.

23 Perpetuity period

The perpetuity period under the rule against perpetuities, if applicable to this Deed, will be the period of 125 years from the date of this Deed (as specified in section 5(1) of the Perpetuities and Accumulations Act 2009).

24 Counterparts

This Deed may be executed in counterparts, all of which when taken together will constitute a single deed.

25 Constitutive documents

The Chargor hereby certifies that its creation of this deed in favour of the Security Trustee does not contravene any of the provisions of the Companies Act 2006 or its memorandum and articles of association.

26 Reorganisation

This Deed will remain binding on the Chargor notwithstanding any change in the constitution of the Security Trustee or any of the other Noteholder or its absorption by, or amalgamation with, or the acquisition of all or part of its undertaking by, any other person, or any reconstruction or reorganisation of any kind. The Security will remain valid and effective in all respects in favour of the Security Trustee and for any assignee, transferee or other successor in title of the Security Trustee.

27 Set-off

The Security Trustee may set off any matured obligation due from the Chargor under this Deed against any matured obligation owed by the Security Trustee to the Chargor (whether actual or contingent, present or future), 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.

28 Payment of monies

28.1 Date for payment

Where neither the Loan Note Instrument nor this Deed specifies the due date for payment of any monies owed by the Chargor to any of the Noteholder such monies will be due and payable to such Noteholder by the Chargor on demand.

28.2 Currency

The Chargor's liability under this Deed is to discharge the Secured Liabilities in Sterling. If at any time the Security Trustee receives a payment (including by set-off) referable to any of the Secured Liabilities from any source in a currency other than Sterling, then such payment will take effect as a payment to the Security Trustee of the amount in Sterling which the Security Trustee is able to purchase (after deduction of any relevant costs) with the amount of the payment so received in accordance with its usual practice.

28.3 Currency indemnity

If a payment is made under a court order or in satisfaction of a claim or proof and is treated by clause 28.2 as a payment of an amount which falls short of the relevant liability of the Chargor expressed in Sterling, the Chargor as a separate and independent obligation will on demand from time to time indemnify the Security Trustee against such shortfall and pay interest on such shortfall from the date of such payment to the date on which the shortfall is paid.

28.4 Certificates

A certificate signed by an official of the Security Trustee as to the amount due or owing from the Chargor will be conclusive evidence against the Chargor except in the case of manifest error or any question of law.

29 Notices

29.1 Service

Any notice or communication to be given in connection with this Deed will be in writing and delivered by hand or sent by first class prepaid post and:

29.1.1 sent to the Chargor at:

Century Buildings, 14 St Mary's Parsonage, Manchester, United Kingdom,
M3 2DF

Attention: Joe Billingham;

29.1.2 sent to the Security Trustee at:

Creation House, 7a Alkmaar Way, Norwich International Business Centre,
Norwich, Norfolk NR6 6BF

Attention: Jason Howard;

Unless either party has communicated another address to the other in which case it must be sent to the last address so communicated.

29.2 Receipt by Chargor

A notice or communication sent by the Security Trustee to the Chargor under clause 29 will be deemed to have been received:

29.2.1 if delivered by hand, at the time of delivery; or

29.2.2 if sent by first class pre-paid post, on the second Business Day after posting.

29.3 Receipt by Security Trustee

Any notice or communication given to the Security Trustee by the Chargor shall be deemed to have been received only on actual receipt.

29.4 Confirmation in writing

The Chargor may not rely on any oral notice, waiver, consent, approval, representation, advice, statement or other communication by the Security Trustee or any of its employees, agents or representatives except where such communications are confirmed in writing and signed for the Security Trustee pursuant to this clause 29.

29.5 Electronic communication

29.5.1 Any communication to be made between the Chargor and the Security Trustee under or in connection with this Deed may be made by electronic mail or other electronic means to the extent that they agree that, unless and

until notified to the contrary, this is to be an accepted form of communication and if they:

- (a) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and
- (b) notify each other of any change to their address or any other such information supplied by them by not less than five Business Days' notice.

29.5.2 Any electronic communication made between the Chargor and the Security Trustee will be effective only when actually received in readable form and in the case of any electronic communication made by the Chargor to the Security Trustee only if it is addressed in such a manner as Security Trustee shall specify for this purpose.

29.5.3 Any electronic communication which becomes effective, in accordance with clause 29.5.2 above, after 5.00 pm in the place of receipt shall be deemed only to become effective on the following Business Day.

30. Governing law and jurisdiction

30.1 Governing law

This Deed and any non-contractual obligations arising out of or in connection with it shall be governed by, and be construed in accordance with, the laws of England.

30.2 Exclusive jurisdiction

The courts of England have exclusive jurisdiction to settle any dispute arising in connection with this Deed (a **Dispute**). The parties agree that these courts are the most appropriate and convenient courts to settle any Dispute that arises under or in connection with this Deed and accordingly neither party will argue to the contrary.



30.3 Benefit of the Security Trustee

This clause 30.3 is for the benefit of the Security Trustee only. As a result the Security Trustee will 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 as a deed by the parties and is delivered and takes effect on the date at the beginning of this Deed.

Schedule 1

Details of the Account(s)

Name of Account	Number of Account	Details of Account Bank and Sort Code
Residential Rent Receivable Secured Loan Note Limited		Bank: Barclays Bank plc Sort Code: 

Schedule 2

Part I - Notice of charge to Account Bank

To: [Account Bank]

The Property Investor Partnership Ltd

Date:

Notice of charge

We hereby give notice that, by a charge dated [•] made between Residential Rents Receivable Secured Loan Note Limited (the **Chargor**) (1) and The Property Investor Partnership Ltd (the **Security Trustee**) (2) (the **Charge**), the Chargor charged to the Security Trustee all its rights, title and interest present and future over the following account opened by it with you:

Account name	Account number	Sort code
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(the **Account**) as continuing security for the obligations more particularly referred to in the **Charge**.

The Chargor hereby gives you notice that, pursuant to the **Charge**, it has with full title guarantee charged to the Security Trustee all its rights, title and interest in and to all amounts standing to the credit of the **Account** from time to time together with all entitlements to interest and other rights and benefits accruing to or arising in connection therewith (the **Account Funds**).

In connection therewith and by way of continuing security for its obligations to the Security Trustee the Chargor hereby irrevocably and unconditionally instructs and authorises you (notwithstanding any previous instructions whatsoever which it may have given you to the contrary):

- 1 to disclose to the Security Trustee without any reference to or further authority from the Chargor and without any enquiry by you as to the justification for such disclosure, such information relating to the **Account Funds** and the debt represented thereby as the Security Trustee may, at any time and from time to time, request you to disclose to it;
- 2 to comply with the terms of any written notice, statement or instructions in any way relating or purporting to relate to the **Account Funds** or the debt represented thereby which you receive at any time and from time to time from the Security Trustee without any reference to or further authority from the Chargor and without any enquiry by you as to the jurisdiction for such notice, statement or instructions or the validity thereof; [and]

- 3 only to accept instructions from the Security Trustee in connection with any payments from or withdrawals from the Account, at any time and from time to time, and to comply with all such instructions;

OR

- 4 to accept all instructions from the Security Trustee in connection with any payments from or withdrawals from the Account, at any time and from time to time, and to comply with all such instructions, save that until you receive notice to the contrary from the Security Trustee, all instructions relating to payments from or withdrawals from the Account may be validly given by us. Upon receipt of such notice to the contrary from the Security Trustee, you hereby agree to accept and comply with all such instructions from the Security Trustee in connection with any payments from or withdrawals from the Account.

The instructions and authorisations which are contained in this letter will remain in full force and effect until the Security Trustee gives you notice in writing revoking them.

[In consideration of your accepting the instructions and authorisations which are contained in this letter the Chargor will at all times indemnify you and keep you indemnified from and against all actions, suits, proceedings, claims, demands, liabilities, damages, costs, expenses, losses and charges whatsoever in relation to or arising out of your acting on or complying with such instructions and authorisations and the Chargor will pay or reimburse to you on demand the amount of all losses, costs and expenses whatsoever suffered or incurred from time to time by you under or by reason or in consequence of you acting or complying with such instructions and authorisations.]

This letter and any non contractual obligations arising out of or in connection with it shall be governed by, and construed in accordance with, the laws of England.

Would you please acknowledge receipt of this letter and your acceptance of the instructions and authorisations contained in it by sending a letter addressed to us and to the Security Trustee in the form attached hereto.

Yours faithfully

.....
Authorised Signatory

for and on behalf of Residential Rents Receivable Secured Loan Note Limited

Part II - Form of acknowledgement from the Account Bank to the Security Trustee

To: **Residential Rents Receivable Secured Loan Note Limited**

The Property Investor Partnership Ltd

Dated:

Dear Sirs

Acknowledgement of notice

Account number [] Sort Code [] (the Account)

We hereby acknowledge receipt of a letter (a copy of which is attached hereto) dated [] and addressed to us by [] and hereby accept the instructions and authorisations contained therein and undertake to act in accordance and comply with the terms thereof.

We hereby acknowledge and confirm to each of the Chargor and the Security Trustee that we have not, as at the date hereof, received any notice that any third party has or will have any right or interest whatsoever in or has made or will be making any claim or demand or taking any action whatsoever against the Account Funds or the debt represented thereby or any part thereof.

We hereby acknowledge and confirm to each of the Chargor and the Security Trustee that we will not make any claim or demand or exercise any rights of counterclaim, rights of set-off or any other equities whatsoever against the Chargor in respect of the Account Funds or the debt represented thereby or any part thereof.

We agree that in the event of our receiving notice at any time that any person or entity other than the Chargor or the Security Trustee claims to have or claims it will acquire any right or interest whatsoever in the Account Funds or any part thereof we will immediately give written notice of the terms thereof to both the Security Trustee and the Chargor.

We have made the acknowledgements and confirmations and have given the undertakings set out in this letter in the knowledge that they are required by the Security Trustee in connection with the security which has been constituted by the Chargor in favour of the Security Trustee under the Charge.

The expressions defined or used in your letter mentioned in the opening paragraph hereof will, unless the context otherwise requires, have the same meanings in this letter.

This letter and any non contractual obligations arising out of or in connection with it shall be governed by, and construed in accordance with, the laws of England.

Yours faithfully

.....
Duly authorised signatory
for and on behalf of
[Account Bank]

Signatories

signed as a deed by)
Residential Rents Receivable Secured Loan Note Limited)
acting by Jonathan Edward Billingham)
(director) in the presence of)

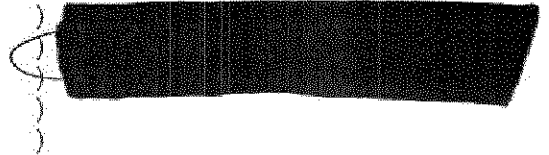
signature of witness:

name:

address:

occupation:

signed as a deed by
The Property Investor Partnership Ltd
acting by Simon Alexander Marzell, a director
in its capacity as Security Trustee
in the presence of

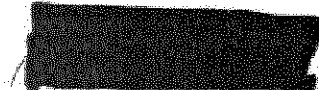


signature of witness:

name:

address:

occupation:


JOATINA SANTILY
46 PAINE ROAD, NORWICH, NR7 9UN
MARKETING & ADMINISTRATION